

**THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

## **Independent Auditor's Report**

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

### **My opinion**

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

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

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

### **Basis for opinion**

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

## Key audit matters

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

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

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

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

### Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Sudwin Panyawongkhanti**  
Certified Public Accountant (Thailand) No. 3534  
Bangkok  
22 February 2018

**Thonburi Healthcare Group Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statements of Comprehensive Income**

**For the year ended 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Comprehensive Income**

**For the year ended 31 December 2017**

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

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

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

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

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

Thonburi Healthcare Group Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2017

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

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

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

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

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

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

**Thonburi Healthcare Group Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2017**

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

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

## **1 General information**

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

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

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

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

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

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

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

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

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

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

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

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

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

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

### **2.2 Revised accounting and financial reporting standards**

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

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

## 2 Significant accounting policies (Cont'd)

### 2.2 Revised accounting and financial reporting standards

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

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

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

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

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

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

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

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

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

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

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

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

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

**2 Significant accounting policies (Cont'd)**

**2.3 Foreign currency translation**

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

**2.4 Cash and cash equivalents**

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

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

**2.5 Trade accounts receivable**

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

**2 Accounting policies (Cont'd)**

**2.6 Inventories**

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

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

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

**2.7 Cost of developing holistic care project**

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

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

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

**a) Subsidiaries**

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

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

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

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

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

**2 Accounting policies (Cont'd)**

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

**a) Subsidiaries (Cont'd)**

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

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

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

**b) Transactions with non-controlling interests**

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

**c) Disposal of subsidiaries**

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

**d) Business combination under common control**

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

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

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

**e) Associates**

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

**2 Accounting policies (Cont'd)**

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

**f) Joint arrangements**

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

Joint operations

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

Joint venture

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

**g) Accounting under equity method**

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

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

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

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

**h) Separate financial statements**

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

**2 Accounting policies (Cont'd)**

**2.9 Other investments**

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

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

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

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

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

General investments are carried at cost less impairment loss.

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

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

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

**2 Accounting policies (Cont'd)**

**2.10 Investment Property**

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

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

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

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

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

|           |          |
|-----------|----------|
| Buildings | 20 Years |
|-----------|----------|

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

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

**2.11 Property, plant and equipment**

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

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

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

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

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

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

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

## **2 Accounting policies (Cont'd)**

### **2.12 Goodwill**

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

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

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

### **2.13 Intangible assets**

#### Computer software

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

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

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

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

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

### **2.14 Land leasehold rights and leased buildings**

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

### **2.15 Borrowing costs**

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

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

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

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

**2 Accounting policies (Cont'd)**

**2.16 Impairment of assets**

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

**2.17 Accounting for long-term leases**

Finance leases - where the Group is the lessee

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

Operating leases - where the Group is the lessee

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

Operating leases - where the Group is the lessor

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

**2.18 Borrowings**

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

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

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

**2 Accounting policies (Cont'd)**

**2.19 Current and deferred income taxes**

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

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

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

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

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

**2.20 Employee benefits**

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

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

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

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

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

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

**2 Accounting policies (Cont'd)**

**2.21 Provident fund**

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

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

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

**2.22 Provisions - general**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

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

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

**2.23 Financial assets and financial liabilities**

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

**2.24 Share capital**

Ordinary shares with discretionary dividends are classified as equity.

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

**2 Accounting policies (Cont'd)**

**2.25 Revenue recognition**

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

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

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

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

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

Other revenues are recognised on the following bases:

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

**2.26 Finance costs**

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

**2.27 Dividend payment**

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

**2.28 Segment reporting**

Consolidated financial statements

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

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

Separate financial statements

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

### **3 Financial risk management**

#### **3.1 Financial risk factors**

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

##### **3.1.1 Liquidity risk**

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

##### **3.1.2 Credit risk**

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

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

##### **3.1.3 Foreign exchange risk**

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

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

##### **3.1.4 Interest rate risk**

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

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

**Thonburi Healthcare Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**3 Financial risk management (Cont'd)**

**3.1 Financial risk factors (Cont'd)**

**3.1.4 Interest rate risk (Cont'd)**

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

|  | 2017                              |                      |                    |                             |                                |                      |              | 2017                          |                      |                    |                             |                                |                      |              |
|--|-----------------------------------|----------------------|--------------------|-----------------------------|--------------------------------|----------------------|--------------|-------------------------------|----------------------|--------------------|-----------------------------|--------------------------------|----------------------|--------------|
|  | Consolidated financial statements |                      |                    |                             |                                |                      |              | Separate financial statements |                      |                    |                             |                                |                      |              |
|  | Fixed interest rate               |                      |                    | Floating interest rate Baht | Non-interest bearing rate Baht | Total Baht           | Interest (%) | Fixed interest rate           |                      |                    | Floating interest rate Baht | Non-interest bearing rate Baht | Total Baht           | Interest (%) |
| Within 1 year Baht   | 1 - 5 years Baht                  | Over 5 years Baht    | Within 1 year Baht |                             |                                |                      |              | 1 - 5 years Baht              | Over 5 years Baht    |                    |                             |                                |                      |              |
| <b>Financial assets</b>  |                                   |                      |                    |                             |                                |                      |              |                               |                      |                    |                             |                                |                      |              |
| Cash and cash equivalents  | 618,608                           | -                    | -                  | 367,939,491                 | 213,310,863                    | 581,868,962          | 0.12 - 1.30  | -                             | -                    | -                  | 207,731,008                 | 165,094,108                    | 372,825,116          | 0.12 - 0.75  |
| Short-term investments at financial institutions                 | 16,984                            | -                    | -                  | -                           | -                              | 16,984               | 1.00 - 1.05  | -                             | -                    | -                  | -                           | -                              | -                    | -            |
| Short-term investments   | -                                 | -                    | -                  | -                           | -                              | -                    | -            | -                             | -                    | -                  | -                           | -                              | -                    | -            |
| Trade and other accounts receivable (net)                        | -                                 | -                    | -                  | -                           | 142,943,367                    | 142,943,367          | -            | -                             | -                    | -                  | -                           | 776,638,142                    | 776,638,142          | -            |
| Short-term loan to related parties                               | -                                 | -                    | -                  | -                           | 718,218,410                    | 718,218,410          | -            | 1,768,677,245                 | -                    | -                  | -                           | -                              | 1,768,677,245        | 3.75 - 8.00  |
| Restricted deposits at financial institutions                    | 9,932,143                         | -                    | -                  | -                           | -                              | 9,932,143            | 0.37 - 1.05  | 2,552,700                     | -                    | -                  | -                           | -                              | 2,552,700            | 1.00         |
| Long-term loans to related parties                               | -                                 | -                    | -                  | -                           | -                              | -                    | -            | 81,300,000                    | -                    | -                  | -                           | -                              | 81,300,000           | 7.50         |
|  | <u>10,567,735</u>                 | <u>-</u>             | <u>-</u>           | <u>367,939,491</u>          | <u>1,074,472,640</u>           | <u>1,452,979,866</u> |              | <u>1,852,529,945</u>          | <u>-</u>             | <u>-</u>           | <u>207,731,008</u>          | <u>941,732,250</u>             | <u>3,011,993,203</u> |              |
| <b>Financial liabilities</b>                                     |                                   |                      |                    |                             |                                |                      |              |                               |                      |                    |                             |                                |                      |              |
| Bank overdrafts and short-term loans from financial institutions | 114,817,705                       | -                    | -                  | 14,238,970                  | -                              | 129,056,675          | Ref. MRR     | -                             | -                    | -                  | -                           | -                              | -                    | -            |
| Trade and other accounts payable                                 | -                                 | -                    | -                  | -                           | 925,605,877                    | 925,605,877          | MLR and MOR  | -                             | -                    | -                  | -                           | 679,819,000                    | 679,819,000          | -            |
| Long-term loans from financial institutions                      | 100,000,000                       | 2,526,704,450        | 915,541,315        | -                           | -                              | 3,542,245,765        | Ref. MLR     | 100,000,000                   | 2,526,704,450        | 915,541,315        | -                           | -                              | 3,542,245,765        | Ref. MLR     |
| Finance lease liabilities (net)                                  | 2,691,399                         | 9,440,874            | -                  | -                           | -                              | 12,132,273           | 3.75 - 4.32  | 2,390,405                     | 9,119,760            | -                  | -                           | -                              | 11,510,165           | 3.85 - 4.31  |
| Liabilities under land leasehold rights                          | 1,000,000                         | 2,000,000            | -                  | -                           | -                              | 3,000,000            | -            | -                             | -                    | -                  | -                           | -                              | -                    | -            |
|  | <u>218,509,104</u>                | <u>2,538,145,324</u> | <u>915,541,315</u> | <u>14,238,970</u>           | <u>925,605,877</u>             | <u>4,612,040,590</u> |              | <u>102,390,405</u>            | <u>2,535,824,210</u> | <u>915,541,315</u> | <u>-</u>                    | <u>679,819,000</u>             | <u>4,233,574,930</u> |              |

**Thonburi Healthcare Group Public Company Limited**  
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**For the year ended 31 December 2017**

**3 Financial risk management (Cont'd)**

**3.1 Financial risk factors (Cont'd)**

**3.1.4 Interest rate risk (Cont'd)**

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 December 2017 and 2016 as follows: (Cont'd)

|  | 2016                              |                    |                    |                             |                                |                      |                      | 2016                          |                   |          |                             |                                |                      |              |
|--|-----------------------------------|--------------------|--------------------|-----------------------------|--------------------------------|----------------------|----------------------|-------------------------------|-------------------|----------|-----------------------------|--------------------------------|----------------------|--------------|
|  | Consolidated financial statements |                    |                    |                             |                                |                      |                      | Separate financial statements |                   |          |                             |                                |                      |              |
|  | Fixed interest rate               |                    |                    | Floating interest rate Baht | Non-interest bearing rate Baht | Total Baht           | Interest (%)         | Fixed interest rate           |                   |          | Floating interest rate Baht | Non-interest bearing rate Baht | Total Baht           | Interest (%) |
| Within 1 year Baht   | 1 - 5 years Baht                  | Over 5 years Baht  | Within 1 year Baht |                             |                                |                      |                      | 1 - 5 years Baht              | Over 5 years Baht |          |                             |                                |                      |              |
| <b>Financial assets</b>  |                                   |                    |                    |                             |                                |                      |                      |                               |                   |          |                             |                                |                      |              |
| Cash and cash equivalents  | 5,600,954                         | -                  | -                  | 281,193,197                 | 273,612,651                    | 560,406,802          | 0.10 - 1.50          | -                             | -                 | -        | 203,007,463                 | 258,519,025                    | 461,526,488          | 0.12 - 0.75  |
| Short-term investments at financial institutions                 | 11,178                            | -                  | -                  | -                           | -                              | 11,178               | 1.10 - 1.15          | -                             | -                 | -        | -                           | -                              | -                    | -            |
| Short-term investments   | -                                 | -                  | -                  | -                           | 140,161,731                    | 140,161,731          | -                    | -                             | -                 | -        | -                           | 119,505,035                    | 119,505,035          | -            |
| Trade and other accounts receivable (net)                        | -                                 | -                  | -                  | -                           | 500,835,884                    | 500,835,884          | -                    | -                             | -                 | -        | -                           | 547,640,312                    | 547,640,312          | -            |
| Short-term loans to related parties                              | -                                 | -                  | -                  | -                           | -                              | -                    | -                    | 1,055,036,600                 | -                 | -        | -                           | -                              | 1,055,036,600        | 4.50 - 8.00  |
| Restricted deposits at financial institutions                    | 4,482,946                         | 2,552,700          | -                  | -                           | -                              | 7,035,646            | 0.37 - 1.38          | -                             | 2,552,700         | -        | -                           | -                              | 2,552,700            | 1.38         |
| Long-term loans to related parties                               | -                                 | -                  | -                  | -                           | -                              | -                    | -                    | -                             | 81,300,000        | -        | -                           | -                              | 81,300,000           | 7.50         |
|  | <b>10,095,078</b>                 | <b>2,552,700</b>   | <b>-</b>           | <b>281,193,197</b>          | <b>914,610,266</b>             | <b>1,208,451,241</b> |                      | <b>1,055,036,600</b>          | <b>83,852,700</b> | <b>-</b> | <b>203,007,463</b>          | <b>925,664,372</b>             | <b>2,267,561,135</b> |              |
| <b>Financial liabilities</b>                                     |                                   |                    |                    |                             |                                |                      |                      |                               |                   |          |                             |                                |                      |              |
| Bank overdrafts and short-term loans from financial institutions | 1,121,107,788                     | -                  | -                  | 17,746,504                  | -                              | 1,138,854,292        | Ref. MRR MLR and MOR | 956,500,000                   | -                 | -        | -                           | -                              | 956,500,000          | Ref. MRR     |
| Trade and other accounts payable                                 | -                                 | -                  | -                  | -                           | 813,453,271                    | 813,453,271          | -                    | -                             | -                 | -        | -                           | 665,148,590                    | 665,148,590          | -            |
| Long-term loans from financial institutions                      | -                                 | 340,000,000        | -                  | 2,584,030,669               | -                              | 2,924,030,669        | Ref. MRR and MLR     | -                             | -                 | -        | 2,546,500,000               | -                              | 2,546,500,000        | Ref. MLR     |
| Finance lease liabilities (net)                                  | 773,625                           | 512,720            | -                  | -                           | -                              | 1,286,345            | 2.50 - 4.32          | 534,810                       | -                 | -        | -                           | -                              | 534,810              | 2.50 - 3.95  |
|  | <b>1,121,881,413</b>              | <b>340,512,720</b> | <b>-</b>           | <b>2,601,777,173</b>        | <b>813,453,271</b>             | <b>4,877,624,577</b> |                      | <b>957,034,810</b>            | <b>-</b>          | <b>-</b> | <b>2,546,500,000</b>        | <b>665,148,590</b>             | <b>4,168,683,400</b> |              |

**3 Financial risk management (Cont'd)**

**3.2 Accounting for derivative financial instruments and hedging activities**

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

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

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

**3.3 Fair value estimation**

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

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

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

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

**Financial instruments in level 1**

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

**Financial instruments in level 2**

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

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

#### **4 Critical accounting estimates, assumptions and judgements**

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

##### **Critical accounting estimates and assumptions**

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

##### Employee benefit obligations

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

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

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

##### Allowance for doubtful accounts

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

##### Deferred tax

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

##### Allowance for impairment of investment

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

##### Property, plant and equipment and depreciation

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

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

##### Goodwill and intangible assets

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

##### Provisions

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

**5 Capital risk management**

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

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

**Thonburi Healthcare Group Public Company Limited**  
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**6 Segment information**

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

| Certain part of the consolidated statements of comprehensive income for the years ended 31 December 2017 and 2016 (Baht) |                     |                 |                     |               |                              |               |  |              |                      |      |             |             |                 |                 |
|--|---------------------|-----------------|---------------------|---------------|------------------------------|---------------|--|--------------|----------------------|------|-------------|-------------|-----------------|-----------------|
|  | Hospital operations |                 | Hospital management |               | Healthcare solution provider |               | Development and sales of hospital operation software |              | Property development |      | Elimination |             | Total           |                 |
|  | 2017                | 2016            | 2017                | 2016          | 2017                         | 2016          | 2017   | 2016         | 2017                 | 2016 | 2017        | 2016        | 2017            | 2016            |
| Revenue from hospital operations   | 5,361,832,690       | 5,182,376,413   | -                   | -             | -                            | -             | -  | -            | -                    | -    | (3,735,834) | (175,240)   | 5,358,096,856   | 5,182,201,173   |
| Revenue from sale of goods   | -                   | -               | -                   | -             | 405,688,459                  | 386,234,868   | -  | -            | -                    | -    | (5,527,082) | (5,196,850) | 400,161,377     | 381,038,018     |
| Revenue from other services  | -                   | -               | 814,760,252         | 632,947,386   | 13,796,491                   | 13,419,806    | 29,143,916   | 24,916,779   | -                    | -    | (4,302,260) | (5,849,824) | 853,398,399     | 665,434,147     |
| Cost of hospital operations  | (3,869,951,183)     | (3,705,859,756) | -                   | -             | -                            | -             | -  | -            | -                    | -    | 5,068,417   | 4,888,092   | (3,864,882,766) | (3,700,971,664) |
| Cost of goods sold   | -                   | -               | -                   | -             | (271,955,784)                | (256,438,498) | -  | -            | -                    | -    | 453,219     | 310,434     | (271,502,565)   | (256,128,064)   |
| Cost of other services   | -                   | -               | (631,313,189)       | (543,672,423) | (5,699,595)                  | (5,022,968)   | (16,150,472)   | (13,368,532) | -                    | -    | 8,317,524   | 737,500     | (644,845,732)   | (561,326,423)   |
| Segment income   | 1,491,881,507       | 1,476,516,657   | 183,447,063         | 89,274,963    | 141,829,571                  | 138,193,208   | 12,993,444   | 11,548,247   | -                    | -    | 273,984     | (5,285,888) | 1,830,425,569   | 1,710,247,187   |
| Unallocated revenues and expenses :  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             |                 |                 |
| Other income   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | 117,401,299     | 104,755,873     |
| Selling and administrative expenses  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (1,005,396,502) | (854,840,378)   |
| Net gain (loss) on exchange rate   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (7,002,194)     | (7,352,567)     |
| Other expenses   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (3,237,717)     | (6,823,017)     |
| Reverse of (allowance for) impairment of investment  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | -               | (18,466,520)    |
| Finance costs  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (160,500,638)   | (177,114,456)   |
| Share of profit (loss) from investment in  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             |                 |                 |
| - associates   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | 36,075,420      | 42,673,056      |
| - joint ventures   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (124,869,937)   | (88,620,124)    |
| Income tax   |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | (117,951,413)   | (160,468,389)   |
| Net profit for the year  |                     |                 |                     |               |                              |               |  |              |                      |      |             |             | 564,943,887     | 543,990,665     |

**Thonburi Healthcare Group Public Company Limited**  
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**6 Segment information (Cont'd)**

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

**Certain part of the consolidated statements of financial position as at 31 December 2017 and 2016 (Baht)**

|                              | Hospital operations   |                       | Hospital management |                    | Healthcare solution provider |                      | Development and sales of hospital operation software |                   | Property development |                      | Elimination            |                        | Total                 |                       |
|------------------------------|-----------------------|-----------------------|---------------------|--------------------|------------------------------|----------------------|--|-------------------|----------------------|----------------------|------------------------|------------------------|-----------------------|-----------------------|
|                              | 2017                  | 2016                  | 2017                | 2016               | 2017                         | 2016                 | 2017   | 2016              | 2017                 | 2016                 | 2017                   | 2016                   | 2017                  | 2016                  |
| Segment assets               | 6,103,096,553         | 4,410,036,911         | 484,302,830         | 297,203,704        | 1,829,151,649                | 1,743,245,880        | 22,040,710   | 11,346,288        | 10,914,986           | 13,810,386           | 1,073,160,384          | (64,894,382)           | 9,522,667,112         | 6,410,748,787         |
| Investments at equity method | 1,324,085,156         | 1,099,285,956         | -                   | -                  | -                            | -                    | -  | -                 | -                    | -                    | (128,984,865)          | (20,442,519)           | 1,195,100,291         | 1,078,843,437         |
| Unallocated assets           | 8,589,955,383         | 5,450,115,450         | 149,147,097         | 116,850,155        | 68,096,286                   | 28,344,107           | -  | -                 | 1,812,643,548        | 1,667,893,811        | (7,327,895,286)        | (4,292,637,439)        | 3,291,947,028         | 2,970,566,084         |
| <b>Total assets</b>          | <b>16,017,137,092</b> | <b>10,959,438,317</b> | <b>633,449,927</b>  | <b>414,053,859</b> | <b>1,897,247,935</b>         | <b>1,771,589,987</b> | <b>22,040,710</b>                                    | <b>11,346,288</b> | <b>1,823,558,534</b> | <b>1,681,704,197</b> | <b>(6,383,719,767)</b> | <b>(4,377,974,340)</b> | <b>14,009,714,431</b> | <b>10,460,158,308</b> |
| Segment liabilities          | 1,322,085,148         | 2,287,744,119         | 125,661,760         | 47,306,237         | 803,132,109                  | 615,735,880          | 8,591,665  | 5,861,974         | 5,577,869            | 4,953,876            | (586,578,450)          | (213,476,116)          | 1,678,470,101         | 2,748,125,970         |
| Unallocated liabilities      | 3,558,305,924         | 2,410,805,612         | 48,865,596          | 48,270,500         | 16,767,573                   | 2,636,110            | 30,275,799   | 24,331,871        | 1,633,235,698        | 1,446,428,290        | (1,621,009,900)        | (1,376,032,140)        | 3,666,440,690         | 2,556,440,243         |
| <b>Total liabilities</b>     | <b>4,880,391,072</b>  | <b>4,698,549,731</b>  | <b>174,527,356</b>  | <b>95,576,737</b>  | <b>819,899,682</b>           | <b>618,371,990</b>   | <b>38,867,464</b>                                    | <b>30,193,845</b> | <b>1,638,813,567</b> | <b>1,451,382,166</b> | <b>(2,207,588,350)</b> | <b>(1,589,508,256)</b> | <b>5,344,910,791</b>  | <b>5,304,566,213</b>  |

