

THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

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 2019, 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 2019;
- 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>Valuation of investment in subsidiaries and joint ventures</p> <p>Refer to Note 4 'Critical accounting estimates and judgements, Note 16 'Investments in subsidiaries (net)' and Note 17 'Investment in joint ventures (net)' to the separate financial statements</p> <p>As at 31 December 2019, the Company had investments in subsidiaries (net) and investment in joint ventures (net) of Baht 5,470.02 million and Baht 1,580.66 million, respectively in the separate financial statements.</p> <p>The management reviewed the impairment of the investments in subsidiaries and joint ventures by using value in used method with considering the future business plan of subsidiaries and joint ventures and also future cash flows projection. Key assumptions used applied in the impairment testing were revenue growth rate, estimated expense, economic forecast and the discount rate used in cash flows projection.</p> <p>From the impairment assessment of such investments, the management found that the recoverable amount of investment in subsidiaries was greater than the book value, therefore the additional allowance for impairment of investment in subsidiaries was not required this year. However, from reviewed the impairment of investment in joint ventures, the recoverable amount of investment in joint ventures was lower than the book value, therefore the loss on impairment of investment in joint ventures of Baht 100.00 million was additionally recognised in the 2019 separate statements of comprehensive income.</p> <p>I focussed on this area due to the complexity of impairment assessment. It also involved significant management judgments in forecasting future market, economic conditions and key assumption used in estimating future cash flows projection.</p>	<p>I tested management's impairment assessment in investments in subsidiaries and joint ventures to evaluate whether the allowance for impairment was appropriate by performing as follows.</p> <ul style="list-style-type: none">• Assessing the subsidiaries and joint ventures' operating results and financial position for the year ended 31 December 2019• Evaluating the past performance of each subsidiary and joint ventures• Inquiring management for the appropriateness of valuation method used in impairment testing and the reasonableness of the assumptions used• Testing the accuracy of the information that management used for preparing future business plan, also evaluating the reasonableness of the assumptions used in cash flows projection related to the revenue growth rate and economic forecast by comparing with the market growth rate in the same industry• Assessing the reasonableness of discount rate used by management in preparing the cash flows projection by comparing with discount rate that calculated by my internal valuation expert to evaluate whether the discount rate used by management was in the acceptable range <p>As a result of these procedures, I found that the management's key assumptions used in determining the allowance for impairment in investment in subsidiaries and joint ventures were reasonable based on available evidence and the current situations.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p><i>Refer to Note 2.26 ‘Accounting policies - Revenue recognition’ to the consolidated and separate financial statements</i></p> <p>There are various types of revenue from the hospital business of the Group, 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 this area because the amount of revenue from the hospital business was material to the financial statements. And there were a large number of various revenue transactions occurring every day. I also focussed on the internal controls over revenue cycle testing to support the audit of accuracy and completeness of revenue from the hospital business.</p>	<p>I assessed the overall risks in the revenue cycle and applied the following procedures by:</p> <ul style="list-style-type: none"> • Understanding the information and technology systems for the hospital business operation and accounting systems • Understanding and testing a sample of the Group's internal controls that it had designed over the revenue cycle • Testing a sample of revenue from sales and services transactions for each type of revenue carried out during the year, together with their related documents, and • Testing the journal entries relating to revenue transactions from sales and services to determine any unusual revenue transactions. <p>Based on the procedures above, I found that the Group complied with its internal controls as designed. The revenue recognition was in accordance with the accounting policy and the available evidence.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Sudwin Panyawongkhanti
Certified Public Accountant (Thailand) No. 3534
Bangkok
27 February 2020

Thonburi Healthcare Group Public Company Limited

Statement of Financial Position

As at 31 December 2019

Notes	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets				
Current assets				
Cash and cash equivalents	7	662,477,914	741,504,076	420,609,717
Short-term investments at financial institutions		27,784	22,356	-
Short-term investments	8	76,281,722	144,044,436	20,448,211
Trade and other accounts receivable (net)	9	1,325,490,361	872,255,812	915,494,833
Short-term loans to related parties	38 c)	36,599,881	40,106,960	5,691,557,468
Inventories (net)	10	1,378,511,897	1,126,925,897	85,888,530
Cost of developing holistic care project	11	1,413,281,747	1,307,083,724	-
Value added tax (net)		25,960,171	15,611,482	-
Current portion of prepaid rental	22	3,448,287	3,448,287	-
Non-current assets classified as held-for-sale	12	84,162,048	-	-
Other current assets		18,675,379	16,818,293	199,586
Total current assets		5,024,917,191	4,267,821,323	7,134,198,345
				5,356,295,388
Non-current assets				
Restricted deposits at financial institutions	13	8,692,289	8,706,447	-
Long-term investments in equity securities	14	483,905,506	580,559,741	483,905,506
Investments in associates (net)	15 a)	565,681,130	483,357,203	432,487,302
Investments in subsidiaries (net)	16 a)	-	-	5,470,016,139
Investments in joint ventures (net)	17	1,266,065,713	1,068,453,056	1,580,663,372
Other long-term investments (net)	18	170,863,465	172,447,736	116,716,296
Investment properties (net)	19	1,812,284,138	1,813,601,994	-
Property, plant and equipment (net)	20	8,255,833,161	6,848,766,181	3,735,648,839
Advance payment for fixed assets		34,860,043	77,631,816	4,636,915
Intangible assets (net)	21	181,961,136	142,618,698	69,483,641
Land leasehold rights and leased buildings (net)	22	2,232,117,700	2,271,893,072	10,597,260
Down payment for land leasehold rights	22	3,000,000	2,000,000	-
Deferred tax assets (net)	23	171,655,146	120,322,614	-
Prepaid rental	22	50,365,460	53,813,747	-
Other non-current assets		22,790,065	14,937,853	631,600
Total non-current assets		15,260,074,952	13,659,110,158	11,904,786,870
				11,601,498,603
Total assets		20,284,992,143	17,926,931,481	16,957,793,991