**7 Cash and cash equivalents**

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

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

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

**8 Short-term investments at financial institutions**

|  | Consolidated<br>financial statements |               | Separate<br>financial statements |              |
|--|--------------------------------------|---------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht  | 2017<br>Baht                     | 2016<br>Baht |
| Cash at banks - 12-month fixed deposit | 16,984                               | 11,178        | -                                | -            |
|  | <u>16,984</u>                        | <u>11,178</u> | <u>-</u>                         | <u>-</u>     |

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

**9 Short-term investments**

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

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

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

**9 Short-term investments (Cont'd)**

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

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

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

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

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

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

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

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

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

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

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

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**9 Short-term investments (Cont'd)**

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

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

**10 Trade and other accounts receivable (net)**

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

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

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

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

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

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

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

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

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

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

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

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

**11 Short-term loan to other company**

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

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

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

**12 Inventories (net)**

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

**12 Inventories (net) (Cont'd)**

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

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

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

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

**13 Cost of developing holistic care project**

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

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

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

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

**14 Restricted deposits at financial institutions**

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

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

**15 Long-term investments in equity securities**

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

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

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

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

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

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

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

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

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

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

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

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

16 Investments in associates (net)

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

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

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

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

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

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

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

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

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

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

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

Dividend payment of an associate - Sirivej Chanthaburi Public Company Limited

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

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

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

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

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

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

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

Summarised financial information for significant associates

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

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

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

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

Reconciliation of summarised financial information

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

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

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

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

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

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

Summarised financial statements of subsidiaries with material non-controlling interests

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

Summarised statements of financial position

|  | 2017 (Thousand Baht)                      |                       |                                       |                                      | Total          |
|--|---|-----------------------|---------------------------------------|--------------------------------------|----------------|
|  | Rajyindee Hospital Public Company Limited | Dental Siam Co., Ltd. | Thonburi Realty Development Co., Ltd. | Modular Software Expertise Co., Ltd. |                |
| <b>Current</b>                             |   |                       |                                       |                                      |                |
| Assets                                     | 182,039                                   | 191,248               | 2,320                                 | 16,584                               | 392,191        |
| Liabilities                                | (54,353)                                  | (186,085)             | (469,902)                             | (32,088)                             | (742,428)      |
| Total net current assets (liabilities)     | 127,686                                   | 5,163                 | (467,582)                             | (15,504)                             | (350,237)      |
| <b>Non-current</b>                         |   |                       |                                       |                                      |                |
| Assets                                     | 532,523                                   | 14,692                | 352,303                               | 5,457                                | 904,975        |
| Liabilities                                | (39,823)                                  | (4,801)               | -                                     | (6,779)                              | (51,403)       |
| Total net non-current assets (liabilities) | 492,700                                   | 9,891                 | 352,303                               | (1,322)                              | 853,572        |
| <b>Net assets (liabilities)</b>            | <b>620,386</b>                            | <b>15,054</b>         | <b>(115,279)</b>                      | <b>(16,826)</b>                      | <b>503,335</b> |

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

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

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

Summarised statements of financial position (Cont'd)

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

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

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

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

Summarised statements of comprehensive income

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

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

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

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

Summarised statements of comprehensive income (Cont'd)

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

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

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

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

Summarised statements of Cash flow

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

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

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

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

Summarised statements of Cash flow (Cont'd)

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

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

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

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

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

- c) Consolidation preparation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

h) Consideration of allowance for impairment of investments

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

**18 Investments in joint ventures (net)**

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

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

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

b) Investment in People's Republic of China

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

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

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

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

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

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

c) Investment in Republic of the Union of Myanmar

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

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

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

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

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**18 Investments in joint ventures (Cont'd)**

The detail of joint ventures is as follows :

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

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

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

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**18 Investments in joint ventures (Cont'd)**

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

**Summarised statement of financial position**

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

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

18 Investments in joint ventures (Cont'd)

Reconciliation of summarised financial information

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

Summarised financial information

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

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

**19 Other long-term investments (net)**

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

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

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

|   | Consolidated financial statements |       |                    |   |                    |                    | Separate financial statements           |                    |                    |   |                    |                    |   |                    |
|---|-----------------------------------|-------|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|---|--------------------|--------------------|---|--------------------|
|   | Shareholding percentage           |       | 2017               |   |                    | 2016               |   |                    | 2017               |   |                    | 2016               |   |                    |
|   | 2017                              | 2016  | Investments        | Allowance for impairment of investments | Investments (net)  | Investments        | Allowance for impairment of investments | Investments (net)  | Investments        | Allowance for impairment of investments | Investments (net)  | Investments        | Allowance for impairment of investments | Investments (net)  |
|   | %                                 | %     | Baht               | Baht                                    | Baht               |
| <b>General investments in ordinary shares</b> |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| <b>General investments of the Company</b>     |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| <b>- Other companies</b>                      |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| Roi - Et Thonburi Hospital Co., Ltd.          | 19.88                             | 19.88 | 39,343,800         | -                                       | 39,343,800         | 39,343,800         | -                                       | 39,343,800         | 39,343,800         | -                                       | 39,343,800         | 39,343,800         | -                                       | 39,343,800         |
| Petchpraya General Hospital Co., Ltd.         | -                                 | 12.22 | -                  | -                                       | -                  | 18,466,520         | (18,466,520)                            | -                  | -                  | -                                       | -                  | 18,466,520         | (18,466,520)                            | -                  |
| Thanakarn Hospital Co., Ltd.                  | 11.33                             | 11.33 | 8,674,633          | -                                       | 8,674,633          | 8,674,633          | -                                       | 8,674,633          | 8,674,633          | -                                       | 8,674,633          | 8,674,633          | -                                       | 8,674,633          |
| Ratchaphruek Hospita Public Company Limited   | -                                 | 10.00 | -                  | -                                       | -                  | 43,651,198         | -                                       | 43,651,198         | -                  | -                                       | -                  | 43,651,198         | -                                       | 43,651,198         |
| Kalasin - Thonburi Hospital Co., Ltd.         | 10.00                             | 10.00 | 30,000,000         | -                                       | 30,000,000         | 15,000,000         | -                                       | 15,000,000         | 30,000,000         | -                                       | 30,000,000         | 15,000,000         | -                                       | 15,000,000         |
| Rachathani Rojana Hospital Co., Ltd.          | 8.70                              | 8.70  | 29,694,800         | -                                       | 29,694,800         | 29,694,800         | -                                       | 29,694,800         | 29,694,800         | -                                       | 29,694,800         | 29,694,800         | -                                       | 29,694,800         |
| Phitsanulok Inter Medical Co., Ltd.           | 5.00                              | 5.00  | 8,000,000          | (1,917,119)                             | 6,082,881          | 8,000,000          | (1,917,119)                             | 6,082,881          | 8,000,000          | (1,917,119)                             | 6,082,881          | 8,000,000          | (1,917,119)                             | 6,082,881          |
| Thepakorn Hospital Co., Ltd.                  | 0.20                              | 0.20  | 136,400            | -                                       | 136,400            | 136,400            | -                                       | 136,400            | 136,400            | -                                       | 136,400            | 136,400            | -                                       | 136,400            |
| <b>- Related companies</b>                    |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| Phatara Hospital Co., Ltd.                    | 16.67                             | 16.67 | 25,000,000         | -                                       | 25,000,000         | 25,000,000         | -                                       | 25,000,000         | 19,147,348         | -                                       | 19,147,348         | 19,147,348         | -                                       | 19,147,348         |
| Chumvej Hospital Public Company Limited       | 7.89                              | 7.89  | 14,165,505         | -                                       | 14,165,505         | 12,509,489         | -                                       | 12,509,489         | 14,165,505         | -                                       | 14,165,505         | 12,509,489         | -                                       | 12,509,489         |
| Computed Tomography Urupong Co., Ltd.         | 0.75                              | 0.75  | 750,000            | -                                       | 750,000            | 750,000            | -                                       | 750,000            | 750,000            | -                                       | 750,000            | 750,000            | -                                       | 750,000            |
| <b>General investments of subsidiaries</b>    |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| <b>- Related companies</b>                    |                                   |       |                    |   |                    |                    |   |                    |                    |   |                    |                    |   |                    |
| Thanarat Thung Song Company Limited           | 14.00                             | 14.00 | 50,400,000         | -                                       | 50,400,000         | 44,800,000         | -                                       | 44,800,000         | -                  | -                                       | -                  | -                  | -                                       | -                  |
| Rajnara Hospital Company Limited              | 14.00                             | 14.00 | 28,000,000         | -                                       | 28,000,000         | 28,000,000         | -                                       | 28,000,000         | -                  | -                                       | -                  | -                  | -                                       | -                  |
| Siroros Hospital Public Company Limited       | 11.83                             | 13.33 | 20,294,517         | -                                       | 20,294,517         | 15,294,517         | -                                       | 15,294,517         | -                  | -                                       | -                  | -                  | -                                       | -                  |
| Salatan Medical Center Company Limited        | -                                 | 10.00 | -                  | -                                       | -                  | 125,000            | -                                       | 125,000            | -                  | -                                       | -                  | -                  | -                                       | -                  |
|   |                                   |       | <b>254,459,655</b> | <b>(1,917,119)</b>                      | <b>252,542,536</b> | <b>289,446,357</b> | <b>(20,383,639)</b>                     | <b>269,062,718</b> | <b>149,912,486</b> | <b>(1,917,119)</b>                      | <b>147,995,367</b> | <b>195,374,188</b> | <b>(20,383,639)</b>                     | <b>174,990,549</b> |

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

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

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

a) Investment in Siroros Hospital Public Company Limited

On 29 June 2017, the subsidiary - Rajyindee Hospital Public Company Limited paid share payment of Siroros Hospital Public Company Limited for 5,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,000,000. The Company has the rights for payment of 40,000,000 ordinary shares capital increase while the Company has reserved and paid the share payment lower than its rights. Such payment affect its shareholding interest of subsidiary - Rajyindee Hospital Public Company Limited decreased from 13.33% to 11.83%.

b) Investment in Ratchaphruek Hospital Public company Limited

On 23 February 2016, the Company additionally invested in Ratchaphruek Hospital Public Company Limited by the purchase of 527,124 shares at Baht 22.80 per share, totalling Baht 12,018,428. Such investment did not affect the Company's shareholding interest.

In February 2017, the Company reclassified investment in Ratchaphruek Hospital Public Company Limited from other long-term investment to long-term investment in equity security with fair value in amounting to Baht 210.19 million since that Company registered with the Stock Exchange of Thailand.

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

c) Investment in Chumvej Hospital Public Company Limited

On 7 August 2017 and 29 November 2017, the Company paid for the ordinary shares of Chumvej Hospital Public Company Limited for 828,008 shares at Baht 2.00 per share, totalling Baht 1,656,016. Such payment did not affect its shareholding interest.

d) Investment in Rajthanee Hospital Public Company Limited

In September 2016, the Company reclassified investment in Rajthanee Hospital Public Company Limited from other long-term investment to long-term investment in equity securities with fair value in amounting to Baht 392.58 million since that Company registered with the Stock Exchange of Thailand.

e) Investments in Thanarat Thung Song Company Limited and Rajnara Hospital Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

On 25 February 2016, the subsidiary sold investment in Thanarat Thung Song Co., Ltd. by the sales of 400,000 shares at Baht 5.00 per share to Mr. Kim Christian Warfight who is a related individual totalling Baht 2,000,000 by receiving the money in February 2016. The Group has no gain from disposals of such investment. From sales of investment, the shareholding interest of the subsidiary - Rajyindee Hospital Public Co., Ltd. decreases from 15.00% to 14.00%.

On 25 February 2016, the subsidiary sold investment in Rajnara Hospital Co., Ltd. by the sales of 1,200,000 shares at Baht 10.00 per share to Mr. Kim Christian Warfight who is a related individual totalling Baht 12,000,000 by receiving the money in February 2016. The Group has no gain from disposals of such investment. From sales of investments, the shareholding interest of the subsidiary - Rajyindee Hospital Public Company Limited decreases from 20.00% to 14.00%

On 28 March 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

On 26 July 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

On 20 December 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. amounting to Baht 5,600,000 for 5,600,000 ordinary shares at Baht 1.00 per share. Such payment did not affect its shareholding interest.

During the year 2016, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. totalling Baht 16,800,000.

On 30 March 2017, the subsidiary additionally paid for the investment in Thanarat Thung Song Co., Ltd. for 5,600,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,600,000. Such payment did not affect its shareholding interest.

f) Investment in Salatan Medical Center Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

On 11 March 2016, the subsidiary received the refund of shares from Salatan Medical Center Co., Ltd. amounting to Baht 375,000 (50,000 ordinary shares at Baht 7.50 each) since the company has made a capital reduction of 75.00% of share capital. Repayment of the capital reduction did not affect the shareholding interest of a subsidiary.

Salatan Medical Center Company Limited registered the liquidation on 7 February 2017.

On 11 May 2017, the subsidiary received the ordinary shares refund amounting to Baht 256,575 from the liquidation of Salatan Medical Center Company Limited. The subsidiary has already recognised share of profit from liquidation amounting to Baht 131,575 in the statements of comprehensive income.

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

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

On 27 May 2016, the Company invested in Kalasin-Thonburi Hospital Co., Ltd. by the purchase of 3,000,000 shares at Baht 10.00 per share. The Company already paid 50.00% of such shares amounting to Baht 15,000,000 (3,000,000 shares at Baht 5.00 each) which is 10.00% of shareholding interest.

On 30 May 2017, the Company additionally paid for investment in Kalasin - Thonburi Hospital Co., Ltd. for 3,000,000 ordinary shares at Baht 5.00 per share, totalling Baht 15,000,000. Such payment did not affect its shareholding interest

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

At the Board of Extraordinary Shareholders' Meeting of Rachathani Rojana Hospital Co., Ltd. No. 2/2016 dated on 2 November 2016, the shareholders unanimously approved the increase in registered share capital from Baht 230,000,000 (23,000,000 ordinary shares at par Baht 10.00 each) to Baht 270,000,000 by issuance 4,000,000 ordinary shares at par Baht 10.00 per share, totalling Baht 40,000,000 to the existing shareholders in proportion of 23 previous ordinary shares to 4 new ordinary shares at Baht 25.00 each. In November 2016, the Company additionally invested in Rachathani Rojana Hospital Co., Ltd. by the purchase of 347,826 ordinary shares at Baht 25.00 per share, totalling Baht 8,694,800. Such investment did not affect the Company's shareholding interest.

i) Investment in Petchpraya General Hospital Co., Ltd.

On 22 August 2017, the Company received the ordinary shares refund amounting to Baht 379,845 from the liquidation of Petchpraya General Hospital Co., Ltd.. The Company reversed allowance for impairment of investment and recognised gain from liquidation amounting to Baht 379,845 in the statement of comprehensive income.

j) Consideration of allowance for impairment of investments

As at 31 December 2017, the Group's management has reviewed allowance for impairment of other long-term investments by considering the previous loss from operation, future expected estimated loss and other factors and consider to set the allowance for impairment amounting to Baht 1,917,119 (2016 : Baht 20,383,639) for consolidated and separate financial statements.

k) Others

During 2017, the Group received dividend income from other long-term investments amounting to Baht 13,591,637 and the Company amounting to Baht 12,591,637 (2016 : the Group of Baht 20,987,660 and the Company of Baht 20,962,860) (Note 37).

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**20 Investment properties (net)**

|  | <b>Consolidated financial statements</b> |                           |                       |
|--|--|---------------------------|-----------------------|
|  | <b>Land<br/>Baht</b>                     | <b>Buildings<br/>Baht</b> | <b>Total<br/>Baht</b> |
| <b>As at 1 January 2016</b>                |  |                           |                       |
| Cost                                       | 1,964,728,317                            | 3,117,225                 | 1,967,845,542         |
| <u>Less</u> Accumulated depreciation       | -  | (716,356)                 | (716,356)             |
| <u>Less</u> Allowance for impairment       | (294,728,021)                            | -                         | (294,728,021)         |
| Net book value                             | <u>1,670,000,296</u>                     | <u>2,400,869</u>          | <u>1,672,401,165</u>  |
| <b>For the year ended 31 December 2016</b> |  |                           |                       |
| Opening net book value                     | 1,670,000,296                            | 2,400,869                 | 1,672,401,165         |
| Depreciation charge                        | -  | (155,808)                 | (155,808)             |
| Impairment charge                          | (3,159,484)                              | -                         | (3,159,484)           |
| Closing net book value                     | <u>1,666,840,812</u>                     | <u>2,245,061</u>          | <u>1,669,085,873</u>  |
| <b>As at 31 December 2016</b>              |  |                           |                       |
| Cost                                       | 1,964,728,317                            | 3,117,225                 | 1,967,845,542         |
| <u>Less</u> Accumulated depreciation       | -  | (872,164)                 | (872,164)             |
| <u>Less</u> Allowance for impairment       | (297,887,505)                            | -                         | (297,887,505)         |
| Net book value                             | <u>1,666,840,812</u>                     | <u>2,245,061</u>          | <u>1,669,085,873</u>  |
| <b>For the year ended 31 December 2017</b> |  |                           |                       |
| Opening net book value                     | 1,666,840,812                            | 2,245,061                 | 1,669,085,873         |
| Additions                                  | 144,827,737                              | -                         | 144,827,737           |
| Depreciation charge                        | -  | (155,808)                 | (155,808)             |
| Closing net book value                     | <u>1,811,668,549</u>                     | <u>2,089,253</u>          | <u>1,813,757,802</u>  |
| <b>As at 31 December 2017</b>              |  |                           |                       |
| Cost                                       | 2,109,556,054                            | 3,117,225                 | 2,112,673,279         |
| <u>Less</u> Accumulated depreciation       | -  | (1,027,972)               | (1,027,972)           |
| <u>Less</u> Allowance for impairment       | (297,887,505)                            | -                         | (297,887,505)         |
| Net book value                             | <u>1,811,668,549</u>                     | <u>2,089,253</u>          | <u>1,813,757,802</u>  |

In 2<sup>nd</sup> quarter of 2017, a related company - Gled Hill International Co., Ltd. was called for the additional tax of Baht 144.83 million from sales of land to a subsidiary - Rajthanee Realty Co., Ltd in 2015. This is due to the transfer of its business of such related company did not meet the term and condition to business transfer completely. Moreover, as specified in the mutual contract made between a related company and a subsidiary dated on 4 December 2015, determined that in any case of responsibilities being arisen to a related company after the date of business transfer, a subsidiary agreed to take all those responsibilities on behalf of the related party. A subsidiary agrees to pay back those additional tax that was charged to the related party, by dividing into 6 installments, 1<sup>st</sup> - 5<sup>th</sup> installment is Baht 24.00 million each and 6<sup>th</sup> installment is Baht 24.83 million. A subsidiary recorded such expense as a part of cost of acquisition of investment properties as at 31 December 2017.

As at 31 December 2017 and 2016, the Group's management reviewed the allowance for impairment of investment properties of subsidiaries - Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd. and considered to recognise allowance for impairment amounting to Baht 294,728,021 and Baht 3,159,484, respectively in the consolidated financial statements.

As at 31 December 2017 and 2016, fair values of the investment properties under land and buildings category of the Group were assessed by independent professionally qualified valuer, who has experience in the location and type of investment properties assessed. The assessment was performed using market approach for land and buildings. The fair values are within level 2 of the fair value hierarchy.

As at 31 December 2017, fair values of investment properties under land and buildings (not included the land which in the lawsuit as mentioned in note 47) category assessed in the consolidated financial statements are Baht 2,874,863,735 (2016 : Baht 2,874,453,745).

As at 31 December 2017 and 2016, investment properties - land which have book value (net) in amounting to Baht 35.50 million in the lawsuit as mentioned in Note 47.

As at 31 December 2017 and 2016, the Company has no investment property.

**20 Investment properties (net) (Cont'd)**

Amounts recognised in profit or loss that are related to investment properties (net) for the years ended 31 December 2017 and 2016 are as follows:

|   | Consolidated<br>financial statements |                   | Separate<br>financial statements |              |
|---|--------------------------------------|-------------------|----------------------------------|--------------|
|   | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht |
| Revenue   |                                      |                   |                                  |              |
| Rental income   | 36,036,000                           | 27,039,000        | -                                | -            |
| Service income  | -                                    | -                 | -                                | -            |
|   | <u>36,036,000</u>                    | <u>27,039,000</u> | <u>-</u>                         | <u>-</u>     |
| Expense   |                                      |                   |                                  |              |
| Direct operating expense arising from investment properties that generated rental income and service income for the year        | 77,808                               | 77,808            | -                                | -            |
| Direct operating expense arising from investment properties that did not generate rental income and service income for the year | 78,000                               | 78,000            | -                                | -            |
|   | <u>155,808</u>                       | <u>155,808</u>    | <u>-</u>                         | <u>-</u>     |

**Thonburi Healthcare Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**21 Property, plant and equipment (net)**

|  | Consolidated financial statements |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
|--|-----------------------------------|-----------------------------------|-----------------|---|----------------------------------|--------------------------|-------------------------------------|---------------|--------------------|---|-----------------|
|  | Land Baht                         | Unutilised land in operation Baht | Buildings Baht  | Building improvements and utility system Baht | Medical tools and equipment Baht | Tools and equipment Baht | Furniture and office equipment Baht | Computer Baht | Motor vehicle Baht | Assets under installation and construction in progress Baht | Total Baht      |
| <b>As at 1 January 2016</b>                          |                                   |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
| Cost   | 517,786,860                       | 155,476,062                       | 2,523,186,787   | 451,330,859                                   | 1,207,923,405                    | 222,178,968              | 113,791,350                         | 94,293,220    | 71,059,696         | 119,320,695   | 5,476,347,902   |
| Less Accumulated depreciation                        | -                                 | -                                 | (1,047,714,992) | (355,959,430)                                 | (922,115,332)                    | (176,694,806)            | (86,709,654)                        | (72,237,236)  | (57,261,479)       | -   | (2,718,692,929) |
| Net book value                                       | 517,786,860                       | 155,476,062                       | 1,475,471,795   | 95,371,429                                    | 285,808,073                      | 45,484,162               | 27,081,696                          | 22,055,984    | 13,798,217         | 119,320,695   | 2,757,654,973   |
| <b>For the year ended 31 December 2016</b>           |                                   |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
| Opening net book value                               | 517,786,860                       | 155,476,062                       | 1,475,471,795   | 95,371,429                                    | 285,808,073                      | 45,484,162               | 27,081,696                          | 22,055,984    | 13,798,217         | 119,320,695   | 2,757,654,973   |
| Additions  | 2,297,101,746                     | -                                 | 18,800,480      | 27,396,855                                    | 91,877,214                       | 18,517,171               | 9,067,706                           | 41,585,307    | 7,749,803          | 293,177,686   | 2,805,273,968   |
| Transfer in (out)                                    | -                                 | -                                 | 231,525,437     | 28,581,926                                    | -                                | -                        | -                                   | -             | -                  | (260,107,363)   | -               |
| Reclassify - cost                                    | -                                 | -                                 | (11,614,624)    | 11,614,624                                    | 5,199                            | (979,047)                | -                                   | 973,848       | -                  | -   | -               |
| - accumulated depreciation                           | -                                 | -                                 | 10,107,232      | (10,107,232)                                  | (5,198)                          | 791,194                  | -                                   | (785,996)     | -                  | -   | -               |
| Disposals - cost                                     | -                                 | -                                 | -               | -   | (9,259,756)                      | (930,864)                | (53,356)                            | (409,731)     | (1,359,737)        | -   | (12,013,444)    |
| - accumulated depreciation                           | -                                 | -                                 | -               | -   | 9,142,252                        | 924,412                  | 41,875                              | 364,884       | 1,333,826          | -   | 11,807,249      |
| Write-off - cost                                     | -                                 | -                                 | (9,770,082)     | (1,139,837)                                   | (20,123,837)                     | (8,298,871)              | (3,805,767)                         | (91,203)      | (1,879,065)        | -   | (45,108,662)    |
| - accumulated depreciation                           | -                                 | -                                 | 6,714,681       | 1,139,833                                     | 19,839,942                       | 8,254,824                | 3,601,410                           | 71,577        | 1,822,862          | -   | 41,445,129      |
| Depreciation charge                                  | -                                 | -                                 | (73,426,113)    | (37,583,357)                                  | (86,146,113)                     | (13,839,061)             | (9,664,824)                         | (7,166,509)   | (5,566,600)        | -   | (233,392,577)   |
| Closing net book value                               | 2,814,888,606                     | 155,476,062                       | 1,647,808,806   | 115,274,241                                   | 291,137,776                      | 49,923,920               | 26,268,740                          | 56,598,161    | 15,899,306         | 152,391,018   | 5,325,666,636   |
| <b>As at 31 December 2016</b>                        |                                   |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
| Cost   | 2,814,888,606                     | 155,476,062                       | 2,752,127,998   | 517,784,427                                   | 1,270,422,225                    | 230,487,357              | 118,999,933                         | 136,351,441   | 75,570,697         | 152,391,018   | 8,224,499,764   |
| Less Accumulated depreciation                        | -                                 | -                                 | (1,104,319,192) | (402,510,186)                                 | (979,284,449)                    | (180,563,437)            | (92,731,193)                        | (79,753,280)  | (59,671,391)       | -   | (2,898,833,128) |
| Net book value                                       | 2,814,888,606                     | 155,476,062                       | 1,647,808,806   | 115,274,241                                   | 291,137,776                      | 49,923,920               | 26,268,740                          | 56,598,161    | 15,899,306         | 152,391,018   | 5,325,666,636   |
| <b>For the year ended 31 December 2017</b>           |                                   |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
| Opening net book value                               | 2,814,888,606                     | 155,476,062                       | 1,647,808,806   | 115,274,241                                   | 291,137,776                      | 49,923,920               | 26,268,740                          | 56,598,161    | 15,899,306         | 152,391,018   | 5,325,666,636   |
| Additions from acquisition of subsidiary - cost      | -                                 | -                                 | 19,790,642      | -   | -                                | 897,721                  | 290,727                             | 944,590       | -                  | -   | 21,923,680      |
| - accumulated depreciation                           | -                                 | -                                 | (19,170,363)    | -   | -                                | (782,937)                | (267,915)                           | (878,914)     | -                  | -   | (21,100,129)    |
| Additions  | 4,150,991                         | -                                 | 20,426,824      | 26,397,185                                    | 174,551,406                      | 14,167,258               | 12,981,301                          | 27,639,021    | 894,005            | 412,951,144   | 694,159,135     |
| Borrowing costs                                      | 1,943,644                         | -                                 | 272,045         | -   | -                                | -                        | -                                   | -             | -                  | 480,670   | 2,696,359       |
| Transfer from advance payment for fixed assets       | -                                 | -                                 | -               | -   | -                                | -                        | -                                   | -             | -                  | 2,700,000   | 2,700,000       |
| Transfer to cost of developing holistic care project | (915,804,136)                     | -                                 | -               | -   | -                                | -                        | -                                   | -             | -                  | (2,881,744)   | (918,685,880)   |
| Transfer in (out)                                    | -                                 | -                                 | 293,098,624     | 151,726,401                                   | 846,816                          | 10,522,483               | 897,779                             | 11,169,173    | -                  | (468,261,276)   | -               |
| Reclassify - cost                                    | -                                 | -                                 | -               | (62,600)                                      | -                                | -                        | 62,600                              | -             | -                  | -   | -               |
| - accumulated depreciation                           | -                                 | -                                 | -               | 2,805   | -                                | -                        | (2,805)                             | -             | -                  | -   | -               |
| Disposals - cost                                     | (22,500)                          | -                                 | (436,322)       | (922,554)                                     | (22,307,558)                     | (3,312,285)              | (634,620)                           | (3,821,132)   | (178,583)          | -   | (31,635,554)    |
| - accumulated depreciation                           | -                                 | -                                 | 436,322         | 922,550                                       | 22,279,616                       | 3,159,441                | 620,902                             | 3,806,447     | 148,150            | -   | 31,373,428      |
| Write-off - cost                                     | -                                 | -                                 | (402,550)       | (637,381)                                     | (22,737,839)                     | (22,165,577)             | (976,767)                           | (1,773,446)   | -                  | -   | (48,693,560)    |
| - accumulated depreciation                           | -                                 | -                                 | 402,550         | 637,381                                       | 21,635,648                       | 21,061,174               | 743,337                             | 1,699,838     | -                  | -   | 46,179,928      |
| Depreciation charge                                  | -                                 | -                                 | (90,922,047)    | (41,816,099)                                  | (89,162,403)                     | (15,808,037)             | (11,254,550)                        | (16,713,332)  | (5,434,088)        | -   | (271,110,556)   |
| Impairment charge                                    | -                                 | -                                 | -               | -   | -                                | (11,385)                 | -                                   | -             | -                  | (673,565)   | (684,950)       |
| Closing net book value                               | 1,905,156,605                     | 155,476,062                       | 1,871,304,531   | 251,521,929                                   | 376,243,462                      | 57,651,776               | 28,728,729                          | 78,670,406    | 11,328,790         | 96,706,247  | 4,832,788,537   |
| <b>As at 31 December 2017</b>                        |                                   |                                   |                 |   |                                  |                          |                                     |               |                    |   |                 |
| Cost   | 1,905,156,605                     | 155,476,062                       | 3,084,877,261   | 694,285,478                                   | 1,400,775,050                    | 230,596,957              | 131,620,953                         | 170,509,647   | 76,286,119         | 97,379,812  | 7,946,963,944   |
| Less Accumulated depreciation                        | -                                 | -                                 | (1,213,572,730) | (442,763,549)                                 | (1,024,531,588)                  | (172,933,796)            | (102,892,224)                       | (91,839,241)  | (64,957,329)       | -   | (3,113,490,457) |
| Allowance for impairment                             | -                                 | -                                 | -               | -   | -                                | (11,385)                 | -                                   | -             | -                  | (673,565)   | (684,950)       |
| Net book value                                       | 1,905,156,605                     | 155,476,062                       | 1,871,304,531   | 251,521,929                                   | 376,243,462                      | 57,651,776               | 28,728,729                          | 78,670,406    | 11,328,790         | 96,706,247  | 4,832,788,537   |

**Thonburi Healthcare Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**21 Property, plant and equipment (net) (Cont'd)**

**Separate financial statements**

|  | Land<br>Baht | Unutilised<br>land<br>in operation<br>Baht | Buildings<br>Baht | Building<br>improvements<br>and utility<br>system<br>Baht | Medical<br>tools and<br>equipment<br>Baht | Tools and<br>equipment<br>Baht | Furniture<br>and office<br>equipment<br>Baht | Computer<br>Baht | Motor<br>vehicle<br>Baht | Assets under<br>installation and<br>construction<br>in progress<br>Baht | Total<br>Baht   |
|--|--------------|--|-------------------|---|---|--------------------------------|--|------------------|--------------------------|---|-----------------|
| <b>As at 1 January 2016</b>                    |              |  |                   |   |   |                                |  |                  |                          |   |                 |
| Cost   | 429,538,714  | 155,476,062                                | 2,372,037,557     | 310,340,356   | 956,532,831                               | 182,980,629                    | 89,259,669                                   | 77,382,604       | 43,242,883               | 118,872,878   | 4,735,664,183   |
| Less Accumulated depreciation                  | -            | -  | (913,555,999)     | (257,083,978)   | (783,974,039)                             | (151,108,914)                  | (67,047,519)                                 | (59,399,138)     | (33,617,877)             | -   | (2,265,787,464) |
| Net book value                                 | 429,538,714  | 155,476,062                                | 1,458,481,558     | 53,256,378  | 172,558,792                               | 31,871,715                     | 22,212,150                                   | 17,983,466       | 9,625,006                | 118,872,878   | 2,469,876,719   |
| <b>For the year ended 31 December 2016</b>     |              |  |                   |   |   |                                |  |                  |                          |   |                 |
| Opening net book value                         | 429,538,714  | 155,476,062                                | 1,458,481,558     | 53,256,378  | 172,558,792                               | 31,871,715                     | 22,212,150                                   | 17,983,466       | 9,625,006                | 118,872,878   | 2,469,876,719   |
| Additions                                      | 566,281,317  | -  | 9,690,131         | 24,647,368  | 62,305,109                                | 12,012,202                     | 8,252,002                                    | 38,606,544       | 7,749,804                | 263,817,458   | 993,361,935     |
| Transfer in (out)                              | -            | -  | 229,188,988       | 13,495,000  | -   | -                              | -  | -                | -                        | (242,683,988)   | -               |
| Disposals - cost                               | -            | -  | -                 | -   | (9,172,356)                               | (709,880)                      | (53,356)                                     | (188,320)        | (1,296,500)              | -   | (11,420,412)    |
| - accumulated depreciation                     | -            | -  | -                 | -   | 9,054,856                                 | 709,874                        | 41,875                                       | 149,617          | 1,296,498                | -   | 11,252,720      |
| Write-off - cost                               | -            | -  | (5,357,835)       | -   | (19,247,823)                              | (7,272,563)                    | (87,633)                                     | (25,987)         | (1,244,594)              | -   | (33,236,435)    |
| - accumulated depreciation                     | -            | -  | 2,302,471         | -   | 19,222,378                                | 7,263,043                      | 84,033                                       | 24,709           | 1,244,592                | -   | 30,141,226      |
| Depreciation charge                            | -            | -  | (70,086,666)      | (21,285,909)  | (57,330,990)                              | (8,633,454)                    | (8,005,014)                                  | (4,760,790)      | (4,348,352)              | -   | (174,451,175)   |
| Closing net book value                         | 995,820,031  | 155,476,062                                | 1,624,218,647     | 70,112,837  | 177,389,966                               | 35,240,937                     | 22,444,057                                   | 51,789,239       | 13,026,454               | 140,006,348   | 3,285,524,578   |
| <b>As at 31 December 2016</b>                  |              |  |                   |   |   |                                |  |                  |                          |   |                 |
| Cost   | 995,820,031  | 155,476,062                                | 2,605,558,841     | 348,482,724   | 990,417,761                               | 187,010,388                    | 97,370,682                                   | 115,774,841      | 48,451,593               | 140,006,348   | 5,684,369,271   |
| Less Accumulated depreciation                  | -            | -  | (981,340,194)     | (278,369,887)   | (813,027,795)                             | (151,769,451)                  | (74,926,625)                                 | (63,985,602)     | (35,425,139)             | -   | (2,398,844,693) |
| Net book value                                 | 995,820,031  | 155,476,062                                | 1,624,218,647     | 70,112,837  | 177,389,966                               | 35,240,937                     | 22,444,057                                   | 51,789,239       | 13,026,454               | 140,006,348   | 3,285,524,578   |
| <b>For the year ended 31 December 2017</b>     |              |  |                   |   |   |                                |  |                  |                          |   |                 |
| Opening net book value                         | 995,820,031  | 155,476,062                                | 1,624,218,647     | 70,112,837  | 177,389,966                               | 35,240,937                     | 22,444,057                                   | 51,789,239       | 13,026,454               | 140,006,348   | 3,285,524,578   |
| Additions                                      | 4,150,991    | -  | 15,753,401        | 24,359,470  | 161,362,428                               | 10,324,511                     | 8,296,105                                    | 23,279,798       | 894,005                  | 318,857,973   | 567,278,682     |
| Transfer from advance payment for fixed assets | -            | -  | -                 | -   | -   | -                              | -  | -                | -                        | 2,700,000   | 2,700,000       |
| Transfer in (out)                              | -            | -  | 261,882,013       | 134,615,217   | 261,533                                   | 10,466,754                     | 897,779                                      | 11,169,173       | -                        | (419,292,469)   | -               |
| Disposals - cost                               | -            | -  | -                 | -   | (21,474,958)                              | (2,475,885)                    | (634,620)                                    | (3,329,451)      | (178,583)                | -   | (28,093,497)    |
| - accumulated depreciation                     | -            | -  | -                 | -   | 21,474,563                                | 2,373,564                      | 620,902                                      | 3,329,077        | 148,150                  | -   | 27,946,256      |
| Write-off - cost                               | -            | -  | -                 | -   | (22,431,831)                              | (21,863,406)                   | (706,767)                                    | (1,757,506)      | -                        | -   | (46,759,510)    |
| - accumulated depreciation                     | -            | -  | -                 | -   | 21,384,330                                | 20,811,213                     | 614,826                                      | 1,683,900        | -                        | -   | 44,494,269      |
| Depreciation charge                            | -            | -  | (85,547,130)      | (24,732,754)  | (60,586,946)                              | (10,602,549)                   | (9,109,238)                                  | (13,361,978)     | (3,571,171)              | -   | (207,511,766)   |
| Closing net book value                         | 999,971,022  | 155,476,062                                | 1,816,306,931     | 204,354,770   | 277,379,085                               | 44,275,139                     | 22,423,044                                   | 72,802,252       | 10,318,855               | 42,271,852  | 3,645,579,012   |
| <b>As at 31 December 2017</b>                  |              |  |                   |   |   |                                |  |                  |                          |   |                 |
| Cost   | 999,971,022  | 155,476,062                                | 2,883,194,255     | 507,457,411   | 1,108,134,933                             | 183,462,362                    | 105,223,179                                  | 145,136,855      | 49,167,015               | 42,271,852  | 6,179,494,946   |
| Less Accumulated depreciation                  | -            | -  | (1,066,887,324)   | (303,102,641)   | (830,755,848)                             | (139,187,223)                  | (82,800,135)                                 | (72,334,603)     | (38,848,160)             | -   | (2,533,915,934) |
| Net book value                                 | 999,971,022  | 155,476,062                                | 1,816,306,931     | 204,354,770   | 277,379,085                               | 44,275,139                     | 22,423,044                                   | 72,802,252       | 10,318,855               | 42,271,852  | 3,645,579,012   |

**21 Property, plant and equipment (net) (Cont'd)**

Unutilised land in operation is land with defined purpose for hospital operation expansion. Therefore, it is not classified as investment properties and presented in property, plant and equipment in both consolidated and company financial statements.

During the year 2016, Rajthanee Pattanakarn (2014) Co., Ltd. which is related company has made a land purchase agreement totalling in Baht 1,900,000,000 from Srichanthakarn Co., Ltd. that has right to purchase of property return from Krung Thai Bank Public Company Limited (current land owner) according to memorandum of agreement transferring debt securities repayments which has a condition of right to purchase of property return between Krung Thai Bank Public Company Limited and Srichanthakarn Co., Ltd.

Rajthanee Pattanakarn (2014) Co., Ltd. has contract for land sales with the Company and Premiere Home Health Care Company Limited (subsidiary) in amounting to Baht 1,900,000,000, which separated to the Company in amounting to Baht 520,000,000 and to Premiere Home Health Care Company Limited in amounting to Baht 1,380,000,000. The Company and Premiere Home Health Care Company Limited fully paid for the purchase of land.

As at 31 December 2016, the ownership of land has been transferred to the Company and Premiere Home Health Care Company Limited.

During 2<sup>nd</sup> quarter, a subsidiary - Premiere Home Health Care Company Limited has reclassified land which is included in property, plant and equipment that related to holistic care project to cost of developing holistic care project in purpose of developing holistic care, amounting to Baht 1,122.86 million. Then, during 4<sup>th</sup> quarter, the subsidiary has reclassified cost of developing holistic care project back to property, plant and equipment amounting to Baht 204.17 million due to management changed land allocation in green area and lake to be proper. During 2017, such subsidiary has cost of developing holistic care project which were reclassified from property, plant and equipment to developing holistic care project amounting to Baht 918.69 million.

Finance lease liabilities which the Group and the Company are lessees comprise of motor vehicle and office equipment as follows:

|                                      | Consolidated financial statements |                    | Separate financial statements |                    |
|--------------------------------------|-----------------------------------|--------------------|-------------------------------|--------------------|
|                                      | 2017<br>Baht                      | 2016<br>Baht       | 2017<br>Baht                  | 2016<br>Baht       |
| Cost                                 | 14,123,613                        | 4,220,986          | 12,706,366                    | 2,940,869          |
| <u>Less</u> Accumulated depreciation | <u>(1,982,548)</u>                | <u>(1,957,727)</u> | <u>(1,406,353)</u>            | <u>(1,658,258)</u> |
| Net book value                       | <u>12,141,065</u>                 | <u>2,263,259</u>   | <u>11,300,013</u>             | <u>1,282,611</u>   |

As at 31 December 2017, the Company and a subsidiary - Premiere Home Healthcare Co., Ltd. have redeemed a mortgage which pledged with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees. However, there is one subsidiary has pledged some land and buildings which have cost amounting to Baht 347.88 million with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 26, 30 and 45).

(2016 : the Group and the Company have pledged some of land and buildings which have cost amounting to Baht 5,744.65 million with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 26, 30 and 45).