The accompanying notes on pages 19 to 111 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 2019

	Consolidated financial statements		Separate financial statements			
	Notes	2019	2018	2019	2018	
		Baht	Baht	Baht	Baht	
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions	24	2,705,137,327	2,740,861,663	2,580,000,000	2,583,000,000	
Trade and other accounts payable	25	1,597,685,887	2,059,487,144	693,024,828	685,533,528	
Current portion of						
- Long-term loans from financial institutions	26	655,000,000	400,000,000	580,000,000	400,000,000	
- Finance lease liabilities (net)	27	37,790,685	3,151,914	5,604,389	2,857,376	
- Liabilities under leasehold rights	22	1,000,000	1,000,000	-	-	
Accrued income tax		65,931,808	72,376,170	61,804,391	63,448,438	
Value added tax (net)		26,941,176	26,039,496	12,841,454	12,489,439	
Other current liabilities - Withholding tax payable		24,443,823	14,009,944	7,948,062	6,758,239	
- Others		13,147,963	8,056,405	5,179,413	5,021,410	
Total current liabilities		5,127,078,669	5,324,982,736	3,946,402,537	3,759,108,430	
Non-current liabilities						
Long-term loans from financial institutions	26	5,480,812,245	3,043,716,325	4,636,777,823	3,043,716,325	
Fixed assets payable	25	-	155,280,815	-	-	
Finance lease liabilities (net)	27	97,376,740	8,167,427	9,213,927	8,089,257	
Liabilities under leasehold rights	22	61,200,000	1,000,000	-	-	
Deferred tax liabilities (net)	23	283,054,412	322,343,332	77,617,688	104,900,073	
Employee benefit obligations	28	447,562,090	333,880,092	348,172,692	270,616,985	
Other non-current liabilities		6,419,302	11,676,217	160,000	160,000	
Total non-current liabilities		6,376,424,789	3,876,064,208	5,071,942,130	3,427,482,640	
Total liabilities		11,503,503,458	9,201,046,944	9,018,344,667	7,186,591,070	

The accompanying notes on pages 19 to 111 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 2019

	Notes	Consolidated financial statements		Separate financial statements		
		2019 Baht	2018 Baht	2019 Baht	2018 Baht	
Liabilities and equity (Cont'd)						
Equity						
Share capital	29					
Authorised share capital						
849,080,000 ordinary shares of Baht 1 each		849,080,000	849,080,000	849,080,000	849,080,000	
Issued and fully paid-up share capital						
849,080,000 ordinary shares of Baht 1 each		849,080,000	849,080,000	849,080,000	849,080,000	
Share premium on issue of ordinary shares (net)	29	6,861,242,864	6,861,242,864	6,861,242,864	6,861,242,864	
Retained earnings						
Appropriated - legal reserve	30	112,524,039	112,524,039	112,524,039	112,524,039	
Unappropriated		1,158,459,033	1,066,997,493	1,836,340,519	1,509,503,153	
Surplus (deficit) from additional investments in subsidiaries		(1,099,805,884)	(1,099,805,884)	-	-	
Other components of equity		414,127,156	426,881,040	361,453,126	438,852,865	
Equity attributable to owners of the parent		8,295,627,208	8,216,919,552	10,020,640,548	9,771,202,921	
Non-controlling interests	32	485,861,477	508,964,985	-	-	
Total equity		8,781,488,685	8,725,884,537	10,020,640,548	9,771,202,921	
Total liabilities and equity		20,284,992,143	17,926,931,481	19,038,985,215	16,957,793,991	

The accompanying notes on pages 19 to 111 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenues					
Revenue from hospital operations		6,750,091,809	5,794,962,004	5,161,073,226	5,107,172,377
Revenue from sales of goods		317,815,344	396,425,369	-	-
Revenue from other services		735,926,071	819,996,592	444,827,162	493,758,986
Revenue from sales of condominium unit		428,325,994	82,807,876	-	-
Cost of hospital operations	34	(5,234,688,290)	(4,156,424,472)	(3,783,562,713)	(3,629,680,215)
Cost of goods sold	34	(202,629,791)	(272,488,886)	-	-
Cost of other services	34	(647,095,777)	(698,899,236)	(437,370,266)	(443,570,170)
Cost of condominium unit sold		(281,261,233)	(57,765,006)	-	-
Gross profit		1,866,484,127	1,908,614,241	1,384,967,409	1,527,680,978
Other income	33	416,453,536	201,601,030	591,486,708	273,212,744
Profit before expense		2,282,937,663	2,110,215,271	1,976,454,117	1,800,893,722
Selling expenses	34	(223,529,243)	(264,276,345)	(73,434,112)	(81,023,799)
Administrative expenses	34	(1,173,580,621)	(1,114,266,920)	(694,986,109)	(638,624,786)
Loss on impairment of investment in joint venture and other long-term investments		(2,384,978)	-	(102,384,978)	-
Other gains (losses)					
- Net loss on exchange rate		(7,854,674)	(1,019,119)	(10,109,841)	(2,593,380)
Other expenses		(2,362,891)	(10,825,535)	(604,781)	(181,759)
Finance costs	35	(216,083,581)	(144,097,391)	(233,540,236)	(159,271,311)
Share of profit from investments in associates	15 a)	50,594,633	40,872,483	-	-
Share of loss from investments in joint ventures	17	(117,850,009)	(133,216,058)	-	-
Profit before income tax		589,886,299	483,386,386	861,394,060	919,198,687
Income tax	36	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)
Profit for the year		459,766,375	366,679,130	692,287,000	758,727,649