22 Intangible assets (net)

|  | Consolidated financial statements |   |                   |
|--|-----------------------------------|---|-------------------|
|  | Software<br>Baht                  | Software<br>under<br>installation<br>Baht | Total<br>Baht     |
| <b>As at 1 January 2016</b>                |                                   |   |                   |
| Cost                                       | 55,619,745                        | 27,479,705                                | 83,099,450        |
| <u>Less</u> Accumulated amortisation       | (40,564,245)                      | -   | (40,564,245)      |
| Net book value                             | <u>15,055,500</u>                 | <u>27,479,705</u>                         | <u>42,535,205</u> |
| <b>For the year ended 31 December 2016</b> |                                   |   |                   |
| Opening net book value                     | 15,055,500                        | 27,479,705                                | 42,535,205        |
| Additions                                  | 2,337,742                         | 31,779,081                                | 34,116,823        |
| Transfer in (out)                          | 41,678,338                        | (41,678,338)                              | -                 |
| Amortisation charge                        | (5,142,691)                       | -   | (5,142,691)       |
| Closing net book value                     | <u>53,928,889</u>                 | <u>17,580,448</u>                         | <u>71,509,337</u> |
| <b>As at 31 December 2016</b>              |                                   |   |                   |
| Cost                                       | 99,635,825                        | 17,580,448                                | 117,216,273       |
| <u>Less</u> Accumulated amortisation       | (45,706,936)                      | -   | (45,706,936)      |
| Net book value                             | <u>53,928,889</u>                 | <u>17,580,448</u>                         | <u>71,509,337</u> |
| <b>For the year ended 31 December 2017</b> |                                   |   |                   |
| Opening net book value                     | 53,928,889                        | 17,580,448                                | 71,509,337        |
| Additions                                  | 12,109,463                        | 8,875,471                                 | 20,984,934        |
| Transfer in (out)                          | 24,936,519                        | (24,936,519)                              | -                 |
| Disposals - cost                           | (8,400)                           | -   | (8,400)           |
| - accumulated amortisation                 | 6,900                             | -   | 6,900             |
| Amortisation charge                        | (10,463,478)                      | -   | (10,463,478)      |
| Closing net book value                     | <u>80,509,893</u>                 | <u>1,519,400</u>                          | <u>82,029,293</u> |
| <b>As at 31 December 2017</b>              |                                   |   |                   |
| Cost                                       | 136,673,407                       | 1,519,400                                 | 138,192,807       |
| <u>Less</u> Accumulated amortisation       | (56,163,514)                      | -   | (56,163,514)      |
| Net book value                             | <u>80,509,893</u>                 | <u>1,519,400</u>                          | <u>82,029,293</u> |

22 Intangible assets (net) (Cont'd)

|  | Separate financial statements |   |                   |
|--|-------------------------------|---|-------------------|
|  | Software<br>Baht              | Software<br>under<br>installation<br>Baht | Total<br>Baht     |
| <b>As at 1 January 2016</b>                |                               |   |                   |
| Cost                                       | 27,706,724                    | 27,479,705                                | 55,186,429        |
| <u>Less</u> Accumulated amortisation       | (18,253,413)                  | -   | (18,253,413)      |
| Net book value                             | <u>9,453,311</u>              | <u>27,479,705</u>                         | <u>36,933,016</u> |
| <b>For the year ended 31 December 2016</b> |                               |   |                   |
| Opening net book value                     | 9,453,311                     | 27,479,705                                | 36,933,016        |
| Additions                                  | 1,618,794                     | 31,779,082                                | 33,397,876        |
| Transfer in (out)                          | 41,678,338                    | (41,678,338)                              | -                 |
| Amortisation charge                        | (3,274,351)                   | -   | (3,274,351)       |
| Closing net book value                     | <u>49,476,092</u>             | <u>17,580,449</u>                         | <u>67,056,541</u> |
| <b>As at 31 December 2016</b>              |                               |   |                   |
| Cost                                       | 71,003,856                    | 17,580,449                                | 88,584,305        |
| <u>Less</u> Accumulated amortisation       | (21,527,764)                  | -   | (21,527,764)      |
| Net book value                             | <u>49,476,092</u>             | <u>17,580,449</u>                         | <u>67,056,541</u> |
| <b>For the year ended 31 December 2017</b> |                               |   |                   |
| Opening net book value                     | 49,476,092                    | 17,580,449                                | 67,056,541        |
| Additions                                  | 11,007,652                    | 7,356,070                                 | 18,363,722        |
| Transfer in (out)                          | 24,936,519                    | (24,936,519)                              | -                 |
| Amortisation charge                        | (8,584,523)                   | -   | (8,584,523)       |
| Closing net book value                     | <u>76,835,740</u>             | <u>-</u>                                  | <u>76,835,740</u> |
| <b>As at 31 December 2017</b>              |                               |   |                   |
| Cost                                       | 106,948,027                   | -   | 106,948,027       |
| <u>Less</u> Accumulated amortisation       | (30,112,287)                  | -   | (30,112,287)      |
| Net book value                             | <u>76,835,740</u>             | <u>-</u>                                  | <u>76,835,740</u> |

23 Land leasehold rights and leased buildings (net)

|   | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|---|--------------------------------------|-------------------|----------------------------------|-------------------|
|   | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht      |
| <b>As at 31 December</b>                            |                                      |                   |                                  |                   |
| Opening net book value                              | 12,997,260                           | 13,797,260        | 12,997,260                       | 13,797,260        |
| Additions - from assets acquisition<br>(Note 17 g)) | 2,376,644,216                        | -                 | -                                | -                 |
| - subsidiary  | 5,625,000                            | -                 | -                                | -                 |
| <u>Less</u> Amortisation charge                     | (22,275,775)                         | (800,000)         | (800,000)                        | (800,000)         |
| Closing net book value                              | <u>2,372,990,701</u>                 | <u>12,997,260</u> | <u>12,197,260</u>                | <u>12,997,260</u> |

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

Parent - Thonburi Healthcare Group Public Company Limited

- Land leasehold rights - Thonburi hospital, branch 1

The Company's land leasehold right covers a period of 25 years commencing 22 April 2008. The payment for the land leasehold right was made in 2008 amounting to Baht 20,000,000, which has been recorded as land leasehold rights and the Company has to pay the annual land rental. The rental rate is Baht 720,000 per annum. The Company has to comply with the conditions in respect of the land leasehold right as provided in the agreement.

- Land leasehold rights and leased buildings - Soho building

In November 2017, the Company has been received land leasehold rights and leased buildings which is belonged to Thai Red Cross Society from Bamrung Maung Plaza Co., Ltd. by acquisition of assets which disclosed in Note 17 g). The rights are as follows:

- Land leasehold rights and leased buildings has period for 19 years 4 months since 1 November 2017.
- Leased buildings has period for 15 years 2 months since 1 November 2017.

The Company has to comply with the conditions and pay annual rental at the rates and conditions specified in the agreement.

Subsidiary - Premiere Home Health Care Co., Ltd.

Land leasehold rights of a subsidiary - Premiere Home Health Care Company Limited amounting to Baht 5,625,000 covers a period of 50 years commencing 1 March 2017. The subsidiary paid for the land leasehold rights in May 2017 amounting to Baht 2,625,000 and has to pay the remaining payments at Baht 1,000,000 per year for 3 years. The subsidiary has to pay the annual land rental. The rental rate for year 1 to 2 is Baht 2,400,000 per annum, for year 3 to 10 is Baht 4,800,000 per annum, for year 11 to 20 is Baht 4,944,000 per annum, for year 21 to 30 is Baht 5,092,320 per annum, for year 31 to 40 is Baht 5,295,960 per annum and for year 41 to 50 is Baht 5,508,000 per annum. The subsidiary has to comply with the conditions in respect of the land leasehold rights as provided in the agreement.

In May 2017, a subsidiary - Premiere Home Health Care Company Limited had a payment for land leasehold right to other individual amounting to Baht 1,000,000. As at 31 December 2017, a subsidiary recognised such amount as advance payment for land leasehold rights.

Operating commitments from land leasehold rights and leased buildings is disclosed in Note 44.1.

**24 Deferred tax assets (net)**

Deferred tax assets (net) as at 31 December 2017 and 2016 comprise the following:

|  | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
|  | 2017<br>Baht                         | 2016<br>Baht         | 2017<br>Baht                     | 2016<br>Baht         |
| <b>Deferred tax assets:</b>  |                                      |                      |                                  |                      |
| - Deferred tax assets to be recovered within 12 months   | 4,210,433                            | 6,931,586            | 3,550,389                        | 3,116,172            |
| - Deferred tax assets to be recovered after more than 12 months                                    | 60,683,114                           | 44,788,021           | 37,439,240                       | 33,912,829           |
|  | <u>64,893,547</u>                    | <u>51,719,607</u>    | <u>40,989,629</u>                | <u>37,029,001</u>    |
| <b>Deferred tax liabilities:</b>   |                                      |                      |                                  |                      |
| - Deferred tax liabilities to be settled within 12 months  | (16,018,967)                         | (6,713,156)          | (7,410,350)                      | (6,713,156)          |
| - Deferred tax liabilities to be settled after more than 12 months                                 | (360,189,094)                        | (144,597,185)        | (179,896,960)                    | (144,465,846)        |
|  | <u>(376,208,061)</u>                 | <u>(151,310,341)</u> | <u>(187,307,310)</u>             | <u>(151,179,002)</u> |
| <b>Deferred tax assets (liabilities) (net)</b>   | <u>(311,314,514)</u>                 | <u>(99,590,734)</u>  | <u>(146,317,681)</u>             | <u>(114,150,001)</u> |
| <b>Deferred tax assets (liabilities) (net) which presented in statements of financial position</b> |                                      |                      |                                  |                      |
| - Deferred tax assets (net)  | 64,452,961                           | 14,559,267           | -                                | -                    |
| - Deferred tax liabilities (net)   | <u>(375,767,475)</u>                 | <u>(114,150,001)</u> | <u>(146,317,681)</u>             | <u>(114,150,001)</u> |
|  | <u>(311,314,514)</u>                 | <u>(99,590,734)</u>  | <u>(146,317,681)</u>             | <u>(114,150,001)</u> |

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**24 Deferred tax assets (net) (Cont'd)**

The movements of deferred tax assets (liabilities) (net) for the years ended 31 December 2017 and 2016 are as follows:

|   | Consolidated<br>financial statements |                     | Separate<br>financial statements |                      |
|---|--------------------------------------|---------------------|----------------------------------|----------------------|
|   | 2017<br>Baht                         | 2016<br>Baht        | 2017<br>Baht                     | 2016<br>Baht         |
| Opening balance of the year                                 | (99,590,734)                         | 7,179,707           | (114,150,001)                    | (3,890,100)          |
| Increase (decrease) from assets acquisition<br>(Note 17 g)) | (231,417,069)                        | -                   | -                                | -                    |
| Increase (decrease) to profit or loss                       | 44,006,930                           | (666,454)           | (6,960,430)                      | (3,808,147)          |
| Increase (decrease) to other<br>comprehensive income        | (24,313,641)                         | (106,103,987)       | (25,207,250)                     | (106,451,754)        |
| Closing balance of the year                                 | <u>(311,314,514)</u>                 | <u>(99,590,734)</u> | <u>(146,317,681)</u>             | <u>(114,150,001)</u> |

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%.

|   | Consolidated financial statements |   |   |   |                             |
|---|-----------------------------------|---|---|---|-----------------------------|
|   | 1 January<br>2017<br>Baht         | Increase<br>(decrease)<br>from purchase<br>fixed assets<br>Baht | Increase<br>(decrease) to<br>profit or loss<br>Baht | Increase<br>(decrease)<br>to other<br>comprehensive<br>income<br>Baht | 31 December<br>2017<br>Baht |
| <b>Deferred tax assets</b>  |                                   |   |   |   |                             |
| Provision for obsolete<br>inventories   | 217,336                           | -   | 255,918   | -   | 473,254                     |
| Employee benefit obligations  | 43,373,380                        | -   | 652,294   | 1,747,057   | 45,772,731                  |
| Finance lease liabilities   | 106,961                           | -   | 2,195,071   | -   | 2,302,032                   |
| Difference in interest expense<br>which calculated by<br>effective interest rate method   | 2,516,814                         | -   | 1,283,263   | -   | 3,800,077                   |
| Accumulated deficit   | 5,505,116                         | -   | 47,876,399  | -   | 53,381,515                  |
| Difference in depreciation expense<br>of buildings between<br>accounting and tax approach | -                                 | -   | 153,569   | -   | 153,569                     |
|   | <u>51,719,607</u>                 | <u>-</u>  | <u>52,416,514</u>                                   | <u>1,747,057</u>  | <u>105,883,178</u>          |
| <b>Deferred tax liabilities</b>   |                                   |   |   |   |                             |
| Difference in depreciation<br>expense of buildings between<br>accounting and tax approach | (43,623,118)                      | -   | (6,455,755)   | -   | (50,078,873)                |
| Assets under finance leases   | (277,803)                         | -   | (2,121,088)   | -   | (2,398,891)                 |
| Unrealised gain (loss)<br>from available-for-sale<br>investments                          | (107,409,420)                     | -   | -   | (26,060,698)  | (133,470,118)               |
| Prepaid front-end fee   | -                                 | -   | (1,550,847)   | -   | (1,550,847)                 |
| Borrowing cost as cost of<br>developing holistic care<br>project                          | -                                 | -   | (249,169)   | -   | (249,169)                   |
| Fair value of land leasehold<br>rights and leased buildings<br>(Note 17 g))               | -                                 | (231,417,069)   | 1,967,275   | -   | (229,449,794)               |
|   | <u>(151,310,341)</u>              | <u>(231,417,069)</u>  | <u>(8,409,584)</u>                                  | <u>(26,060,698)</u>   | <u>(417,197,692)</u>        |
| Deferred tax assets<br>(liabilities) (net)  | <u>(99,590,734)</u>               | <u>(231,417,069)</u>  | <u>44,006,930</u>                                   | <u>(24,313,641)</u>   | <u>(311,314,514)</u>        |

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**24 Deferred tax assets (net) (Cont'd)**

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

|   | <b>Consolidated financial statements</b> |   |   | <b>31 December<br/>2016<br/>Baht</b> |
|---|--|---|---|--------------------------------------|
|   | <b>1 January<br/>2016<br/>Baht</b>       | <b>Increase<br/>(decrease) to<br/>profit or loss<br/>Baht</b> | <b>Increase<br/>(decrease)<br/>to other<br/>comprehensive<br/>income<br/>Baht</b> |                                      |
| <b>Deferred tax assets</b>  |  |   |   |                                      |
| Provision for obsolete inventories  | 202,631                                  | 14,705  | -   | 217,336                              |
| Employee benefit obligations  | 42,874,102                               | 714,845   | (215,567)   | 43,373,380                           |
| Finance lease liabilities   | 261,221                                  | (154,260)   | -   | 106,961                              |
| Difference in interest expense which calculated by effective interest rate method   | -  | 2,516,814   | -   | 2,516,814                            |
| Accumulated deficit   | 3,106,397                                | 2,398,719   | -   | 5,505,116                            |
|   | <u>46,444,351</u>                        | <u>5,490,823</u>  | <u>(215,567)</u>  | <u>51,719,607</u>                    |
| <b>Deferred tax liabilities</b>   |  |   |   |                                      |
| Difference in depreciation expense of buildings between accounting and tax approach | (37,289,947)                             | (6,333,171)   | -   | (43,623,118)                         |
| Assets under finance leases   | (453,697)                                | 175,894   | -   | (277,803)                            |
| Unrealised gain (loss) from available-for-sale investments                          | (1,521,000)                              | -   | (105,888,420)   | (107,409,420)                        |
|   | <u>(39,264,644)</u>                      | <u>(6,157,277)</u>  | <u>(105,888,420)</u>  | <u>(151,310,341)</u>                 |
| Deferred tax assets (liabilities) (net)   | <u>7,179,707</u>                         | <u>(666,454)</u>  | <u>(106,103,987)</u>  | <u>(99,590,734)</u>                  |

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**24 Deferred income tax assets (net) (Cont'd)**

As at 31 December 2017 and 2016, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

|  | <b>Separate financial statements</b> |   |   |                                      |
|--|--------------------------------------|---|---|--------------------------------------|
|  | <b>1 January<br/>2017<br/>Baht</b>   | <b>Increase<br/>(decrease) to<br/>profit or loss<br/>Baht</b> | <b>Increase<br/>(decrease)<br/>to other<br/>comprehensive<br/>income<br/>Baht</b> | <b>31 December<br/>2017<br/>Baht</b> |
| <b>Deferred tax assets</b>   |                                      |   |   |                                      |
| Provision for obsolete inventories - supplies  | 90,035                               | (837)   | -   | 89,198                               |
| Employee benefit obligations   | 34,315,190                           | 309,605   | 793,368   | 35,418,163                           |
| Finance lease liabilities  | 106,962                              | 2,195,071   | -   | 2,302,033                            |
| Difference in interest expense which<br>calculated by effective interest rate method   | 2,516,814                            | 663,421   | -   | 3,180,235                            |
|  | <u>37,029,001</u>                    | <u>3,167,260</u>  | <u>793,368</u>  | <u>40,989,629</u>                    |
| <b>Deferred tax liabilities</b>  |                                      |   |   |                                      |
| Difference in depreciation expense of buildings<br>between accounting and tax approach | (43,623,118)                         | (6,455,755)   | -   | (50,078,873)                         |
| Assets under finance lease   | (277,803)                            | (2,121,088)   | -   | (2,398,891)                          |
| Unrealised gain from<br>available-for-sale investments                                 | (107,278,081)                        | -   | (26,000,618)  | (133,278,699)                        |
| Prepaid front-end fee  | -                                    | (1,550,847)   | -   | (1,550,847)                          |
|  | <u>(151,179,002)</u>                 | <u>(10,127,690)</u>   | <u>(26,000,618)</u>   | <u>(187,307,310)</u>                 |
| Deferred tax liabilities (net)   | <u>(114,150,001)</u>                 | <u>(6,960,430)</u>  | <u>(25,207,250)</u>   | <u>(146,317,681)</u>                 |
| <b>Separate financial statements</b>   |                                      |   |   |                                      |
|  | <b>1 January<br/>2016<br/>Baht</b>   | <b>Increase<br/>(decrease) to<br/>profit or loss<br/>Baht</b> | <b>Increase<br/>(decrease)<br/>to other<br/>comprehensive<br/>income<br/>Baht</b> | <b>31 December<br/>2016<br/>Baht</b> |
| <b>Deferred tax assets</b>   |                                      |   |   |                                      |
| Provision for obsolete inventories - supplies  | 61,643                               | 28,392  | -   | 90,035                               |
| Employee benefit obligations   | 35,051,679                           | (41,816)  | (694,673)   | 34,315,190                           |
| Finance lease liabilities  | 261,222                              | (154,260)   | -   | 106,962                              |
| Difference in interest expense which<br>calculated by effective interest rate method   | -                                    | 2,516,814   | -   | 2,516,814                            |
|  | <u>35,374,544</u>                    | <u>2,349,130</u>  | <u>(694,673)</u>  | <u>37,029,001</u>                    |
| <b>Deferred tax liabilities</b>  |                                      |   |   |                                      |
| Difference in depreciation expense of buildings<br>between accounting and tax approach | (37,289,947)                         | (6,333,171)   | -   | (43,623,118)                         |
| Assets under finance leases  | (453,697)                            | 175,894   | -   | (277,803)                            |
| Unrealised gain from<br>available-for-sale investments                                 | (1,521,000)                          | -   | (105,757,081)   | (107,278,081)                        |
|  | <u>(39,264,644)</u>                  | <u>(6,157,277)</u>  | <u>(105,757,081)</u>  | <u>(151,179,002)</u>                 |
| Deferred tax liabilities (net)   | <u>(3,890,100)</u>                   | <u>(3,808,147)</u>  | <u>(106,451,754)</u>  | <u>(114,150,001)</u>                 |

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**24 Deferred income tax assets (net) (Cont'd)**

As at 31 December 2017 and 2016, the Group and the Company did not recognise deferred tax assets (liabilities) which such amount can be deductible with tax expense in the future are as follows:

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| Unused tax losses  |                                      |              |                                  |              |
| - 2017   | -                                    | 2,389,088    | -                                | -            |
| - 2018   | 24,603,862                           | 8,348,069    | -                                | -            |
| - 2019   | 18,812,691                           | 19,769,286   | -                                | -            |
| - 2020   | 54,279,242                           | 14,612,858   | -                                | -            |
| - 2021   | 16,538,595                           | 12,481,041   | -                                | -            |
| - 2022   | 9,588,880                            | -            | -                                | -            |
| Allowance for impairment of<br>investments properties                                  | 59,577,501                           | 59,577,501   | -                                | -            |
| Allowance for impairment of investments  | 777,557                              | 4,470,861    | 167,651,191                      | 171,344,495  |
| Allowance for doubtful accounts  |                                      |              |                                  |              |
| - Trade receivable   | 3,424,168                            | 3,959,183    | 2,469,607                        | 2,203,225    |
| - Advance payment and other receivable   | 235,296                              | 290,121      | -                                | -            |
| - Interest receivable  | -                                    | -            | 8,932,338                        | 8,932,338    |
| Allowance for obsolete inventories   | 1,455,616                            | 1,293,720    | -                                | -            |
| Allowance for sales return   | 128,468                              | 322,341      | -                                | -            |
| Difference in depreciation expense of buildings<br>between accounting and tax approach | (156,287)                            | (136,872)    | (156,287)                        | (136,872)    |

Deferred tax assets (liabilities) for accumulated deficit, allowance for impairment of investment properties, allowance for impairment of investments, allowance for doubtful account, allowance for obsolete inventories, allowance for sales return and difference in depreciation expense of buildings between accounting and tax approach of the Group and the Company are only recognised to the future taxable profits, which is probable that the deferred tax assets can be utilised.

**25 Other non-current assets**

|                            | Consolidated<br>financial statements |                   | Separate<br>financial statements |                |
|----------------------------|--------------------------------------|-------------------|----------------------------------|----------------|
|                            | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht   |
| Deposits                   | 17,413,308                           | 21,381,273        | 496,943                          | 216,101        |
| Refundable withholding tax | 8,347,800                            | 3,899,591         | -                                | -              |
|                            | <u>25,761,108</u>                    | <u>25,280,864</u> | <u>496,943</u>                   | <u>216,101</u> |

26 Bank overdrafts and short-term loans from financial institutions

|                       | Consolidated<br>financial statements |                      | Separate<br>financial statements |                    |
|-----------------------|--------------------------------------|----------------------|----------------------------------|--------------------|
|                       | 2017<br>Baht                         | 2016<br>Baht         | 2017<br>Baht                     | 2016<br>Baht       |
| Bank promissory notes | 46,531,652                           | 1,046,015,057        | -                                | 956,500,000        |
| Bank overdrafts       | 14,238,970                           | 17,746,504           | -                                | -                  |
| Trust receipts        | 68,286,053                           | 75,092,731           | -                                | -                  |
|                       | <u>129,056,675</u>                   | <u>1,138,854,292</u> | <u>-</u>                         | <u>956,500,000</u> |

  

|                       | Consolidated<br>financial statements    |  | Separate<br>financial statements |   |
|-----------------------|---|--|----------------------------------|---|
|                       | Interest rate (% per annum)             |  | Interest rate (% per annum)      |   |
|                       | 2017                                    | 2016   | 2017                             | 2016                                    |
| Bank promissory notes | MLR 6.25                                | Interest rate in<br>Financial<br>market and<br>MLR | -                                | Interest rate in<br>Financial<br>market |
| Bank overdrafts       | MOR                                     | MOR  | -                                | -                                       |
| Trust receipts        | Interest rate in<br>Financial<br>market | Interest rate in<br>Financial<br>market            | -                                | -                                       |

The bank overdrafts and short-term loans from financial institutions are secured by the mortgage some of land and buildings of the Group and the Company (Note 21).

As at 31 December 2017, bank promissory notes of the Group have the maturity date within 5-month period and the repayment is due in May 2018 (2016 : 5-month period and the repayment is due in May 2017) and the Company has no bank promissory notes (2016 : 3-month period and the repayment is due in March 2017).

As at 31 December 2017 and 2016, trust receipts of the subsidiary - Dental Siam Co., Ltd. represent the credit from a local bank which have the maturity date within 180 days. The Group used trust receipts as working capital to purchase medical supplies and equipment from overseas.

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**27 Trade and other accounts payable**

|   | Note  | Consolidated<br>financial statements |                    | Separate<br>financial statements |                    |
|---|-------|--------------------------------------|--------------------|----------------------------------|--------------------|
|   |       | 2017<br>Baht                         | 2016<br>Baht       | 2017<br>Baht                     | 2016<br>Baht       |
| Trade accounts payable                  |       |                                      |                    |                                  |                    |
| - other companies                       |       | 371,228,385                          | 351,506,208        | 246,384,795                      | 230,508,731        |
| - related companies                     | 43 a) | 2,919,093                            | 2,706,818          | 5,017,641                        | 4,176,197          |
| Other accounts payable                  |       |                                      |                    |                                  |                    |
| - other companies                       |       | 60,271,026                           | 50,313,345         | 39,279,861                       | 48,775,608         |
| - related companies                     | 43 a) | 750,000                              | 750,000            | 18,258,765                       | 957,682            |
| Fixed assets payable                    |       |                                      |                    |                                  |                    |
| - other companies                       |       | 89,714,852                           | 87,226,729         | 75,062,060                       | 82,602,128         |
| - related companies                     | 43 a) | -                                    | 1,082,070          | 4,363,991                        | 25,087,869         |
| Intangible asset payable                |       |                                      |                    |                                  |                    |
| - other companies                       |       | 350,960                              | 266,651            | -                                | 20,651             |
| Interest payable                        |       |                                      |                    |                                  |                    |
| - other companies                       |       | 16,917,253                           | 13,406,024         | 16,864,052                       | 13,329,059         |
| - related company                       | 43 a) | -                                    | -                  | 459,320                          | -                  |
| Dividend payable                        |       |                                      |                    |                                  |                    |
| - other individual and companies        |       | 8,916,135                            | 9,115,330          | 8,195,322                        | 7,488,876          |
| Accrued doctor fee                      |       | 91,534,000                           | 100,351,411        | 80,819,446                       | 91,053,993         |
| Accrued staff salary, wage<br>and bonus |       | 123,639,413                          | 128,335,486        | 114,415,239                      | 109,702,514        |
| Accrued expenses                        |       | 107,890,419                          | 47,519,769         | 34,188,841                       | 34,762,999         |
| Accrued consultation fee                |       | 9,644,192                            | -                  | 9,411,093                        | -                  |
| Unearned income                         |       |                                      |                    |                                  |                    |
| - medical fee                           |       | 5,991,076                            | 4,856,224          | 5,613,921                        | 4,284,237          |
| - others                                |       | 13,168,653                           | 10,215,534         | 9,707,101                        | 6,596,374          |
| Retention payable                       |       | 13,419,340                           | 5,801,672          | 11,777,562                       | 5,801,672          |
| Deposits                                |       | 9,251,080                            | -                  | -                                | -                  |
|   |       | <u>925,605,877</u>                   | <u>813,453,271</u> | <u>679,819,010</u>               | <u>665,148,590</u> |

**28 Value added tax (net)**

|                                | Consolidated<br>financial statements |                   | Separate<br>financial statements |                  |
|--------------------------------|--------------------------------------|-------------------|----------------------------------|------------------|
|                                | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht     |
| Value added tax receivable     | (1,449,768)                          | (66,886)          | -                                | -                |
| Undue input tax                | (2,707,281)                          | (762,583)         | (32,710)                         | (32,959)         |
| Valued added tax payable       | 5,284,742                            | 4,225,721         | 3,314,860                        | 3,880,783        |
| Undue output tax               | 17,483,655                           | 8,301,997         | 7,866,348                        | 4,537,091        |
|                                | <u>18,611,348</u>                    | <u>11,698,249</u> | <u>11,148,498</u>                | <u>8,384,915</u> |
| Presented as assets (net)      | <u>680,674</u>                       | <u>88,900</u>     | <u>-</u>                         | <u>-</u>         |
| Presented as liabilities (net) | <u>19,292,022</u>                    | <u>11,787,149</u> | <u>11,148,498</u>                | <u>8,384,915</u> |

29 Other current liabilities

|                              | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|------------------------------|--------------------------------------|-------------------|----------------------------------|-------------------|
|                              | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht      |
| Withholding tax payable      | 40,119,412                           | 7,867,425         | 9,149,659                        | 6,801,808         |
| Accrued social security fund | 6,183,028                            | 5,863,962         | 4,914,977                        | 4,687,999         |
| Retention of land rental     | 4,000,000                            | -                 | -                                | -                 |
| Allowance for sales return   | 642,339                              | 491,732           | -                                | -                 |
|                              | <u>50,944,779</u>                    | <u>14,223,119</u> | <u>14,064,636</u>                | <u>11,489,807</u> |

30 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the years ended 31 December 2017 and 2016 are as follows:

|                               | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|-------------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                               | 2017<br>Baht                         | 2016<br>Baht         | 2017<br>Baht                     | 2016<br>Baht         |
| Beginning balance of the year | 2,926,500,000                        | 2,868,500,000        | 2,546,500,000                    | 2,868,500,000        |
| Additions during the year     | 1,648,700,000                        | 380,000,000          | 1,600,000,000                    | -                    |
| Repayments during the year    | (1,025,200,000)                      | (322,000,000)        | (596,500,000)                    | (322,000,000)        |
|                               | 3,550,000,000                        | 2,926,500,000        | 3,550,000,000                    | 2,546,500,000        |
| Prepaid front-end fee (net)   | (7,754,235)                          | (2,469,331)          | (7,754,235)                      | -                    |
| Ending balance of the year    | 3,542,245,765                        | 2,924,030,669        | 3,542,245,765                    | 2,546,500,000        |
| <u>Less</u> Current portion   | (100,000,000)                        | (525,600,000)        | (100,000,000)                    | (522,000,000)        |
|                               | <u>3,442,245,765</u>                 | <u>2,398,430,669</u> | <u>3,442,245,765</u>             | <u>2,024,500,000</u> |

During the year 2017, Thonburi Healthcare Group Public Company Limited has lent long-term loan from financial institution in amounting Baht 1,600.00 million. The Company made the request to financial institution for issuing 2 cheques totalling Baht 1,600.00 million for payment to Power Line Engineering Public Company Limited and Bamrung Maung Plaza Co., Ltd.. The cheques would be sent to Thonburi Healthcare Group Public Company Limited for payment of ordinary shares in Bamrung Maung Plaza Co., Ltd.

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following:

|   | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
|   | 2017<br>Baht                         | 2016<br>Baht         | 2017<br>Baht                     | 2016<br>Baht         |
| Due within 1 year                       | 100,000,000                          | 525,600,000          | 100,000,000                      | 522,000,000          |
| Due within 2 to 5 years                 | 2,530,000,000                        | 2,400,900,000        | 2,530,000,000                    | 2,024,500,000        |
| Due after 5 years                       | 920,000,000                          | -                    | 920,000,000                      | -                    |
|   | 3,550,000,000                        | 2,926,500,000        | 3,550,000,000                    | 2,546,500,000        |
| <u>Less</u> Prepaid front-end fee (net) | (7,754,235)                          | (2,469,331)          | (7,754,235)                      | -                    |
| Total long-term loans                   | <u>3,542,245,765</u>                 | <u>2,924,030,669</u> | <u>3,542,245,765</u>             | <u>2,546,500,000</u> |

**Thonburi Healthcare Group Public Company Limited**  
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**30 Long-term loans from financial institutions (Cont'd)**

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

**Parent company - Thonburi Healthcare Group Public Company Limited**

| Contract No. | Outstanding borrowings |                     | Bank     | Loan purpose                            | Facilities (Million Baht) | Interest rate  | Repayment conditions   | Mortgaged assets   |
|--------------|------------------------|---------------------|----------|---|---------------------------|--|--|--|
|              | 2017 (Million Baht)    | 2016 (Million Baht) |          |   |                           |  |  |  |
| 1            | 1,950.00               | 2,150.00            | Thailand | Repayment the debentures of the Company | 2,400.00                  | <p>Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum</p> <p>Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2019 onwards : MLR per annum, interest repayment on monthly basis before the last workday of each month.</p> <p>However, on 21 December 2017, the Company made an agreement for revise the condition of interest rate.</p> <p>Since 1 December 2017 - 30 November 2019 : fixed interest rate per annum.</p> <p>Since 1 December 2019 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month.</p> | <p>Agreement dated on 2 December 2014, repayment for principal every 3 months before the last workday of March, June September and December every year, totalling 26 periods as following schedule:<br/>           Period 1 - 2 : Baht 25.00 million<br/>           Period 3 - 6 : Baht 50.00 million<br/>           Period 7 - 18: Baht 100.00 million<br/>           Period 19 - 22 : Baht 112.50 million<br/>           Period 23 - 25 : Baht 125.00 million<br/>           Period 26 : Payment for the remaining principals</p> <p>However, on 28 September 2017, the Company made an agreement for revise the condition of the principal repayment. The Company made a grace period for the principals which the Company has the repayment in September and December 2017 totalling in 2 periods. After the maturity of grace period, the Company will pay the principals every 3 months in March, June, September and December every year which start since March 2018.</p> <p>- March 2018 - December 2019 : Baht 100.00 million<br/>           - March 2020 - December 2020 : Baht 112.50 million<br/>           - March 2021 - September 2021 : Baht 125.00 million<br/>           - December 2021 : Payment for the remaining principals</p> | Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21). |

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

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

| Contract No. | Outstanding borrowings |                     | Bank     | Loan purpose  | Facilities (Million Baht) | Interest rate   | Repayment conditions  | Mortgaged assets   |
|--------------|------------------------|---------------------|----------|---|---------------------------|---|---|--|
|              | 2017 (Million Baht)    | 2016 (Million Baht) |          |   |                           |   |   |  |
|              |                        |                     |          |   |                           |   | <p>On 21 December 2017, the Company made an agreement for revise the condition of the principal repayment. The Company will pay the principals every 3 months in March, June, September and December every year which start since March 2018:</p> <ul style="list-style-type: none"> <li>- March 2018 - December 2018 : Baht 25.00 million</li> <li>- March 2019 - December 2019 : Baht 100.00 million</li> <li>- March 2020 - December 2020 : Baht 150.00 million</li> <li>- March 2021 - September 2021 : Baht 212.50 million</li> <li>- December 2021: Payment for the remaining principals</li> </ul> <p>However, the Company repaid the whole amount of loan in 1 December 2017.</p> |  |
| 2            | -                      | 292.50              | Thailand | Refinancing loan and credit line from financial institution and using in hospital expansion | 700.00                    | <p>Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum.</p> <p>Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum</p> <p>Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum.</p> <p>Since 1 October 2019 onwards : MLR per annum, Interest repayment on monthly basis before the last workday of each month.</p> | <p>Agreement dated on 18 January 2012, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 32 periods as following schedule;</p> <p>Period 1 - 8 : Baht 20.00 million</p> <p>Period 9 - 32 : Baht 22.50 million</p> <p>However, the Company repaid the whole amount of loan in 1 December 2017.</p>   | Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21). |

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

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

| Contract No. | Outstanding borrowings |                     | Bank     | Loan purpose  | Facilities (Million Baht) | Interest rate  | Repayment conditions   | Mortgaged assets   |
|--------------|------------------------|---------------------|----------|---|---------------------------|--|--|--|
|              | 2017 (Million Baht)    | 2016 (Million Baht) |          |   |                           |  |  |  |
| 3            | -                      | 104.00              | Thailand | Payment for building construction   | 200.00                    | Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum.<br>Since 1 October 2015 - 30 September 2017 : fixed interest rate per annum<br>Since 1 October 2017 - 30 September 2019 : MLR less fixed interest rate per annum.<br>Since 1 October 2019 onwards : MLR per annum, Interest repayment on monthly basis before the last workday of each month. | Agreement dated on 4 May 2012, repayment for principal every 3 months before the last workday of January, April, July, and October every year totalling 27 periods as following schedule:<br>Period 1 - 8 : Baht 6.00 million<br>Period 9 - 26 : Baht 8.00 million<br>Period 27 : Payment for the remaining principals<br><br>However, the Company repaid the whole amount of loan in 21 December 2017.  | Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21). |
| 4            | 1,600.00               | -                   | Thailand | Support the purchase of shares or assets of Bamrung Maung Plaza Co., Ltd. | 1,600.00                  | Since the first drawdown until the last payment : MLR less fixed interest rate per annum. The Company has the right to use fixed interest rate with the rate upon agreed with the lender. In each period, the required period is at least 6 months but not over than 2 years since the first drawdown.   | Agreement dated on 31 October 2017, repayment for principal every 3 months totalling 24 periods as following schedule:<br>Period 1 - 4 : Baht 45.00 million<br>Period 5 - 8 : Baht 60.00 million<br>Period 9 - 12 : Baht 65.00 million<br>Period 13 - 16 : Baht 70.00 million<br>Period 17 - 20 : Baht 75.00 million<br>Period 21 - 23 : Baht 85.00 million<br>Period 24 : Payment for the remaining principals.<br><br>However, the Company repaid the whole amount of loan in 1 December 2017. | No collateral  |
| Total        | <u>3,550.00</u>        | <u>2,546.50</u>     |          |   |                           |  |  |  |

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2017 and 2016 comprise the following: (Cont'd)

**Subsidiary - Rajyindee Hospital Public Company Limited**

| Contract No. | Outstanding borrowings |                     | Bank     | Loan purpose   | Facilities (Million Baht) | Interest rate  | Repayment conditions   | Mortgaged assets                              |
|--------------|------------------------|---------------------|----------|--|---------------------------|--|--|---|
|              | 2017 (Million Baht)    | 2016 (Million Baht) |          |  |                           |  |  |   |
| 1            | -                      | 40.00               | Thailand | Support investment in building improvements, expanding car parking and purchasing equipment and medical equipment. | 100.00                    | Since the date making an agreement, MLR per annum.<br>Since 1 <sup>st</sup> year - 3 <sup>rd</sup> year : MLR less fixed interest rate per annum<br>Since 4 <sup>th</sup> year - 6 <sup>th</sup> year : MLR less fixed interest rate per annum<br>Since 7 <sup>th</sup> year - 8 <sup>th</sup> year : MLR less fixed interest rate per annum | Agreement dated on 29 June 2016, interest repayment on monthly basis for grace period 1 year since the first drawdown. Principal repayment on monthly basis, amounting to 1.20 million baht per month and separately from interest repayment which maturity within 8 years since the first drawdown. | Secured some of land and buildings (Note 21). |
| Total        | -                      | 40.00               |          |  |                           |  |  |   |

**Thonburi Healthcare Group Public Company Limited**  
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**30 Long-term loans from financial institutions (Cont'd)**

**Subsidiary - Premiere Home Health Care Company Limited**

| Contract No. | Outstanding borrowings |                     | Bank     | Loan purpose   | Facilities (Million Baht) | Interest rate  | Repayment conditions  | Mortgaged assets  |
|--------------|------------------------|---------------------|----------|--|---------------------------|--|---|---|
|              | 2017 (Million Baht)    | 2016 (Million Baht) |          |  |                           |  |   |   |
| 1            | -                      | 340.00              | Thailand | Support payment of land and land transfer fee including other expenses for project development of Hospital and Senior Living Complex | 340.00                    | Since the first drawdown is fixed interest rate per annum. | Agreement dated on 2 December 2016, interest repayment on monthly basis before the last workday of the month starting from the month of the first drawdown. The agreement is that principal repayment which maturity within 2 years since the first drawdown. | 1. Secured some of land and buildings. However, securities are redeemed in December 2017 (Note 21).<br>2. Secured by Thonburi Healthcare Group Public Company Limited under the mortgage ceiling not less than Baht 400.00 million. |
| Total        | -                      | 340.00              |          |  |                           |  |   |   |
|              | <u>3,550.00</u>        | <u>2,926.50</u>     |          |  |                           |  |   |   |

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

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

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

|                                   | Consolidated financial statements |                     |                          |                     |
|-----------------------------------|-----------------------------------|---------------------|--------------------------|---------------------|
|                                   | 2017                              |                     | 2016                     |                     |
|                                   | Carrying amounts<br>Baht          | Fair values<br>Baht | Carrying amounts<br>Baht | Fair values<br>Baht |
| Loans from financial institutions | 3,542,245,765                     | 3,565,901,176       | 2,924,030,669            | 2,922,987,899       |
|                                   | Separate financial statements     |                     |                          |                     |
|                                   | 2017                              |                     | 2016                     |                     |
|                                   | Carrying amounts<br>Baht          | Fair values<br>Baht | Carrying amounts<br>Baht | Fair values<br>Baht |
| Loans from financial institutions | 3,542,245,765                     | 3,565,901,176       | 2,546,500,000            | 2,545,464,868       |

The fair values are calculated from discounted cash flows, using a discount rate based upon the borrowing rate which the management expects to be available to the Group and the Company at the statement of financial position date. The Fair values are within level 2 of the fair value hierarchy.

As a result of borrowing at floating interest rates and mainly in Thai Baht, the carrying amounts of borrowings approximate their fair values.

The Group's interest rate risks from borrowings are as follows:

|                         | Consolidated financial statements |               | Separate financial statements |               |
|-------------------------|-----------------------------------|---------------|-------------------------------|---------------|
|                         | 2017                              | 2016          | 2017                          | 2016          |
|                         | Baht                              | Baht          | Baht                          | Baht          |
| Loans at floating rates | 3,542,245,765                     | 2,924,030,669 | 3,542,245,765                 | 2,546,500,000 |

The effective interest rates as at 31 December 2017 and 2016 are as follows:

|                                   | Consolidated financial statements |              | Separate financial statements |              |
|-----------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                                   | 2017                              | 2016         | 2017                          | 2016         |
|                                   | % per annum                       | % per annum  | % per annum                   | % per annum  |
| Loans from financial institutions | 3.31 to 3.96                      | 3.75 to 5.57 | 3.31 to 3.96                  | 4.71 to 5.57 |

**Unused credit facilities**

As at 31 December 2017 and 2016, the unused credit facilities comprise the following:

|  | Consolidated financial statements |                 |                               |                 |                 |                               |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|-----------------|-------------------------------|
|  | 2017                              |                 |                               | 2016            |                 |                               |
|  | Bank overdrafts                   | Long-term loans | Working capital and guarantee | Bank overdrafts | Long-term loans | Working capital and guarantee |
| Floating interest rate - Unlimited period (Baht) | 98,740,463                        | 550,000,000     | 3,265,082,889                 | 111,856,835     | 60,000,000      | 173,111,578                   |
|  | Separate financial statements     |                 |                               |                 |                 |                               |
|  | 2017                              |                 |                               | 2016            |                 |                               |
|  | Bank overdrafts                   | Long-term loans | Working capital and guarantee | Bank overdrafts | Long-term loans | Working capital and guarantee |
| Floating interest rate - Unlimited period (Baht) | 62,000,000                        | 450,000,000     | 3,248,900,594                 | 77,000,000      | -               | 105,006,298                   |

The Group has credit facilities with financial institution which has credit that can be drawn down amounting to Baht 400.00 million. The credit limit is combine line with Thonburi Healthcare Group Public Company Limited, Thonburi Hospital Heart Centers Company Limited and Premiere Home Health Care Co., Ltd. The Group has to follow the condition which specified in credit agreement.

**31 Finance lease liabilities (net)**

The Group has entered into the finance lease agreements for motor vehicle and office equipment for using in its operations, whereby it is committed to pay rental fee on a monthly basis.