The accompanying notes on pages 19 to 111 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 2019

	Notes	Consolidated financial statements		Separate financial statements		
		2019 Baht	2018 Baht	2019 Baht	2018 Baht	
Other comprehensive income						
Item that will not be subsequently reclassified to profit or loss						
- Remeasurements of employee benefit obligations	28	6,581,882	(80,772,079)	16,636,366	(77,012,344)	
Item that will be subsequently reclassified to profit or loss						
- Unrealised gain (loss) on measurement of available-for-sale investments	8, 14	(93,403,791)	(138,811,729)	(92,590,582)	(139,424,493)	
- Share of other comprehensive income of joint ventures accounted for using the equity method	17	63,919,947	(18,652,915)	-	-	
Income tax relating to components of other comprehensive income	23	17,364,382	43,916,762	15,190,843	43,287,367	
Other comprehensive income (expense) for the year - net of tax						
		(5,537,580)	(194,319,961)	(60,763,373)	(173,149,470)	
Total comprehensive income for the year		454,228,795	172,359,169	631,523,627	585,578,179	
Profit attributable to:						
Owners of the parent		462,387,421	347,599,923	692,287,000	758,727,649	
Non-controlling interests		(2,621,046)	19,079,207	-	-	
		459,766,375	366,679,130	692,287,000	758,727,649	
Total comprehensive income attributable to:						
Owners of the parent		460,793,656	153,910,534	631,523,627	585,578,179	
Non-controlling interests		(6,564,861)	18,448,635	-	-	
		454,228,795	172,359,169	631,523,627	585,578,179	
Basic earnings per share						
Basic earnings per share to attributable to owners of the parent (Baht)						
	37	0.55	0.41	0.82	0.89	
Weighted average number of ordinary shares (shares)		849,080,000	849,080,000	849,080,000	849,080,000	

The accompanying notes on pages 19 to 111 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 2019

Consolidated financial statements (Baht)

	Attributable to owners of the parent													
	Other components of equity													
	Other comprehensive income													
	Share of other													
	Authorised, issued and fully paid-up	Share on ordinary	Retained earnings	(deficit) from Appropriated -	Surplus additional investments in subsidiaries	Unrealised measurement of available-for-sale investments	income of joint ventures	Income tax relating to components						
Notes	share capital	shares	legal reserve	Unappropriated					of other	Total other	Total	Non-	Total	
Opening balance as at 1 January 2018	849,080,000	6,861,242,864	112,524,039	1,138,693,486	(1,099,295,760)	667,061,498	4,691,437	(130,846,422)	540,906,513	8,403,151,142	261,652,498	8,664,803,640		
Changes in equity for the year 2018														
Dividend payment	31	-	-	-	(339,632,000)	-	-	-	-	(339,632,000)	-	(339,632,000)		
Loss on additionally invested in subsidiary		-	-	-	-	(510,124)	-	-	-	-	(510,124)	-	(510,124)	
Increase (decrease) in non-controlling interests from														
- dividend payment of subsidiary	32	-	-	-	-	-	-	-	-	-	-	(9,263,298)	(9,263,298)	
- investment in subsidiary	32	-	-	-	-	-	-	-	-	-	-	261,284,525	261,284,525	
- change in shareholding interest														
in subsidiary		-	-	-	-	-	-	-	-	-	-	(23,157,375)	(23,157,375)	
Total comprehensive income for the year		-	-	267,936,007	-	(139,131,678)	(18,652,915)	43,759,120	(114,025,473)	153,910,534	18,448,635	172,359,169		
Closing balance as at 31 December 2018	849,080,000	6,861,242,864	112,524,039	1,066,997,493	(1,099,805,884)	527,929,820	(13,961,478)	(87,087,302)	426,881,040	8,216,919,552	508,964,985	8,725,884,537		

The accompanying notes on pages 19 to 111 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 2019

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 relating to components of other comprehensive income												
	Authorised, issued and fully paid-up shares	Share premium on ordinary shares	Retained earnings Appropriated -	(deficit) from additional investments in subsidiaries	Unrealised gain (loss) on available-for-sale investments	income of joint ventures accounted for using the equity method	comprehensive income	Income tax relating to components of other comprehensive income	Total other components of equity	Total owners of the parent	Total non-controlling interests	Total	Total equity
Notes	share capital	shares	legal reserve	Unappropriated	subsidiaries	investments	equity method	income	equity	the parent	interests		
Opening balance as at 1 January 2019	849,080,000	6,861,242,864	112,524,039	1,066,997,493	(1,099,805,884)	527,929,820	(13,961,478)	(87,087,302)	426,881,040	8,216,919,552	508,964,985	8,725,884,537	
Changes in equity for the year 2019													
Dividend payment	31	-	-	-	(382,086,000)	-	-	-	-	(382,086,000)	-	(382,086,000)	
Increase (decrease) in non-controlling interests from													
- dividend payment of subsidiary	32	-	-	-	-	-	-	-	-	-	-	(16,673,937)	(16,673,937)
- liquidation of subsidiary	32	-	-	-	-	-	-	-	-	-	-	135,290	135,290
Total comprehensive income for the year		-	-	-	473,547,540	-	(93,052,259)	63,919,947	16,378,428	(12,753,884)	460,793,656	(6,564,861)	454,228,795
Closing balance as at 31 December 2019	849,080,000	6,861,242,864	112,524,039	1,158,459,033	(1,099,805,884)	434,877,561	49,958,469	(70,708,874)	414,127,156	8,295,627,208	485,861,477	8,781,488,685	