As at 31 December 2017 and 2016, finance lease liabilities are as follows:

|  | Consolidated<br>financial statements |                  | Separate<br>financial statements |                  |
|--|--------------------------------------|------------------|----------------------------------|------------------|
|  | 2017<br>Baht                         | 2016<br>Baht     | 2017<br>Baht                     | 2016<br>Baht     |
| Finance lease liabilities                  | 13,284,310                           | 1,429,525        | 12,611,455                       | 591,611          |
| <u>Less</u> Deferred interest expenses     | <u>(1,152,037)</u>                   | <u>(143,180)</u> | <u>(1,101,290)</u>               | <u>(56,801)</u>  |
| Present value of finance lease liabilities | 12,132,273                           | 1,286,345        | 11,510,165                       | 534,810          |
| <u>Less</u> Current portion (net)          | <u>(2,691,399)</u>                   | <u>(773,625)</u> | <u>(2,390,405)</u>               | <u>(534,810)</u> |
|  | <u>9,440,874</u>                     | <u>512,720</u>   | <u>9,119,760</u>                 | <u>-</u>         |

As at 31 December 2017 and 2016, minimum finance lease liabilities payments are as follows:

|  | Consolidated<br>financial statements |                  | Separate<br>financial statements |                |
|--|--------------------------------------|------------------|----------------------------------|----------------|
|  | 2017<br>Baht                         | 2016<br>Baht     | 2017<br>Baht                     | 2016<br>Baht   |
| <b>Due payment</b>                             |                                      |                  |                                  |                |
| - Within 1 year                                | 3,152,826                            | 877,110          | 2,815,710                        | 591,611        |
| - Later than 1 year but not later than 5 years | 10,131,484                           | 552,415          | 9,795,745                        | -              |
|  | <u>13,284,310</u>                    | <u>1,429,525</u> | <u>12,611,455</u>                | <u>591,611</u> |

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

**32 Employee benefit obligations**

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

|                                       | Consolidated<br>financial statements |                    | Separate<br>financial statements |                    |
|---------------------------------------|--------------------------------------|--------------------|----------------------------------|--------------------|
|                                       | 2017<br>Baht                         | 2016<br>Baht       | 2017<br>Baht                     | 2016<br>Baht       |
| Present value of unfunded obligations | <u>228,908,057</u>                   | <u>216,866,899</u> | <u>177,090,817</u>               | <u>171,575,953</u> |

**32 Employee benefit obligations (Cont'd)**

The movement of employee benefit obligations for the years ended 31 December 2017 and 2016 is as follows:

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| Beginning balance of the year  | 216,866,899                          | 215,310,668  | 171,575,953                      | 175,258,388  |
| Current service cost   | 15,394,307                           | 15,168,083   | 11,687,887                       | 12,013,918   |
| Interest cost  | 8,005,959                            | 7,334,487    | 6,309,912                        | 5,918,605    |
| Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss |                                      |              |                                  |              |
| - Long service award   | 955,778                              | 366,827      | 955,778                          | 366,827      |
| Remeasurements of employee benefit obligations                                       |                                      |              |                                  |              |
| Amount of (gain) loss that changed from  |                                      |              |                                  |              |
| - Discount rate  | 8,057,472                            | (4,955,540)  | 6,385,822                        | (4,353,647)  |
| - Salary growth rate   | (774,797)                            | 3,034,355    | (1,550,114)                      | 2,600,309    |
| - Turnover rate  | (11,020,896)                         | (9,328,874)  | (11,112,758)                     | (11,310,155) |
| - Mortality rate   | 2,578,076                            | -            | 1,890,185                        | -            |
| Amount of loss that occurred from experience   | 9,895,429                            | 10,172,233   | 8,353,702                        | 9,590,138    |
| Employee benefits paid during the year   | (21,050,170)                         | (20,235,340) | (17,405,550)                     | (18,508,430) |
| Ending balance of the year   | 228,908,057                          | 216,866,899  | 177,090,817                      | 171,575,953  |

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

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| Current service cost   | 15,394,307                           | 15,168,083   | 11,687,887                       | 12,013,918   |
| Interest cost  | 8,005,959                            | 7,334,487    | 6,309,912                        | 5,918,605    |
| Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss |                                      |              |                                  |              |
| - Long service award   | 955,778                              | 366,827      | 955,778                          | 366,827      |
|  | 24,356,044                           | 22,869,397   | 18,953,577                       | 18,299,350   |

This expenses were included in the cost of hospital operations, cost of goods sold, cost of other services, selling expenses and administrative expenses as follows:

|   | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|---|--------------------------------------|--------------|----------------------------------|--------------|
|   | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| Cost of hospital operations/<br>Cost of goods sold/<br>Cost of other services | 17,722,090                           | 14,425,815   | 14,417,338                       | 11,798,810   |
| Selling expenses  | 487,240                              | 393,241      | 207,507                          | 206,313      |
| Administrative expenses   | 6,146,714                            | 8,050,341    | 4,328,732                        | 6,294,227    |
|   | 24,356,044                           | 22,869,397   | 18,953,577                       | 18,299,350   |

The principal actuarial assumptions are as follows:

|   | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|---|--------------------------------------|---------------|----------------------------------|---------------|
|   | 2017                                 | 2016          | 2017                             | 2016          |
| Discount rate (% per annum)                   | 2.79 to 3.32                         | 3.12 to 3.54  | 3.06 and 3.08                    | 3.49 and 3.52 |
| Expected future salary increase (% per annum) | 5.00 to 11.74                        | 4.75 to 11.91 | 7.76 to 7.96                     | 7.89 to 7.94  |
| Employee turnover ratio (% per annum)         | 0.00 to 33.00                        | 0.00 to 33.00 | 0.00 to 31.00                    | 0.00 to 26.00 |
| Retirement age (year)                         | 55 and 60                            | 55 and 60     | 55                               | 55            |

32 Employee benefit obligations (Cont'd)

Sensitivity analysis for significant assumption are as follows:

| Change in assumption | Increase (decrease) on employee benefit obligation |             |                               |             |             |
|----------------------|--|-------------|-------------------------------|-------------|-------------|
|                      | Consolidated financial statements                  |             | Separate financial statements |             |             |
|                      | 2017 Baht  | 2016 Baht   | 2017 Baht                     | 2016 Baht   |             |
| Discount rate        | Increase by 0.50%                                  | (9,176,795) | (8,569,724)                   | (6,947,151) | (6,727,261) |
| Discount rate        | Decrease by 0.50%                                  | 9,970,744   | 9,161,794                     | 7,413,404   | 7,178,747   |
| Salary growth rate   | Increase by 0.50%                                  | 8,967,702   | 8,549,698                     | 6,839,858   | 6,623,318   |
| Salary growth rate   | Decrease by 0.50%                                  | (8,600,490) | (8,079,473)                   | (6,473,670) | (6,268,697) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined obligation of the Group for the year ended 31 December 2017 is 12 to 24 years (2016 : 11 to 24 years) and the Company is 15 to 18 years (2016 : 15 to 16 years).

Expected maturity analysis of retirement benefits as at 31 December 2017 and 2016 and comprise the following:

|                       | Post-employment benefits          |                    |                               |                    |
|-----------------------|-----------------------------------|--------------------|-------------------------------|--------------------|
|                       | Consolidated financial statements |                    | Separate financial statements |                    |
|                       | 2017 Baht                         | 2016 Baht          | 2017 Baht                     | 2016 Baht          |
| Less than 1 year      | 22,700,116                        | 21,480,364         | 15,137,006                    | 14,595,876         |
| Between 2 - 5 years   | 91,821,358                        | 74,598,208         | 69,474,633                    | 60,403,478         |
| Between 6 - 10 years  | 128,016,234                       | 129,339,622        | 93,779,010                    | 103,436,440        |
| Between 11 - 15 years | 101,659,184                       | 101,537,994        | 71,766,079                    | 77,123,954         |
|                       | <u>344,196,892</u>                | <u>326,956,188</u> | <u>250,156,728</u>            | <u>255,559,748</u> |

33 Share capital

|                                 | Consolidated and Separate financial statements |                    |                    |                    | Share premium on ordinary shares Baht |
|---------------------------------|--|--------------------|--------------------|--------------------|---------------------------------------|
|                                 | Registered capital                             |                    | Issued and paid-up |                    |                                       |
|                                 | shares   | Baht               | shares             | Baht               |                                       |
| As at 31 December 2015          | 677,000,000                                    | 677,000,000        | 677,000,000        | 677,000,000        | 1,733,000,000                         |
| Issued of share during the year | 172,080,000                                    | 172,080,000        | 87,080,000         | 87,080,000         | 2,089,920,000                         |
| As at 31 December 2016          | 849,080,000                                    | 849,080,000        | 764,080,000        | 764,080,000        | 3,822,920,000                         |
| Issued of share during the year | -  | -                  | 85,000,000         | 85,000,000         | 3,038,322,864                         |
| As at 31 December 2017          | <u>849,080,000</u>                             | <u>849,080,000</u> | <u>849,080,000</u> | <u>849,080,000</u> | <u>6,861,242,864</u>                  |

**33 Share capital (Cont'd)**

In January 2016, the Company called for the payment of 27,080,000 shares from existing shareholders (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 649,920,000. The Company has received share payment in January and February 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 23 February 2016.

In March 2016, the Company called for the payment of 15,000,000 shares from private placement (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 360,000,000. The Company has received share payment in March 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 7 April 2016.

In May 2016, the Company called for payment of 45,000,000 shares from private placement (par value of Baht 1.00 each) at Baht 25.00 per share. The Company has recognised share premium on ordinary shares amounting to Baht 1,080,000,000. The Company has received share payment in May 2016 and registered for the paid-up shares capital increase with the Ministry of Commerce on 23 May 2016.

At the Extraordinary shareholders' meeting No. 1/2016 on 29 June 2016, the shareholders unanimously approved the increase in registered share capital of 85,000,000 shares, par value of Baht 1.00 each totalling Baht 85,000,000. The authorised share capital increased from Baht 764,080,000 to Baht 849,080,000 for Initial Public Offering. The Company registered the share capital increase with the Ministry of Commerce on 12 July 2016.

In December 2017, the Company issued the share capital increased following the resolution of Extraordinary shareholders' meeting No. 1/2016 by issuance of 85,000,000 shares, par value of Baht 1.00 each. The Company set the IPO price for offering to the public at the rate of Baht 38.00 per share. The Company received the share subscription of Baht 3,230,000,000 and recorded the share premium of Baht 3,145,000,000 and offset with expenses related to issuance of share of Baht 106,677,136 (net of related income tax by Baht 26,669,284) in the equity which impacted to the increase in share premium in statement of financial position of Baht 3,038,322,864. The Company registered the share capital increase with the Ministry of Commerce on 30 November 2017.

As at 31 December 2017, share premium presented in statement of financial position at Baht 6,861,242,864 (2016 : Bhat 2,089,920,000).

As at 31 December 2017, the total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share (2016: total authorised number of ordinary shares is 764,080,000 shares with a par value at Baht 1.00 per share) was issued and fully paid.

**34 Legal reserve**

|                               | <b>Consolidated and Separate<br/>financial statements</b> |                      |
|-------------------------------|---|----------------------|
|                               | <b>2017<br/>Baht</b>                                      | <b>2016<br/>Baht</b> |
| Beginning balance of the year | 112,524,039   | 112,524,039          |
| Appropriation during the year | -   | -                    |
| Ending balance of the year    | <u>112,524,039</u>  | <u>112,524,039</u>   |

Under the Public Limited Company Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. The legal reserve has to be approved from annual general shareholders' meeting. As at 31 December 2017, the retained earnings-unappropriated in the consolidated financial statements included the legal reserve of 1 subsidiary totalling Baht 10,365,792 (2016: 1 subsidiary, totalling Baht 9,519,069).

**35 Dividend payment**

Parent company - Thonburi Healthcare Group Public Company Limited

2017

At the Annual General Shareholders' Meeting of year 2017 on 21 April 2017, the shareholders approved the dividend payment from its operation for the year 2016 at Baht 0.40 per share, totalling Baht 305.63 million. The Company paid all dividend to shareholders in May 2017.

2016

No approval of dividend payment for the year ended 31 December 2016.

Subsidiary company- Rajyindee Hospital Public Company Limited

2017

At the Annual General Shareholders' Meeting No. 1/2017 on 27 April 2017, the shareholders approved the dividend payment for the year 2016 at Baht 0.10 per share, totalling Baht 38.83 million. The Company paid all dividend to shareholders in May 2017.

2016

At the Annual General Shareholders' Meeting No. 1/2016 on 24 April 2016, the shareholders approved the dividend payment for the year 2015 at Baht 0.04 per share, totalling Baht 15.53 million. The Company paid all dividend to shareholders in April 2016.

36 Other components of equity and non-controlling interest

Other components of equity

Movements for other components of equity for the years ended 31 December 2017 and 2016 comprise of the following:

|                                     | For the year ended 31 December 2017  |  |  |                    |  |  |  |                    |
|-------------------------------------|--|--|--|--------------------|--|--|--|--------------------|
|                                     | Consolidated financial statements  |  |  |                    | Separate financial statements  |  |  |                    |
|                                     | Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht | Income tax relating to components of other comprehensive income Baht | Share of other comprehensive income of joint ventures accounted for using the equity method Baht | Total Baht         | Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht | Income tax relating to components of other comprehensive income Baht | Share of other comprehensive income of joint ventures accounted for using the equity method Baht | Total Baht         |
| Beginning balance of the year       | 536,890,577  | (106,183,720)  | -  | 430,706,857        | 536,390,408  | (106,196,257)  | -  | 430,194,151        |
| Increase (decrease) during the year | 130,170,921  | (24,662,702)   | 4,691,437  | 110,199,656        | 130,003,090  | (25,207,250)   | -  | 104,795,840        |
| Ending balance of the year          | <u>667,061,498</u>   | <u>(130,846,422)</u>   | <u>4,691,437</u>   | <u>540,906,513</u> | <u>666,393,498</u>   | <u>(131,403,507)</u>   | <u>-</u>   | <u>534,989,991</u> |
|                                     | For the year ended 31 December 2016  |  |  |                    |  |  |  |                    |
|                                     | Consolidated financial statements  |  |  |                    | Separate financial statements  |  |  |                    |
|                                     | Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht | Income tax relating to components of other comprehensive income Baht | Share of other comprehensive income of joint ventures accounted for using the equity method Baht | Total Baht         | Unrealised gain (loss) from measurement of fair value of available-for-sale investments Baht | Income tax relating to components of other comprehensive income Baht | Share of other comprehensive income of joint ventures accounted for using the equity method Baht | Total Baht         |
| Beginning balance of the year       | 7,949,541  | (7,538)  | -  | 7,942,003          | 7,605,000  | 255,497  | -  | 7,860,497          |
| Increase (decrease) during the year | 528,941,036  | (106,176,182)  | -  | 422,764,854        | 528,785,408  | (106,451,754)  | -  | 422,333,654        |
| Ending balance of the year          | <u>536,890,577</u>   | <u>(106,183,720)</u>   | <u>-</u>   | <u>430,706,857</u> | <u>536,390,408</u>   | <u>(106,196,257)</u>   | <u>-</u>   | <u>430,194,151</u> |

**Thonburi Healthcare Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**36 Other components of equity and non-controlling interests (Cont'd)**

Non-controlling interests

|  | <b>Consolidated<br/>financial statements</b> |                      |
|--|--|----------------------|
|  | <b>2017<br/>Baht</b>                         | <b>2016<br/>Baht</b> |
| Beginning balance of the year  | 218,132,338                                  | 192,602,933          |
| Share of net profit of subsidiaries  | 9,711,678                                    | 32,383,174           |
| Decrease in non-controlling interests from dividend payment of subsidiary          | (17,134,423)                                 | (6,853,769)          |
| Increase in non-controlling interests from increase in share capital of subsidiary | 41,765,217                                   | -                    |
| Increase in non-controlling interests from change in shareholding interest         | 9,177,688                                    | -                    |
| Ending balance of the year   | <u>261,652,498</u>                           | <u>218,132,338</u>   |

**37 Other income**

|   | <b>Consolidated<br/>financial statements</b>                    |   | <b>Separate<br/>financial statements</b>                        |   |
|---|---|---|---|---|
|   | <b>For the<br/>year ended<br/>31 December<br/>2017<br/>Baht</b> | <b>For the<br/>year ended<br/>31 December<br/>2016<br/>Baht</b> | <b>For the<br/>year ended<br/>31 December<br/>2017<br/>Baht</b> | <b>For the<br/>year ended<br/>31 December<br/>2016<br/>Baht</b> |
| Dividend income   |   |   |   |   |
| - investments in subsidiaries (Note 17 a))  | -   | -   | 21,692,689  | 8,677,075   |
| - investments in associates (Note 16 b))  | -   | -   | 24,439,266  | 22,524,296  |
| - other long-term investments (Note 19)   |   |   |   |   |
| - related companies   | 526,504   | 11,038,260  | 526,504   | 11,013,260  |
| - other companies   | 13,065,133  | 9,949,600   | 12,065,133  | 9,949,600   |
| - available-for-sale investments (Note 9, 15)   | 12,407,654  | 8,829,431   | 12,407,654  | 8,829,431   |
| Gain on sales of property, plant and equipment (net) and intangible assets (net)                    | 903,477   | 922,743   | 894,040   | 855,573   |
| Interest income   |   |   |   |   |
| - other companies   | 1,035,527   | 2,117,032   | 691,061   | 1,097,939   |
| - related companies (Note 43 b))  | 101,178   | -   | 83,571,945  | 78,183,355  |
| Membership income   | 13,916,482  | 10,130,234  | 13,916,482  | 10,130,234  |
| Rental income - other companies   | 11,946,190  | 8,047,003   | 7,985,189   | 7,653,603   |
| - related company (Note 43 b))  | -   | -   | 3,620,000   | -   |
| Rental income   |   |   |   |   |
| - investment properties (Note 20)   |   |   |   |   |
| - other company   | 36,000  | 39,000  | -   | -   |
| - related company (Note 43 b))  | 36,000,000  | 27,000,000  | -   | -   |
| Recovery from bad debts   | 411,074   | -   | 331,065   | -   |
| Gain on sales of short-term investments and long-term investments in equity securities (Note 9, 15) | -   | 2,374,788   | -   | 2,374,788   |
| Income from operating service   | -   | 5,059,216   | -   | -   |
| Others  | 27,052,080  | 19,248,566  | 18,775,680  | 12,148,809  |
|   | <u>117,401,299</u>  | <u>104,755,873</u>  | <u>200,916,708</u>  | <u>173,437,963</u>  |

**Thonburi Healthcare Group Public Company Limited**  
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**38 Other expenses**

|  | Notes  | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|--|--------|--|--|--|--|
|  |        | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| Loss on written-off of property,<br>plant and equipments<br>and intangible assets        | 21, 22 | (2,513,632)  | (3,663,533)  | (2,265,241)  | (3,095,209)  |
| Loss on disposals of property,<br>plant and equipment (net)                              |        | (34,506)   | -  | -  | -  |
| Loss on sales of available-for-<br>sale investments                                      | 15     | (4,629)  | -  | (4,629)  | -  |
| Allowance for impairment of<br>investment properties and<br>property plant and equipment | 20, 21 | (684,950)  | (3,159,484)  | -  | -  |
|  |        | <u>(3,237,717)</u>                                   | <u>(6,823,017)</u>                                   | <u>(2,269,870)</u>                                   | <u>(3,095,209)</u>                                   |

**39 Expense by nature**

The following expenditure items for the years ended 31 December 2017 and 2016 are classified by nature as follows:

|   | Notes  | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|---|--------|--|--|--|--|
|   |        | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| Medicine, medical supplies<br>and medical equipments used   |        | (1,238,113,198)                                      | (1,168,112,389)                                      | (820,593,324)  | (799,160,923)  |
| Laboratory and x-ray  |        | (184,357,862)  | (208,066,579)  | (159,122,961)  | (187,903,095)  |
| Doctor fee  |        | (1,322,942,347)                                      | (1,188,003,896)                                      | (1,126,744,971)                                      | (1,006,819,314)                                      |
| Staff costs   |        | (1,934,758,376)                                      | (1,830,532,471)                                      | (1,566,280,686)                                      | (1,479,961,482)                                      |
| Depreciation charge on<br>investment properties<br>and plant and equipment                        | 20, 21 | (271,266,364)  | (233,548,385)  | (207,511,766)  | (174,451,175)  |
| Amortisation charges on<br>intangible assets<br>and land leasehold rights<br>and leased buildings | 22, 23 | (32,739,253)   | (5,942,691)  | (9,384,523)  | (4,074,351)  |
| Repair and maintenance<br>expenditure and service<br>expenses                                     |        | (123,408,888)  | (148,320,555)  | (110,835,880)  | (131,725,287)  |
| Marketing expenses  |        | (149,136,149)  | (98,387,079)   | (51,847,138)   | (51,016,826)   |
| Utilities expenses  |        | (104,847,185)  | (98,599,113)   | (84,663,151)   | (81,388,084)   |
| Operating lease rental  |        | (90,975,435)   | (25,993,109)   | (66,107,712)   | (14,603,032)   |

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**40 Finance costs**

|  | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|--|--|--|--|--|
|  | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| Interest expense from borrowings                     |  |  |  |  |
| - financial institutions                             | (159,873,824)  | (176,890,165)  | (145,491,287)  | (167,905,981)  |
| - related companies                                  | -  | -  | (459,320)  | (1,610,656)  |
| - other companies                                    | -  | (82,500)   | -  | -  |
| Interest expense from<br>financial lease liabilities | (381,049)  | (141,791)  | (327,696)  | (85,787)   |
| Amortisation charges on front-end fee                | (245,765)  | -  | (245,765)  | -  |
|  | <u>(160,500,638)</u>                                 | <u>(177,114,456)</u>                                 | <u>(146,524,068)</u>                                 | <u>(169,602,424)</u>                                 |

**41 Income tax**

Reconciliations of income tax for the years ended 31 December 2017 and 2016 are as follows:

|   | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|---|--|--|--|--|
|   | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| <b>Current income tax:</b>  |  |  |  |  |
| Current income tax on taxable<br>profit for the year  | (134,724,526)  | (158,125,207)  | (123,785,920)  | (133,773,664)  |
| Current income tax for expenses related<br>to issuance of share with recognised<br>through equity (Note 33) | (26,669,284)   | -  | (26,669,284)   | -  |
| Adjustments under recorded<br>income tax of prior year  | (172,815)  | (1,034,343)  | (172,815)  | -  |
| Write-off withholding tax   | (391,718)  | (642,385)  | -  | -  |
| Total current income tax  | <u>(161,958,343)</u>                                 | <u>(159,801,935)</u>                                 | <u>(150,628,019)</u>                                 | <u>(133,773,664)</u>                                 |
| <b>Deferred income tax:</b>   |  |  |  |  |
| Origination and reversal of temporary<br>differences (Note 24)  | 44,006,930   | (666,454)  | (6,960,430)  | (3,808,147)  |
| Total tax expense   | <u>(117,951,413)</u>                                 | <u>(160,468,389)</u>                                 | <u>(157,588,449)</u>                                 | <u>(137,581,811)</u>                                 |

**Thonburi Healthcare Group Public Company Limited**  
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**For the year ended 31 December 2017**

**41 Income tax (Cont'd)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of each company as follows:

|   | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|---|--|--|--|--|
|   | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| Profit before income tax  | 682,895,300  | 704,459,054  | 934,160,947  | 718,988,132  |
| Tax calculated at a tax rate of 20% (2016 : 20%)                  | (136,579,060)  | (140,891,811)  | (186,832,189)  | (143,797,626)  |
| Tax effect of:  |  |  |  |  |
| Income not subject to tax   | 1,455,879  | 4,028,402  | 12,967,086   | 10,303,389   |
| Expense not deductible for tax purpose                            | (309,814)  | (5,609,974)  | 2,191,685  | (3,135,406)  |
| Additionally taxable expense transactions                         | 19,230,069   | 5,633,635  | 14,457,952   | 3,874,085  |
| Temporary differences for which no<br>deferred tax was recognised | (13,220,068)   | (14,201,345)   | (200,168)  | (4,826,253)  |
| Accumulated deficit   | 30,206,775   | (4,652,857)  | -  | -  |
| Obligation that recognised as deferred<br>tax assets              | -  | 56,406   | -  | -  |
| Reversal of unutilised deferred tax asset                         | (18,170,661)   | (3,154,117)  | -  | -  |
| Adjustments under record<br>income tax of prior year              | (172,815)  | (1,034,343)  | (172,815)  | -  |
| Write-off withholding tax   | (391,718)  | (642,385)  | -  | -  |
| Income tax  | (117,951,413)  | (160,468,389)  | (157,588,449)  | (137,581,811)  |

**42 Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to common shareholders by the weighted average number of ordinary shares in issue during the year.

|  | Consolidated<br>financial statements         |  | Separate<br>financial statements             |  |
|--|--|--|--|--|
|  | For the<br>year ended<br>31 December<br>2017 | For the<br>year ended<br>31 December<br>2016 | For the<br>year ended<br>31 December<br>2017 | For the<br>year ended<br>31 December<br>2016 |
| Profit attributable to shareholders of the<br>parent for the year (Baht) | 553,835,960                                  | 511,151,830                                  | 776,572,498                                  | 581,406,321                                  |
| Weighted average number of<br>ordinary shares (shares)                   | 771,532,055                                  | 741,203,497                                  | 771,532,055                                  | 741,203,497                                  |
| Basic earnings per share (Baht per share)                                | 0.72   | 0.69   | 1.01   | 0.78   |

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

**43 Related-party transactions**

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

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

As at 31 December 2017, most of the shares of the Company are held by Vanasin family totalling 28.81% (2016 : 31.49%) and the remaining 71.19% (2016 : 68.51%) of the shares is widely held.

The significant investments in associates, subsidiaries and joint ventures are disclosed in Notes 16, 17 and 18.

Relationships between the Company and related parties are as follows:

| <u>List of related parties</u>  | <u>Country/Nationality</u> | <u>Relationship</u>        |
|---|----------------------------|----------------------------|
| Rajyindee Hospital Public Company Limited   | Thai                       | Subsidiary                 |
| Dental Siam Co., Ltd.   | Thai                       | Subsidiary                 |
| Thonburi Realty Development Co., Ltd.   | Thai                       | Subsidiary                 |
| Rajthanee Realty Co., Ltd.  | Thai                       | Subsidiary                 |
| Thonburi Hospital Heart Centers Company Limited   | Thai                       | Subsidiary                 |
| Modular Software Expertise Co., Ltd.  | Thai                       | Subsidiary                 |
| Premiere Home Health Care Co., Ltd.   | Thai                       | Subsidiary                 |
| Uttradit Thonburi Hospital Co., Ltd.  | Thai                       | Subsidiary                 |
| Bamrung Maung Plaza Co., Ltd.   | Thai                       | Subsidiary                 |
| Rajyindee Co., Ltd.   | Thai                       | Indirect subsidiary        |
| Rajthanee Associates Co., Ltd.  | Thai                       | Common shareholders        |
| The Thonburi III Hospital Co., Ltd.   | Thai                       | A relative of shareholders |
| Ubonrak Co., Ltd.   | Thai                       | Associate                  |
| Sirivej Chanthaburi Public Company Limited  | Thai                       | Associate                  |
| Weihai Welly Hospital Company Limited<br>(formerly name "Weihai Thonburi Healthcare<br>Investment Company Limited") | China                      | Joint venture              |
| Ar Yu International Health Care Company Limited   | Myanmar                    | Joint venture              |
| Logical Information Network Co., Ltd.   | Thai                       | A relative of directors    |
| Health Gate Co., Ltd.   | Thai                       | A relative of directors    |
| Rajthanee Pattanakarn (2014) Co., Ltd.  | Thai                       | Common shareholders        |
| Nateetip Co., Ltd.  | Thai                       | A relative of directors    |
| Thanarat Thung Song Co., Ltd.   | Thai                       | A relative of directors    |
| Phatara Hospital Co., Ltd.  | Thai                       | Common directors           |
| Rajnara Hospital Co., Ltd.  | Thai                       | A relative of director     |

**43 Related-party transactions (Cont'd)**

Relationships between the Company and related parties are as follows: (Cont'd)

| <u>List of related parties</u>   | <u>Country/Nationality</u> | <u>Relationship</u>                                     |
|--|----------------------------|---|
| Siroros Hospital Public Company Limited  | Thai                       | A relative of directors                                 |
| Chumvej Hospital Public Company Limited  | Thai                       | Shareholders and common directors with subsidiary       |
| Rajthanee Realty Co., Ltd.   | Thai                       | Common shareholders and common director with subsidiary |
| Rajthanee Hospital Public Company Limited  | Thai                       | Common shareholders                                     |
| Loxley Gtech Technology Co., Ltd.  | Thai                       | Common directors  |
| Wellness City Co., Ltd.  | Thai                       | Common directors with subsidiary                        |
| The Thonburi Holding Hospital Co., Ltd.  | Thai                       | Common shareholders and common director with subsidiary |
| C.H.T. Holding Co., Ltd.   | Thai                       | Common shareholders                                     |
| Golden Bright Asia Pacific Investment Ltd.   | Hong Kong                  | Under common control of shareholders                    |
| WJ International Hospital Management Co., Ltd.                                       | Hong Kong                  | Under common control of shareholders                    |
| Global Health Investment Ltd.  | Hong Kong                  | Under common control of shareholders                    |
| Computed Tomography Urupong Co., Ltd.  | Thai                       | Common shareholders                                     |
| Salatan Medical Center Co., Ltd.<br>(Registered the liquidation on 8 May 2017)       | Thai                       | Held by subsidiary and related company                  |
| Rajthanee Golf And Country Home Co., Ltd.  | Thai                       | Common shareholders                                     |
| Rajpatnakorn Co., Ltd.   | Thai                       | Common directors with subsidiary                        |
| Thonburi Home Appliance Co., Ltd.  | Thai                       | Common directors with subsidiary                        |
| Gled Hill International Co., Ltd.<br>(Registered the liquidation on 17 October 2017) | Thai                       | Common directors with subsidiary                        |
| Hatyai Okygen Company Limited  | Thai                       | Shareholder of subsidiary is director                   |
| Dr. Boon Vanasin   | Thai                       | Shareholder and director                                |
| Ms. Nalin Vanasin  | Thai                       | Shareholder and director                                |
| Mr. Chalermkul Aphiboonyophas  | Thai                       | Shareholder and director                                |
| Mr. Weerachai Srikhajorn   | Thai                       | Shareholder and director                                |
| Mr. Sitha Meksawan   | Thai                       | Shareholder and director (since 15 June 2015)           |
| Mr. Arsis Aunnanant  | Thai                       | Shareholder and director                                |
| Dr. Viphada Chaowakun  | Thai                       | Shareholder and director of associate                   |
| Ms. Masruedee Kanapithakpong   | Thai                       | Shareholder and director of subsidiaries                |
| Mr. Ravoravee Chantharajwong   | Thai                       | Shareholder and director of subsidiary                  |
| Mr. Jon Vanasin  | Thai                       | Shareholder and director of subsidiary                  |
| Dr. Amnuay Unnanan   | Thai                       | Shareholder   |
| Mr. Suthon Sriyaphan   | Thai                       | Shareholder   |
| Mrs. Jaruwan Vanasin   | Thai                       | Shareholder   |
| Mrs. Nawara Vanasin  | Thai                       | Shareholder   |
| Dr. Chukiat Assawanich   | Thai                       | Shareholder   |
| Mr. Arsa Meksawan  | Thai                       | Shareholder   |
| Dr. Linda Krivit   | Thai                       | Director  |
| Mr. Kachorn Thanaphas  | Thai                       | Director  |
| Mr. Somchai Khoowijitsuwan   | Thai                       | Director  |
| Mrs. Kannika Ngamsopee   | Thai                       | Director  |
| Mr. Wisit Wamwanich  | Thai                       | Director  |
| Mr. Vikorm Koompirochana   | Thai                       | Director  |
| Mr. Timothy Lertsamitiwan  | Thai                       | Director  |
| Mr. Eugene D.M.B Croon   | Dutch                      | Director  |
| Mr. Thanathip Supphapradit   | Thai                       | Shareholder and director                                |

**43 Related-party transactions (Cont'd)**

Relationships between the Company and related parties are as follows: (Cont'd)

| <u>List of related parties</u>   | <u>Country/Nationality</u> | <u>Relationship</u>   |
|----------------------------------|----------------------------|---|
| Dr. Soontorn Srita               | Thai                       | Shareholder and director of subsidiary and director of associate (Until 18 July 2017) |
| Mr. Chow Ket Wong                | Hong Kong                  | Management director   |
| Mr. Kim Christian Warfight       | Thai                       | Closed relative of shareholders whom not a director of the Company or subsidiaries    |
| Mr. Thongsuk Booranarungruengkij | Thai                       | Closed relative of a shareholders whom not a director of the Company or subsidiaries  |
| Ms. Songsaeng Meksawan           | Thai                       | Shareholder and closed relative of director   |

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

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

Related-party transactions are as follows:

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows:

|   | <u>Consolidated financial statements</u> |                  | <u>Separate financial statements</u> |                  |
|---|--|------------------|--------------------------------------|------------------|
|   | <u>2017 Baht</u>                         | <u>2016 Baht</u> | <u>2017 Baht</u>                     | <u>2016 Baht</u> |
| <b>Trade accounts receivable</b>                |  |                  |                                      |                  |
| <u>Subsidiaries</u>                             |  |                  |                                      |                  |
| Thonburi Hospital Heart Centers Company Limited | -  | -                | 7,500,360                            | -                |
| Dental Siam Co., Ltd.                           | -  | -                | -                                    | 35,466           |
|   | -  | -                | 7,500,360                            | 35,466           |
| <u>Associates</u>                               |  |                  |                                      |                  |
| Ubonrak Co., Ltd.                               | -  | 4,817,658        | -                                    | -                |
| Sirivej Chanthaburi Public Company Limited      | 11,275                                   | 8,055            | -                                    | -                |
|   | 11,275                                   | 4,825,713        | -                                    | -                |
| <u>Joint ventures</u>                           |  |                  |                                      |                  |
| Weihai Welly Hospital Company Limited           | 14,855,400                               | -                | 14,855,400                           | -                |
| Ar Yu International Health Care Company Limited | 2,926,315                                | -                | 2,926,315                            | -                |
|   | 17,781,715                               | -                | 17,781,715                           | -                |
| <u>Related companies</u>                        |  |                  |                                      |                  |
| Phatara Hospital Co., Ltd.                      | 19,302,463                               | 22,941,028       | -                                    | -                |
| Rajthanee Hospital Public Company Limited       | 340,710                                  | 594,000          | -                                    | -                |
|   | 19,643,173                               | 23,535,028       | -                                    | -                |
|   | 37,436,163                               | 28,360,741       | 25,282,075                           | 35,466           |

**Thonburi Healthcare Group Public Company Limited**  
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**For the year ended 31 December 2017**

**43 Related-party transactions (Cont'd)**

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

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| <b>Other accounts receivable</b>                   |                                      |              |                                  |              |
| <u>Subsidiaries</u>                                |                                      |              |                                  |              |
| Thonburi Hospital Heart Centers<br>Company Limited | -                                    | -            | 3,829,411                        | -            |
| Premiere Home Health Care Co., Ltd.                | -                                    | -            | 120,000                          | -            |
|  | -                                    | -            | 3,949,411                        | -            |
| <u>Associates</u>                                  |                                      |              |                                  |              |
| Ubonrak Co., Ltd.                                  | 250,000                              | -            | 250,000                          | -            |
|  | 250,000                              | -            | 250,000                          | -            |
| <u>Joint venture</u>                               |                                      |              |                                  |              |
| Ar Yu International Health Care<br>Company Limited | 67,200                               | -            | 67,200                           | -            |
|  | 67,200                               | -            | 67,200                           | -            |
| <u>Related company</u>                             |                                      |              |                                  |              |
| Phatara Hospital Co., Ltd.                         | -                                    | 5,512,979    | -                                | -            |
|  | -                                    | 5,512,979    | -                                | -            |
|  | 317,200                              | 5,512,979    | 4,266,611                        | -            |
| <b>Advance payment</b>                             |                                      |              |                                  |              |
| <u>Related company</u>                             |                                      |              |                                  |              |
| Phatara Hospital Co., Ltd.                         | 43,335                               | -            | -                                | -            |
|  | 43,335                               | -            | -                                | -            |
| <u>Related individual</u>                          |                                      |              |                                  |              |
| Director   | -                                    | 288,500      | -                                | -            |
|  | -                                    | 288,500      | -                                | -            |
|  | 43,335                               | 288,500      | -                                | -            |
| <b>Interest receivable</b>                         |                                      |              |                                  |              |
| <u>Subsidiaries</u>                                |                                      |              |                                  |              |
| Rajthanee Realty Co., Ltd.                         | -                                    | -            | 254,926,394                      | 190,533,781  |
| Thonburi Realty Development Co., Ltd.              | -                                    | -            | 117,744,967                      | 141,157,909  |
| Modular Software Expertise Co., Ltd.               | -                                    | -            | 6,675,799                        | 5,231,871    |
| Premiere Home Health Care Co., Ltd.                | -                                    | -            | 1,725,021                        | -            |
| Dental Siam Co., Ltd.                              | -                                    | -            | -                                | 59,144       |
|  | -                                    | -            | 381,072,181                      | 336,982,705  |
| <u>Less Allowance for doubtful accounts</u>        | -                                    | -            | (44,661,690)                     | (44,661,690) |
|  | -                                    | -            | 336,410,491                      | 292,321,015  |

**Thonburi Healthcare Group Public Company Limited**  
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**For the year ended 31 December 2017**

**43 Related-party transactions (Cont'd)**

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

- a) Outstanding balances as at 31 December 2017 and 2016 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| <b>Trade accounts payable</b>                      |                                      |              |                                  |              |
| <u>Subsidiaries</u>                                |                                      |              |                                  |              |
| Dental Siam Co., Ltd.                              | -                                    | -            | 1,503,870                        | 1,480,232    |
| Thonburi Hospital Heart Centers<br>Company Limited | -                                    | -            | 674,646                          | -            |
|  | -                                    | -            | 2,178,516                        | 1,480,232    |
| <u>Related companies</u>                           |                                      |              |                                  |              |
| Computed Tomography<br>Urupong Co., Ltd.           | 2,839,125                            | 2,695,965    | 2,839,125                        | 2,695,965    |
| Hatyai Okygen Company Limited                      | 79,968                               | -            | -                                | -            |
| Salatan Medical Center Co., Ltd.                   | -                                    | 10,853       | -                                | -            |
|  | 2,919,093                            | 2,706,818    | 2,839,125                        | 2,695,965    |
|  | 2,919,093                            | 2,706,818    | 5,017,641                        | 4,176,197    |
| <b>Other accounts payable</b>                      |                                      |              |                                  |              |
| <u>Subsidiaries</u>                                |                                      |              |                                  |              |
| Dental Siam Co., Ltd.                              | -                                    | -            | 13,585                           | 106,350      |
| Modular Software Expertise Co., Ltd.               | -                                    | -            | 1,385,332                        | 101,332      |
| Thonburi Hospital Heart Centers<br>Company Limited | -                                    | -            | 16,109,848                       | -            |
|  | -                                    | -            | 17,508,765                       | 207,682      |
| <u>Associate</u>                                   |                                      |              |                                  |              |
| Ubonrak Co., Ltd.                                  | 750,000                              | 750,000      | 750,000                          | 750,000      |
|  | 750,000                              | 750,000      | 750,000                          | 750,000      |
|  | 750,000                              | 750,000      | 18,258,765                       | 957,682      |
| <b>Fixed assets payable</b>                        |                                      |              |                                  |              |
| <u>Subsidiaries</u>                                |                                      |              |                                  |              |
| Premiere Home Health Care Co., Ltd.                | -                                    | -            | 4,150,991                        | 23,807,599   |
| Dental Siam Co., Ltd.                              | -                                    | -            | 213,000                          | 198,200      |
|  | -                                    | -            | 4,363,991                        | 24,005,799   |
| <u>Related company</u>                             |                                      |              |                                  |              |
| Salatan Medical Center Co., Ltd.                   | -                                    | 1,082,070    | -                                | 1,082,070    |
|  | -                                    | 1,082,070    | -                                | 1,082,070    |
|  | -                                    | 1,082,070    | 4,363,991                        | 25,087,869   |
| <b>Interest payable</b>                            |                                      |              |                                  |              |
| <u>Subsidiary</u>                                  |                                      |              |                                  |              |
| Premiere Home Health Care Co., Ltd.                | -                                    | -            | 459,320                          | -            |