The accompanying notes on pages 19 to 111 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 2019

Separate financial statements (Baht)									
	Notes	Other components of equity							
		Retained earnings				Unrealised gain (loss) on measurement of available-for-sale investments		Other comprehensive income	
		Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Appropriated - legal reserve	Unappropriated			Income tax relating to components	Total other components of equity
									Total equity
Opening balance as at 1 January 2018		849,080,000	6,861,242,864	112,524,039	1,167,419,848	666,393,498	(131,403,507)	534,989,991	9,525,256,742
Changes in equity for the year 2018									
Dividend payment	31	-	-	-	(339,632,000)	-	-	-	(339,632,000)
Total comprehensive income for the year		-	-	-	681,715,305	(139,424,493)	43,287,367	(96,137,126)	585,578,179
Closing balance as at 31 December 2018		849,080,000	6,861,242,864	112,524,039	1,509,503,153	526,969,005	(88,116,140)	438,852,865	9,771,202,921
Opening balance as at 1 January 2019		849,080,000	6,861,242,864	112,524,039	1,509,503,153	526,969,005	(88,116,140)	438,852,865	9,771,202,921
Changes in equity for the year 2019									
Dividend payment	31	-	-	-	(382,086,000)	-	-	-	(382,086,000)
Total comprehensive income for the year		-	-	-	708,923,366	(92,590,582)	15,190,843	(77,399,739)	631,523,627
Closing balance as at 31 December 2019		849,080,000	6,861,242,864	112,524,039	1,836,340,519	434,378,423	(72,925,297)	361,453,126	10,020,640,548

The accompanying notes on pages 19 to 111 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities					
Profit before income tax		589,886,299	483,386,386	861,394,060	919,198,687
Adjustments					
Allowance for (reversal of)					
- doubtful accounts in trade and					
other accounts receivable	9	21,408,675	11,691,850	17,337,216	10,621,180
- obsolete inventories	10	(446,304)	(721,048)	(403,353)	18,925
- impairment of property, plant and equipment	20	(4,819,475)	9,601,082	-	-
- impairment of other long-term investment	18	2,384,978	-	2,384,978	-
- impairment of investment in joint ventures	17	-	-	100,000,000	-
Gain from investment in a subsidiary	16 d)	-	(140,557)	-	-
(Gain) loss on disposal of					
- short-term investments	33	(2,828,290)	(5,995,314)	-	(5,995,314)
- other long-term investments	33	(277,881,368)	(52,479,110)	(277,881,368)	(52,479,110)
Unrealised loss on exchange rate		3,632,921	-	3,632,921	-
Loss from liquidation of investment in a subsidiary		135,290	-	-	-
Share of profit from investments in associates	15 a)	(50,594,633)	(40,872,483)	-	-
Share of loss from investments in joint ventures	17 a)	117,850,009	133,216,058	-	-
Write-off of bad debts	9	7,238,793	-	7,238,793	-
Depreciation	19, 20, 34	463,875,806	323,115,352	268,014,061	246,986,408
Amortisation	21, 22, 34	148,949,254	143,091,724	11,742,370	11,193,531
Amortisation of prepaid rental		3,448,287	2,586,215	-	-
Write-off of tax payable	33	-	(28,846,154)	-	-
Net gain (loss) on disposal of property, plant and					
equipment and intangible assets		(532,101)	(506,561)	348,591	(91,099)
Loss on write-off of property, plant and					
equipment and intangible assets		8,139,136	864,453	338,194	181,759
Loss from write-off of non-refundable deposit		-	360,000	-	-
Employee benefit obligations	28	148,545,958	42,718,928	116,467,159	32,767,524
Dividend income	33	(32,340,436)	(29,928,725)	(74,135,007)	(59,883,966)
Interest income	33	(5,987,771)	(2,155,373)	(183,109,613)	(106,998,846)
Finance costs	35	216,083,581	144,097,391	233,540,236	159,271,311
		<hr/>	<hr/>	<hr/>	<hr/>
		1,356,148,609	1,133,084,114	1,086,909,238	1,154,790,990

The accompanying notes on pages 18 to 114 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 2019

	Note	Consolidated financial statements		Separate financial statements		
		2019	2018	2019	2018	
		Baht	Baht	Baht	Baht	
Changes in operating assets and liabilities						
(excluding the effects of acquisition and disposal of subsidiaries)						
Trade and other accounts receivable		(477,389,923)	(165,179,656)	(32,632,515)	(29,071,984)	
Inventories		(244,357,607)	(931,521,167)	(4,205,450)	8,749,930	
Cost of developing holistic care project		(99,493,443)	(307,451,846)	-	-	
Other current assets		(1,768,586)	893,174	2,212,353	2,065,026	
Other non-current assets		(4,927,949)	(3,795,156)	(99,422)	(35,235)	
Trade and other accounts payable		(259,033,383)	407,032,230	5,371,954	28,687,148	
Value added tax		(9,447,009)	(8,183,334)	352,015	1,340,941	
Other current liabilities		11,525,437	3,113,759	1,347,826	(2,284,987)	
Other non-current liabilities		(1,256,915)	301,325	-	-	
Employee benefit obligations paid	28	(28,282,078)	(18,644,470)	(22,275,086)	(16,253,700)	
Cash generated from operating activities		241,717,153	109,648,973	1,036,980,913	1,147,988,129	
Interest income received		2,261,627	1,609,631	125,840,792	52,684,236	
Finance costs paid		(202,408,014)	(130,064,213)	(225,376,604)	(145,730,006)	
Income tax paid		(212,834,119)	(158,054,295)	(182,842,649)	(144,894,671)	
Net cash generated from (used in) operating activities		(171,263,353)	(176,859,904)	754,602,452	910,047,688	