**Thonburi Healthcare Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**43 Related-party transactions (Cont'd)**

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

b) Significant revenue and expense transactions with related parties for the years ended 31 December 2017 and 2016 are as follows:

|   | For the year ended 31 December 2017 |                    |                        |                              |                                |               | For the year ended 31 December 2016 |                    |                        |                              |                                |               |
|---|-------------------------------------|--------------------|------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|--------------------|------------------------|------------------------------|--------------------------------|---------------|
|   | Consolidated financial statements   |                    |                        |                              |                                | Total<br>Baht | Separate financial statements       |                    |                        |                              |                                | Total<br>Baht |
|   | Subsidiaries<br>Baht                | Associates<br>Baht | Joint ventures<br>Baht | Related<br>companies<br>Baht | Related<br>individuals<br>Baht |               | Subsidiaries<br>Baht                | Associates<br>Baht | Joint ventures<br>Baht | Related<br>companies<br>Baht | Related<br>individuals<br>Baht |               |
| Revenue from sales of medical supplies    | -                                   | 75,883             | -                      | 23,654                       | -                              | 99,537        | 3,996,353                           | -                  | -                      | -                            | -                              | 3,996,353     |
| Revenue from service and consulting       | -                                   | 695,987            | 17,781,714             | 14,367,053                   | -                              | 32,844,754    | -                                   | 280,000            | 17,781,714             | -                            | -                              | 18,061,714    |
| Revenue from land rental                  | -                                   | -                  | -                      | 36,000,000                   | -                              | 36,000,000    | 3,620,000                           | -                  | -                      | -                            | -                              | 3,620,000     |
| Other income                              | -                                   | -                  | 67,200                 | 11,308                       | -                              | 78,508        | 119,902                             | -                  | 67,200                 | -                            | -                              | 187,102       |
| Dividend income                           | -                                   | -                  | -                      | 13,760,020                   | -                              | 13,760,020    | 21,692,689                          | 24,439,266         | -                      | 12,760,020                   | -                              | 58,891,975    |
| Interest income                           | -                                   | -                  | -                      | 101,178                      | -                              | 101,178       | 83,571,945                          | -                  | -                      | -                            | -                              | 83,571,945    |
| Purchase of inventory                     | -                                   | -                  | -                      | 19,437                       | -                              | 19,437        | 5,315,051                           | -                  | -                      | 3,350                        | -                              | 5,318,401     |
| Purchase of property, plant and equipment | -                                   | -                  | -                      | -                            | -                              | -             | 802,705                             | -                  | -                      | -                            | -                              | 802,705       |
| Purchase of intangible assets             | -                                   | -                  | -                      | -                            | -                              | -             | 196,880                             | -                  | -                      | -                            | -                              | 196,880       |
| Interest expense                          | -                                   | -                  | -                      | -                            | -                              | -             | 459,320                             | -                  | -                      | -                            | -                              | 459,320       |
| Land rental expense                       | -                                   | -                  | -                      | 17,600                       | 2,514,000                      | 2,531,600     | -                                   | -                  | -                      | -                            | 2,514,000                      | 2,514,000     |
| Repair expense & professional fee         | -                                   | -                  | -                      | 38,161,703                   | -                              | 38,161,703    | 3,601,507                           | -                  | -                      | 38,161,703                   | -                              | 41,763,210    |
| Revenue from sales of medical supplies    | -                                   | 31,397             | -                      | -                            | -                              | 31,397        | 175,242                             | -                  | -                      | -                            | -                              | 175,242       |
| Revenue from service and consulting       | -                                   | 10,051,303         | -                      | 30,747,065                   | -                              | 40,798,908    | -                                   | -                  | -                      | -                            | -                              | -             |
| Revenue from land rental                  | -                                   | -                  | -                      | 27,000,000                   | -                              | 27,000,000    | -                                   | -                  | -                      | -                            | -                              | -             |
| Other income                              | -                                   | -                  | -                      | 5,059,216                    | -                              | 5,059,216     | -                                   | -                  | -                      | -                            | -                              | -             |
| Dividend income                           | -                                   | -                  | -                      | 15,282,409                   | -                              | 15,282,409    | 8,677,075                           | 22,524,296         | -                      | 15,257,409                   | -                              | 46,458,780    |
| Interest income                           | -                                   | -                  | -                      | -                            | -                              | -             | 78,183,355                          | -                  | -                      | -                            | -                              | 78,183,355    |
| Purchase of inventory                     | -                                   | -                  | -                      | 132,678                      | -                              | 132,678       | 4,875,668                           | -                  | -                      | -                            | -                              | 4,875,668     |
| Purchase of property, plant and equipment | -                                   | -                  | -                      | 6,262,880                    | -                              | 6,262,880     | 484,000                             | -                  | -                      | 1,573,920                    | -                              | 2,057,920     |
| Interest expense                          | -                                   | -                  | -                      | -                            | -                              | -             | 1,610,656                           | -                  | -                      | -                            | -                              | 1,610,656     |
| Land rental expense                       | -                                   | -                  | -                      | -                            | 1,344,000                      | 1,344,000     | -                                   | -                  | -                      | -                            | 1,344,000                      | 1,344,000     |
| Repair expense & professional fee         | -                                   | -                  | -                      | 37,224,819                   | -                              | 37,224,819    | 5,262,925                           | -                  | -                      | 37,224,819                   | -                              | 42,487,744    |

43 Related-party transactions (Cont'd)

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

- b) Significant revenue and expense transactions with related parties for the years ended 31 December 2017 and 2016 are as follows: (Cont'd)

**Managements and directors' remuneration**

Managements and directors' remuneration for the years ended 31 December 2017 and 2016 comprises the following:

|  | Consolidated<br>financial statements |                   | Separate<br>financial statements |                   |
|--|--------------------------------------|-------------------|----------------------------------|-------------------|
|  | 2017<br>Baht                         | 2016<br>Baht      | 2017<br>Baht                     | 2016<br>Baht      |
| Management and directors remuneration    |                                      |                   |                                  |                   |
| - Salaries and other short-term benefits | 77,955,681                           | 56,312,889        | 57,486,648                       | 43,145,850        |
| - Post employment benefit                | 795,307                              | 521,475           | 340,838                          | 287,117           |
| Total                                    | <u>78,750,988</u>                    | <u>56,834,364</u> | <u>57,827,486</u>                | <u>43,432,967</u> |

- c) Short-term loans to related parties

Short-term loans to related parties are the short-term loans to related companies. The movement for the years ended 31 December 2017 and 2016 is as follows:

|  | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|--|--|--|--|--|
|  | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| <b>Short-term loans to related parties</b> |  |  |  |  |
| Beginning balance of the year              | -  | -  | 1,055,036,600  | 1,047,536,600  |
| Additions during the year                  | 10,000,000   | -  | 723,140,645  | 18,500,000   |
| Repayment during the year                  | (10,000,000)   | -  | (9,500,000)  | (11,000,000)   |
| Ending balance of the year                 | <u>-</u>   | <u>-</u>   | <u>1,768,677,245</u>                                 | <u>1,055,036,600</u>                                 |

**43 Related-party transactions (Cont'd)**

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

c) Short-term loans to related parties (Cont'd)

Outstanding balances of short-term loans to related parties as at 31 December 2017 and 2016 are as follows:

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |               |
|--|--------------------------------------|--------------|----------------------------------|---------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht  |
| <b><u>Short-term loans to</u></b>        |                                      |              |                                  |               |
| <u>Subsidiaries</u>                      |                                      |              |                                  |               |
| Rajthanee Realty Co., Ltd.               | -                                    | -            | 831,827,737                      | 686,000,000   |
| Premiere Home Health Care<br>Co., Ltd.   | -                                    | -            | 565,812,908                      | -             |
| Thonburi Realty Development<br>Co., Ltd. | -                                    | -            | 347,436,600                      | 347,436,600   |
| Modular software Expertise<br>Co., Ltd.  | -                                    | -            | 23,600,000                       | 19,100,000    |
| Dental Siam Co., Ltd.                    | -                                    | -            | -                                | 2,500,000     |
|  | -                                    | -            | 1,768,677,245                    | 1,055,036,600 |

As at 31 December 2017 and 2016, short-term loans to related parties are unsecured loans in Thai Baht. The loans are due for repayment at call and bear the interest at the rates as follows:

|                   | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|-------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
|                   | 2017<br>% per annum                  | 2016<br>% per annum | 2017<br>% per annum              | 2016<br>% per annum |
| Related companies | -                                    | -                   | 3.75 to 8.00                     | 4.50 to 8.00        |

43 Related-party transactions (Cont'd)

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

d) Long-term loans to related parties

Long-term loans to related parties are the long-term loans to related companies. The movement for the years ended 31 December 2017 and 2016 are as follows:

|  | Consolidated<br>financial statements                 |  | Separate<br>financial statements                     |  |
|--|--|--|--|--|
|  | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht | For the<br>year ended<br>31 December<br>2017<br>Baht | For the<br>year ended<br>31 December<br>2016<br>Baht |
| <b><u>Long-term loans to related companies</u></b> |  |  |  |  |
| Beginning balance of the year                      | -  | -  | 81,300,000   | 79,800,000   |
| Additions during the year                          | -  | -  | -  | 1,500,000  |
| Ending balance of the year                         | -  | -  | 81,300,000   | 81,300,000   |

Outstanding balances of long-term loans to related parties as at 31 December 2017 and 2016 are as follows:

|   | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|---|--------------------------------------|--------------|----------------------------------|--------------|
|   | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| <b><u>Long-term loans to</u></b>                  |                                      |              |                                  |              |
| <u>Subsidiary</u>                                 |                                      |              |                                  |              |
| Rajthanee Realty Co., Ltd.                        | -                                    | -            | 81,300,000                       | 81,300,000   |
|   | -                                    | -            | 81,300,000                       | 81,300,000   |
| <u>Less</u> Current portion of<br>long-term loans | -                                    | -            | (81,300,000)                     | -            |
|   | -                                    | -            | -                                | 81,300,000   |

As at 31 December 2017 and 2016, long-term loan to a subsidiary is an unsecured loan in Thai Baht. The loan bears interest rate at the rate of 7.50% per annum and is due for repayment within year 2018.

As at 31 December 2017 and 2016, the fair values of long-term loan to related party are amounting to Baht 81,300,000. The fair values are within level 2 of the fair value hierarchy.

43 Related-party transactions (Cont'd)

e) Short-term loans from related parties

Short-term loans from related parties are short-term loans from related companies and directors. The movement for the years ended 31 December 2017 and 2016 are as follows:

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |               |
|--|--------------------------------------|--------------|----------------------------------|---------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht  |
| <b>Short-term loans from related companies</b> |                                      |              |                                  |               |
| Beginning balance of the year                  | -                                    | 700,000      | -                                | -             |
| Additions during the year                      | -                                    | -            | -                                | 100,000,000   |
| Repayment during the year                      | -                                    | (700,000)    | -                                | (100,000,000) |
| Ending balance of the year                     | -                                    | -            | -                                | -             |
| <b>Short-term loans from directors</b>         |                                      |              |                                  |               |
| Beginning balance of the year                  | -                                    | 2,361,736    | -                                | 1,691,736     |
| Additions (repayment) during the year (net)    | -                                    | (2,361,736)  | -                                | (1,691,736)   |
| Ending balance of the year                     | -                                    | -            | -                                | -             |
|  | -                                    | -            | -                                | -             |

Short-term loan from a subsidiary - Premiere Home Health Care Co., Ltd. is unsecured loan in Thai Baht which bears interest rate at the rate of 4.50% per annum. The Company fully paid for such loan in August 2016.

44 Commitments

44.1 Operating lease commitments

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

As at 31 December 2017 and 2016, the Group and the Company have future lease and service payments required under these agreements as follows:

|  | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|--|--------------------------------------|--------------|----------------------------------|--------------|
|  | 2017<br>Baht                         | 2016<br>Baht | 2017<br>Baht                     | 2016<br>Baht |
| <b>Due payment</b>                           |                                      |              |                                  |              |
| Within 1 year                                | 41,221,090                           | 34,972,322   | 20,167,039                       | 19,696,031   |
| Later than 1 year but not later than 5 years | 51,644,522                           | 32,442,105   | 18,126,881                       | 18,005,087   |
| After 5 years                                | 224,657,084                          | 8,160,000    | 7,440,000                        | 8,160,000    |
|  | 317,522,696                          | 75,574,427   | 45,733,920                       | 45,861,118   |

**44 Commitments (Cont'd)**

**44.2 Capital commitments**

As at 31 December 2017 and 2016, the Group and the Company have capital commitments, relating to the construction of hospital buildings, acquisition of land, medical equipment, computer, computer software and tools and equipment as follows:

|                                     | Consolidated<br>financial statements |                    | Separate<br>financial statements |                   |
|-------------------------------------|--------------------------------------|--------------------|----------------------------------|-------------------|
|                                     | 2017<br>Baht                         | 2016<br>Baht       | 2017<br>Baht                     | 2016<br>Baht      |
| Land                                | -                                    | 70,535,764         | -                                | -                 |
| Buildings and building improvements | 80,504,380                           | 29,856,744         | 52,691,612                       | 21,454,477        |
| Medical equipment                   | 25,916,236                           | 2,002,611          | 23,259,341                       | 175,243           |
| Computer                            | -                                    | 176,840            | -                                | 176,840           |
| Computer software                   | 1,182,885                            | 3,545,800          | -                                | 3,545,800         |
| Tools and equipment                 | 940,750                              | 2,522,000          | 700,000                          | 237,000           |
|                                     | <u>108,544,251</u>                   | <u>108,639,759</u> | <u>76,650,953</u>                | <u>25,589,360</u> |

**44.3 Other commitment**

In 2<sup>nd</sup> quarter year 2017, the Company has commitment for payment of construction fee of a hospital in Republic of the Union of Myanmar. The commitment costs not over than US dollar 20.00 million. However, on 5 October 2017, at the Board of Directors' meeting No. 6/2017, the Board of Directors approved the termination of such agreement.

As at 31 December 2017, a subsidiary - Premiere Home Health Care Company Limited has commitment for payment of cost of developing holistic care project, land leasehold rights and advertising expenses amounting to Baht 130,184,489, Baht 3,000,000 and Baht 31,059,300 respectively (2016 : Nil).

**44.4 Forward foreign currency exchange contracts**

2017

As at 31 December 2017, the settlement date of forward foreign currency exchange contracts are 1 to 4 months. The amount to be received under contractual exchange rates of the outstanding contracts are as follows:

| Foreign currency | Consolidated financial statement |                            |                       |                   |                                       |
|------------------|----------------------------------|----------------------------|-----------------------|-------------------|---------------------------------------|
|                  | 31 December 2017                 |                            |                       |                   |                                       |
|                  | Contract amount                  | Exchange rate per contract | Contract value (Baht) | Fair value (Baht) | Positive (negative) fair value (Baht) |
| US dollar        | 64,946                           | 33.22                      | 2,157,497             | 2,121,353         | 36,144                                |
| Euro             | 151,695                          | 38.92 - 38.96              | 5,906,490             | 5,927,932         | (21,442)                              |

As at 31 December 2017, the Company has no forward foreign currency exchange contracts.

44 Commitments (Cont'd)

44.4 Forward foreign currency exchange contracts (Cont'd)

2016

As at 31 December 2016, the settlement date of forward foreign currency exchange contracts are 3 to 5 months. The amounts to be received under contractual exchange rates of the outstanding contracts are as follows:

| Foreign currency | Consolidated financial statements |                             |                       |                   |                                       |
|------------------|-----------------------------------|-----------------------------|-----------------------|-------------------|---------------------------------------|
|                  | Contract amount                   | Exchange rates per contract | Contract value (Baht) | Fair value (Baht) | Positive (negative) fair value (Baht) |
| US Dollar        | 9,219                             | 35.08                       | 323,394               | 330,375           | (6,981)                               |
| Euro             | 376,086                           | 38.26 - 39.45               | 14,643,411            | 14,236,080        | 407,331                               |

As at 31 December 2016, the Company has no forward foreign currency exchange contracts.

**Fair value**

Fair value of forward foreign exchange contracts has been calculated using rate quoted by the Company's banker as if the Company terminated the contract on 31 December 2017 and 2016. The fair values are within level 2 of the fair value hierarchy.

45 Contingent liabilities and guarantees

45.1 Bank guarantees

As at 31 December 2017 and 2016, the Group and the Company have outstanding bank guarantees for the normal course of business, issued by banks as follows:

|   | Consolidated financial statements |                    | Separate financial statements |                   |
|---|-----------------------------------|--------------------|-------------------------------|-------------------|
|   | 2017 Baht                         | 2016 Baht          | 2017 Baht                     | 2016 Baht         |
| Guarantee for electricity                                     | 13,054,603                        | 10,494,003         | 12,254,603                    | 9,694,003         |
| Guarantee for management and operation of hospital management | 72,511,100                        | 65,006,100         | 72,511,100                    | 65,006,100        |
| Guarantee for operation                                       | 50,804,751                        | 29,403,230         | -                             | -                 |
|   | <u>136,370,454</u>                | <u>104,903,333</u> | <u>84,765,703</u>             | <u>74,700,103</u> |

45.2 Guarantees of related companies

As at 31 December 2017 and 2016, the Group and the Company have guarantees of related companies as follows:

| Guarantor   | Guarantee   | List of guarantee  | 2017                  | 2016                  |
|-------------|---|--|-----------------------|-----------------------|
|             |   |  | Amount (Million Baht) | Amount (Million Baht) |
| The Company | Modular Software Expertise Co., Ltd. (Subsidiary) | Sales agreement for hospital management software under IT project of Veterans General Hospital | -                     | 1.23                  |
| The Company | Modular Software Expertise Co., Ltd. (Subsidiary) | Sales agreement for hospital management software   | -                     | 0.12                  |
| The Company | Premiere Home Health Care Co., Ltd. (Subsidiary)  | Guarantee for loans  | 400.00                | 400.00                |

**46 Significant contracts**

The Group and the Company have significant contracts as follows:

Parent company - Thonburi Healthcare Group Public Company Limited

- 1) The Company has a contract with a related company to use magnetic resonance imaging (MRI) machines for its patients and those of its related companies throughout the contract period.

A related company is responsible for providing the MRI machines and other equipment according to the contract terms, and the Company is responsible for providing the hospital space and electricity for the equipment. The Company and a related company will share the revenue as agreed between the parties.

- 2) The Company has a management services agreement with the Phuket Provincial Administrative Organisation to manage and operate the Phuket Provincial Hospital to reach its full capacity of 129 beds efficiently and to handle up to 600 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of Phuket Provincial Administrative Organisation and to operate efficiently as required by the Secondary-Level Referral Hospital 2.3. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 3) The Company has a management services agreement with Pattaya City to manage and operate Pattaya City Hospital to reach its full capacity of 110 beds efficiently and to handle up to 500 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of the Pattaya City properly and to operate efficiently as required by the Secondary-Level Referral Hospital 2.1. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 4) The Company has management services agreement with Pattaya City to manage and operate International Central Medical Unit (CMU), Kohlam, Pattaya City to efficient support the emergency cases. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.
- 5) The Company has contract to set up a joint venture in Republic of the Union of Myanmar and People's Republic of China as mentioned in Note 18.

Subsidiary - Thonburi Hospital Heart Centers Company Limited

- 1) The Company has the agreement with three private hospital which is a related company. This agreement is the sharing agreement for healthcare about cardiovascular disease at a private hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the share income at the rate as stipulated in the agreement.
- 2) The Company has the sharing agreement with Samutprakarn province for medical service and operative of cardiovascular disease patients by using the location at Bangphee Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement.
- 3) The Company has the sharing agreement with Phatthalung province for medical service and operative of cardiovascular disease patients by using the location at Phatthalung Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement.

#### **47 Lawsuit**

##### Parent company - Thonburi Healthcare Group Public Company Limited

- 1) During 2014, the Company has been sued by Merlin of the East Company Limited, who submitted the dispute to Talingchan Provincial Court for contractual service payment amounting to Baht 4.72 million. In 2015, the Civil court judged that the Company has won the case and ruled Merlin of the East Co., Ltd. to pay the penalty to the company and to dismiss the claim. However, Merlin of the East Co., Ltd. appealed. On 24 January 2017, the Appeal Court hearing and judged the same as the Civil court that the Company won lawsuit. Currently, Merlin of the East Company Limited has not filed a petition with the Supreme Administrative Court. The management of the Company believed that such event would not have significant impact because they believed that the Company has no responsibility for the payment and they have strong supporting evidence to defend the claim.
- 2) The Company has been sued from Talingchan Provincial Court for claims expense from its hospital's operation service in the black case No. 3294/2559 and the red case No. 9636/2559. The Civil Court judged the dismissal of the plaintiff. After that, the plaintiff has appealed to Appeal Court and it has judged the Company to pay Baht 5.38 million with the interest rate of 7.50% per annum. However, as at 31 December 2017, the Company was under the submission's process of petition to Supreme Court and appealed the objection for the judge of Appeal Court. Management considered and believed that there would no significant impact. The Company did not recognise provision for contingent liabilities as at the end of the reporting period.

##### Subsidiary

The subsidiary has filed Department of Land and related government according to the land revocation of the Company which has lawsuits held as follows:

- 1) The black case No.1356/2551, the Company has filed about land NS.3K. 2 issues. The Administrative Court judged that it was the revocation of part of certificate of land rights that issued illegally which not revocation of the right to occupy and use the land. The Central Administrative Court dismissed on 18 January 2013 which the Company appealed. Currently, it is under consideration by the Supreme Administrative Court.
- 2) The black case No.29/2552, the Company has filed about land NS.3K. 1 issues. The Administrative Court judged that Department of Land illegally revoke since issued the wrong NS.3K. which causing damage to land owners. The Administrative Court judged that Department of Land has to pay the penalty amounting Baht 1.51 million to the Company on 18 June 2013. However, the judgement is still unpleasant. The Company appealed to the Supreme Administrative Court which now is under consideration.
- 3) The subsidiary has filed about land NS.3K. 2 issues which Department of Land established the revocation committee. However, until today there is no revocation order.

#### **48 Subsequent events**

##### Parent company - Thonburi Healthcare Group Public Company Limited

At the Board of Directors' Meeting No. 1/2018 on 22 February 2018, the Board of Directors approved the dividend payment from its operation for the year 2017 to its shareholders at Baht 0.40 per share, totalling Baht 339.63 million. The Company will present for approval the dividend at the Annual General Shareholders' Meeting of the Company.

##### Subsidiary - Rajyindee Hospital Public Company Limited

At the Board of Directors' Meeting of the subsidiary No. 1/2018 on 14 February 2018, the Board of Directors approved the dividend payment from its operation for the year 2017 to its shareholders at Baht 0.05 per share, totalling Baht 21.50 million. The subsidiary will present for approval the dividend at the Annual General Shareholders' Meeting of the subsidiary.