The accompanying notes on pages 18 to 114 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
(Increase) decrease in short-term investments					
at financial institutions		(5,428)	(5,372)	-	-
Short-term investments - proceeds	8, 33	163,695,540	100,000,000	-	100,000,000
Short-term investments - payments	8	(95,000,000)	(100,000,000)	-	-
(Increase) decrease in restricted deposits					
at financial institutions	13	14,158	1,225,696	-	2,552,700
Long-term investments in equity securities - proceeds	14	283,027,276	1,896	283,027,276	1,896
Investments in associates - payments	15 b)	(51,797,802)	(5,778,000)	(51,797,802)	(5,778,000)
Investments in subsidiaries - payments	16 b)	-	(34,723,853)	(150,000,000)	(311,988,226)
Investments in joint ventures - payment	17 b)	(251,542,719)	(479,946,997)	(251,542,719)	(479,946,997)
Other long-term investments - proceeds	18	-	82,173,910	-	82,173,910
Other long-term investments - payments	18	(800,707)	(5,600,000)	(800,707)	-
Cash payments for purchase of					
- property, plant and equipment		(2,153,047,297)	(1,229,814,757)	(320,200,543)	(317,330,020)
- intangible assets		(75,664,717)	(57,051,150)	(8,092,582)	(5,764,730)
- land leasehold rights and leased buildings		(32,600,000)	(32,000,000)	-	-
Cash payments for purchase assets					
of Bamrung Maung Plaza Co., Ltd.		-	(5,295,726)	-	-
Proceeds from disposals of property, plant and equipment (net) and intangible assets (net)		1,415,206	1,051,982	392,211	498,594
Prepaid rental - payment	22	-	(68,991,300)	-	-
Short-term loan to related companies					
- proceeds	38 c)	-	-	820,019,658	5,000,000
- payments	38 c)	-	(40,106,960)	(2,502,000,000)	(2,168,106,960)
Dividend received from investments in subsidiaries, associates, other companies and available-for-sales		51,517,152	47,947,264	73,243,215	59,883,966
Net cash used in investing activities		(2,160,789,338)	(1,826,913,367)	(2,107,751,993)	(3,038,803,867)

The accompanying notes on pages 18 to 114 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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in bank overdrafts					
and short-term loans from financial institutions	24	(35,724,336)	2,611,804,988	(3,000,000)	2,583,000,000
Short-term loans from a related party - proceeds	38 e)	-	-	15,000,000	-
Short-term loans from a related party - payments	38 e)	-	-	(15,000,000)	-
Long-term loans from financial institutions - proceeds	26	3,120,000,000	-	2,200,000,000	-
Long-term loans from financial institutions - payments	26	(425,000,000)	(100,000,000)	(425,000,000)	(100,000,000)
Cash payments for prepaid front-end fee		(4,750,000)	-	(3,650,000)	-
Finance lease liabilities payment		(4,873,183)	(3,266,113)	(3,310,371)	(2,854,265)
Dividends paid		(379,865,866)	(335,629,177)	(379,865,866)	(335,629,177)
Dividends of subsidiaries paid to non-controlling interests		(16,760,086)	(9,501,313)	-	-
Net cash generated from financing activities		2,253,026,529	2,163,408,385	1,385,173,763	2,144,516,558
Net increase (decrease) in cash and cash equivalents		(79,026,162)	159,635,114	32,024,222	15,760,379
Cash and cash equivalents at the beginning of the year		741,504,076	581,868,962	388,585,495	372,825,116
Cash and cash equivalents at the end of the year	7	662,477,914	741,504,076	420,609,717	388,585,495

The accompanying notes on pages 18 to 114 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Non-cash transactions					
Receivable from sales of equipment		22,500	22,500	-	-
Payables from purchase during the year					
- property plant and equipment	25	470,032,635	898,562,227	45,345,642	44,944,550
- Intangible assets	25	1,982,534	15,889,500	132,680	-
- land leasehold rights	22	61,200,000	-	-	-
- fixed asset under finance lease liabilities (net)		126,761,682	2,034,039	6,729,059	1,826,873
- intangible asset under finance lease liabilities (net)		669,062	-	-	-
Retention payable	25	141,400,685	69,708,079	6,338,752	12,972,451
Dividend payable - other companies	25	14,814,924	12,680,939	14,418,279	12,198,145
Transfer land to cost of development holistic care project	20	6,704,580	27,602,093	-	-
Transfer land to inventory	20	6,782,089	-	-	-
Transfer liabilities under finance lease (net)		-	87,611	-	-
Reclassify from long-term loan to short-term loan		-	-	-	81,300,000

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.

1 General information

Thonburi Healthcare Group Public Company Limited ("the Company") is a public company limited which listed in the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The addresses of the Company's 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 16. 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 Thonburi Healthcare Group Public 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 27 February 2020.

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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The adoption of TFRS 15 mainly affects the Group's accounting treatment significantly including real estate business due to the selling price included various premium such as free furniture, medical services, transfer fee, common expenses, etc. In case that the Group has not delivered the premium and has not provided services to customers yet, the Group has to improve revenue from the sales of real estate for such premium and record the such amount as deferred revenue from condominium unit sold. For transfer fee and common expenses are considered as consideration paid by the Group to the customers. Therefore, the Group has classified such expenses by deducting revenue from sales of condominium units.

The Group's management assessed and considered that the impact from adoption of Thai Financial Reporting Standards no.15 do not have a significant impact on the Group. So, management considered not to adjust impact from Thai Financial Reporting Standards no.15 that affected to brought forward retained earnings as at 1 January 2019.

The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.

Consolidated financial statements			
As at 31 December 2019			
Amounts as reported	Impacts from TFRS 15	Amounts under the previous financial reporting standards	
Baht	Baht	Baht	Baht
Statement of financial position			
Trade and other accounts payable	1,597,685,887	(16,549,445)	1,581,136,442
Consolidated financial statements			
For the year ended 31 December 2019			
Amounts as reported	Impacts from TFRS 15	Amounts under the previous financial reporting standards	
Baht	Baht	Baht	Baht
Statement of comprehensive income			
Revenue from sales of condominium unit	428,325,994	19,062,941	447,388,935
Revenue from sales of goods	317,815,344	1,456,607	319,271,951
Cost of condominium unit sold	(281,261,233)	2,191,241	(279,069,992)
Selling expenses	(223,529,243)	(6,056,343)	(229,585,586)
Administrative expenses	(1,173,580,621)	(105,000)	(1,173,685,621)

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019 (Cont'd)

b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

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

c) Thai Accounting Standard no.40 (revised 2018), Investment property

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

d) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group. (Cont'd)

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group did not early adopt new and amended financial reporting standards that are effective on 1 January 2020. The Group's management is currently assessing the impact of such financial reporting standards on the Group.

2 Significant accounting policies (Cont'd)

2.3 Foreign currency translation

(a) Functional and presentation currency

The consolidated financial statements are presented in Thai Baht, which is the Company's and the Group's functional and the Company's 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.
- Condominium unit for sales are stated at the lower of specific cost method or net realisable value.

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

2.7 Cost of developing holistic care project

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

The Group recognises the transfer from cost of developing holistic care project into inventories when the construction is completed.

2.8 Non-current assets classified as held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

2.9 Investments in subsidiaries, associates and joint ventures

a) Subsidiaries

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

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

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

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

2 Accounting policies (Cont'd)

2.9 Investments in subsidiaries, associates and joint ventures (Cont'd)

a) Subsidiaries (Cont'd)

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 recognise 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.

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 16.

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).

2 Accounting policies (Cont'd)

2.9 Investments in subsidiaries, associates and joint ventures (Cont'd)

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.

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 reduce of the ownership interest in an associates and joint ventures is recognise 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)

2.10 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.

2.11 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.

2 Accounting policies (Cont'd)

2.11 Investment Property (Cont'd)

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

Buildings	20 Years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

2.12 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.

2.13 Goodwill

Goodwill on acquisitions of subsidiaries (Note 2.9) 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 Accounting policies (Cont'd)

2.14 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.

2.15 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.

2.16 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.

2.17 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 Accounting policies (Cont'd)

2.18 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.

2.19 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.

2.20 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.

Current tax

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

2 Accounting policies (Cont'd)

2.20 Current and deferred income taxes (Cont'd)

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, deferred income tax is not recognised for temporary differences arise from:

- Initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- Investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 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 where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

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

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.22 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.

2.23 Provisions - general

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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions exclude the employee benefit obligations. The accounting policy for employee benefit obligations are mentioned in note 2.21.

2.24 Financial assets and financial liabilities

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

2.25 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

2.26 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

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.

2 Accounting policies (Cont'd)

2.26 Revenue recognition (Cont'd)

Revenue from sale of goods are recognised when control of the products has transferred which is when the products are shipped to the specific location.

Revenue from services of the Group is recognised based on the lastest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Revenue of subsidiary from development of hospital operation software. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

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

Other revenues are recognised on the following bases:

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

2.27 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.

2.28 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 Accounting policies (Cont'd)

2.29 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 manage credit risk, the Group has set the threshold level of reliability of customers. In addition, trade receivables are mostly insurance companies who are stable and doing business together for a long time. Therefore, the management considered that the credit risk on trade receivables is low.

3.1.3 Foreign exchange risk

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

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

3.1.4 Interest rate risk

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

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

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

3.1 Financial risk factors (Cont'd)

3.1.4 Interest rate risk (Cont'd)

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 December 2019 and 2018 as follows:

	2019												Separate financial statements		
	Consolidated financial statements						Fixed interest rate								
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht	Total Baht	Interest (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht	Total Baht	Interest (%)	
Financial assets															
Cash and cash equivalents	3,411,843	-	-	476,389,220	182,676,851	662,477,914	0.10 - 1.10	2,646,289	-	-	291,235,324	126,728,104	420,609,717	0.10 - 1.00	
Short-term investments at financial institutions	27,784	-	-	-	-	27,784	0.75 - 0.80	-	-	-	-	-	-	-	
Short-term investments	-	-	-	-	76,281,722	76,281,722	-	-	-	-	-	20,448,211	20,448,211	-	
Trade and other accounts receivable (net)	-	-	-	-	1,306,160,449	1,306,160,449	-	-	-	-	-	907,776,717	907,776,717	-	
Short-term loan to related parties	36,599,881	-	-	-	-	36,599,881	as agreed	5,691,557,468	-	-	-	-	-	5,691,557,468	
Restricted deposits at financial institutions	8,266,189	-	-	426,100	-	8,692,289	0.22 - 1.05	-	-	-	-	-	-	-	
	48,305,697	-	-	476,815,320	1,565,119,022	2,090,240,039		5,694,203,757	-	-	291,235,324	1,054,953,032	7,040,392,113		
Financial liabilities															
Bank overdrafts and short-term loans from financial institutions	2,696,709,578	-	-	8,427,749	-	2,705,137,327	Ref. Interest rate in Financial Market and MLR and MOR as agreed 3.80, MLR, Prime Rate 1.63 - 8.57	2,580,000,000	-	-	-	-	-	2,580,000,000	Interest rate in Financial Market and MLR and MOR
Trade and other accounts payable	302,571,143	-	-	-	1,228,532,226	1,531,103,369	-	-	-	-	-	675,800,636	675,800,636	MLR and Prime Rate	
Long-term loans from financial institutions	74,733,333	724,573,966	-	5,336,504,946	-	6,135,812,245	-	-	-	-	5,216,777,823	-	5,216,777,823	1.85 - 5.28	
Finance lease liabilities (net)	37,790,685	97,376,740	-	-	-	135,167,425	1.63 - 8.57	5,604,389	9,213,927	-	-	-	14,818,316		
Liabilities under land leasehold rights	-	-	-	-	1,000,000	1,000,000	-	-	-	-	-	-	-	-	
	3,111,804,739	821,950,706	-	5,344,932,695	1,229,532,226	10,508,220,366		2,585,604,389	9,213,927	-	5,216,777,823	675,800,636	8,487,396,775		

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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 2019 and 2018 as follows: (Cont'd)

	2018													
	Consolidated financial statements						Separate financial statements							
	Fixed interest rate			Floating interest rate			Fixed interest rate			Floating interest rate				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht	Total Baht	Interest (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	Non-interest bearing rate Baht	Total Baht	Interest (%)
Financial assets														
Cash and cash equivalents	3,257,290	-	-	577,277,953	160,968,833	741,504,076	0.12 - 1.10	2,620,252	-	-	237,872,854	148,092,389	388,585,495	0.12 - 1.00
Short-term investments at financial institutions	22,356	-	-	-	-	22,356	1.00 - 1.05	-	-	-	-	-	-	-
Short-term investments	-	-	-	-	144,044,436	144,044,436	-	-	-	-	-	21,530,466	21,530,466	-
Trade and other accounts receivable (net)	-	-	-	-	852,030,938	852,030,938	-	-	-	-	-	841,966,398	841,966,398	-
Short-term loan to related parties	40,106,960	-	-	-	-	40,106,960	as agreed	4,013,084,205	-	-	-	-	-	4,013,084,205
Restricted deposits at financial institutions	8,280,347	-	-	426,100	-	8,706,447	0.37 - 1.05	-	-	-	-	-	-	-
	51,666,953	-	-	577,704,053	1,157,044,207	1,786,415,213		4,015,704,457	-	-	237,872,854	1,011,589,253	5,265,166,564	
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	2,720,896,896	-	-	19,964,767	-	2,740,861,663	Ref. Interest rate in Financial Market and MLR and MOR	2,583,000,000	-	-	-	-	2,583,000,000	Ref. Interest rate in Financial Market and MLR and MOR
Trade and other accounts payable	-	-	-	-	1,962,845,026	1,962,845,026	-	-	-	-	-	667,525,114	667,525,114	-
Fixed assets payable	-	155,280,815	-	-	-	155,280,815	as agreed	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	-	-	3,443,716,325	-	3,443,716,325	MLR	-	-	-	3,443,716,325	-	3,443,716,325	MLR
Finance lease liabilities (net)	3,151,914	8,167,427	-	-	11,319,341	11,319,341	3.85 - 7.03	2,857,376	8,089,257	-	-	-	10,946,633	3.85 - 5.28
Liabilities under land leasehold rights	-	-	-	-	2,000,000	2,000,000	-	-	-	-	-	-	-	-
	2,724,048,810	163,448,242	-	3,463,681,092	1,964,845,026	8,316,023,170		2,585,857,376	8,089,257	-	3,443,716,325	667,525,114	6,705,188,072	

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 39.4.

3.3 Fair value estimation

The table below presents financial assets and liabilities that are measured at fair value, excluding where its value is approximating the carrying amount.

The different levels have been defined as follows:

- Level 1 : The fair of financial instruments is based on the current bid price by reference to security market.
- Level 2: The fair value of financial instruments is determined using significant observable input and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data

Assets as at 31 December	Level	Fair value			
		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Available-for-sale investments (Note 8, 14)	1	560,187,228	724,604,177	504,353,717	602,090,207

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

The Group discloses fair value of investment properties and long-term loans from financial institutions in Note 19 and 26, 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 28.

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 16, 17 and 18).

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.

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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 2019 and 2018:

	Certain part of the consolidated statements of comprehensive income for the years ended 31 December 2019 and 2018 (Baht)												
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Revenue from hospital operations	6,766,607,378	5,802,701,768	-	-	-	-	-	-	-	(16,515,569)	(7,739,764)	6,750,091,809	5,794,962,004
Revenue from sale of goods	-	-	-	-	328,073,199	431,929,897	-	-	-	(10,257,855)	(35,504,528)	317,815,344	396,425,369
Revenue from other services	2,822,000	14,386,434	718,310,805	770,897,627	10,330,020	12,651,519	32,468,989	32,688,155	-	(28,005,743)	(10,627,143)	735,926,071	819,996,592
Revenue from sales of condominium unit	-	-	-	-	428,325,994	82,807,876	-	-	-	-	-	428,325,994	82,807,876
Cost of hospital operations	(5,194,848,622)	(4,160,658,902)	-	-	-	-	-	-	-	(39,839,668)	4,234,430	(5,234,688,290)	(4,156,424,472)
Cost of goods sold	-	-	-	-	(205,188,091)	(290,706,168)	-	-	-	2,558,300	18,217,282	(202,629,791)	(272,488,886)
Cost of other services	(2,822,000)	(17,265,924)	(645,742,068)	(675,858,615)	(7,686,953)	(6,027,636)	(16,721,150)	(16,223,330)	-	25,876,394	16,476,269	(647,095,777)	(698,899,236)
Cost of condominium unit sold	-	-	-	-	(284,635,912)	(57,765,006)	-	-	-	3,374,679	-	(281,261,233)	(57,765,006)
Segment income	1,571,758,756	1,639,163,376	72,568,737	95,039,012	269,218,257	172,890,482	15,747,839	16,464,825	-	(62,809,462)	(14,943,454)	1,866,484,127	1,908,614,241
Unallocated revenues and expenses :													
Other income												416,453,536	201,601,030
Selling and administrative expenses												(1,397,109,864)	(1,378,543,265)
Loss on impairment of investment												(2,384,978)	-
Net gain (loss) on exchange rate												(7,854,674)	(1,019,119)
Other expenses												(2,362,891)	(10,825,535)
Finance costs												(216,083,581)	(144,097,391)
Share of profit (loss) from investment in - associates												50,594,633	40,872,483
- joint ventures												(117,850,009)	(133,216,058)
Income tax												(130,119,924)	(116,707,256)
Net profit for the year												459,766,375	366,679,130
Timing of revenue recognition:													
At a point in time													
Overtime	6,769,429,378	5,817,088,202	718,310,805	770,897,627	755,116,420	513,356,488	-	-	-	(10,257,855)	(35,504,529)	744,858,565	477,851,959
	6,769,429,378	5,817,088,202	718,310,805	770,897,627	11,612,793	14,032,804	32,468,989	32,688,155	-	(44,521,312)	(18,366,906)	7,487,300,653	6,616,339,882
	6,769,429,378	5,817,088,202	718,310,805	770,897,627	11,612,793	14,032,804	32,468,989	32,688,155	-	(54,779,167)	(53,871,435)	8,232,159,218	7,094,191,841

For separate financial statements, the Company's revenue are recognised overtime.

The segment revenue information for the year ended 31 December 2018 has been prepared in accordance with TAS 11 and TAS 18 (old revenue recognition standards). Therefore, the segment revenue information presented in the current and prior years are not comparable. The comparable revenue information is disclosed in note 2.2.1

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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 2019 and 2018: (Cont'd)

	Certain part of the consolidated statements of financial position as at 31 December 2019 and 2018 (Baht)													
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment assets	9,441,807,754	6,467,779,152	576,599,606	661,423,512	3,490,906,666	3,259,650,479	30,489,048	23,778,432	4,988,480	10,455,139	827,093,183	927,029,602	14,371,164,737	11,350,116,316
Investments at equity method	2,013,150,674	1,809,810,153	-	-	-	-	-	-	-	-	(181,403,831)	(257,999,894)	1,831,746,843	1,551,810,259
Unallocated assets	13,248,992,315	12,591,918,962	168,174,607	149,432,050	841,503,643	487,473,641	300,000	2,805	1,846,487,548	1,822,565,548	(12,023,377,550)	(10,026,388,100)	4,082,080,563	5,025,004,906
Total assets	24,703,950,743	20,869,508,267	744,774,213	810,855,562	4,332,410,309	3,747,124,120	30,789,048	23,781,237	1,851,476,028	1,833,020,687	(11,377,688,198)	(9,357,358,392)	20,284,992,143	17,926,931,481
Segment liabilities	5,223,933,831	4,012,275,687	147,747,038	176,881,041	254,575,525	615,672,536	14,467,528	8,996,570	5,108,527	5,244,914	(150,549,111)	(89,553,991)	5,495,283,338	4,729,516,757
Unallocated liabilities	7,553,682,245	5,014,553,691	51,185,405	119,948,441	2,991,191,405	2,156,352,808	26,096,895	26,074,360	1,715,386,943	1,674,385,832	(6,329,322,773)	(4,519,784,945)	6,008,220,120	4,471,530,187
Total liabilities	12,777,616,076	9,026,829,378	198,932,443	296,829,482	3,245,766,930	2,772,025,344	40,564,423	35,070,930	1,720,495,470	1,679,630,746	(6,479,871,884)	(4,609,338,936)	11,503,503,458	9,201,046,944

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	8,414,689	12,698,409	5,922,102	10,178,909
Cheque on hand	1,598,033	1,493,920	1,543,580	975,315
Cash at banks - savings accounts	476,389,220	577,277,953	291,235,324	237,872,854
- current accounts	172,664,129	146,776,504	119,262,422	136,938,165
- 3-month fixed deposit	3,411,843	3,257,290	2,646,289	2,620,252
	662,477,914	741,504,076	420,609,717	388,585,495

As at 31 December 2019 and 2018, cash at banks carry interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2019 % per annum	2018 % per annum	2019 % per annum	2018 % per annum
Cash at banks- savings accounts	0.10 to 0.97	0.12 to 1.00	0.10 to 0.97	0.12 to 1.00
- 3-month fixed deposit	0.60 to 1.10	0.80 to 1.10	1.00	1.00

8 Short-term investments

As at 31 December 2019 and 2018, 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 2019 and 2018 are as follows:

Investment in debt securities	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost at the beginning of the year	134,865,837	127,942,325	14,194,831	108,199,517
Add Additions from acquiring subsidiary during the year	-	928,198	-	-
Add Additions during the year	95,000,000	100,000,000	-	-
Less Disposals during the year	(160,867,250)	(94,004,686)	-	(94,004,686)
Cost at the end of the year	68,998,587	134,865,837	14,194,831	14,194,831
Unrealised gain on measurement of available-for-sale investments	2,026,235	2,641,184	996,480	814,134
Unrealised gain on measurement of available-for-sale investments from acquiring subsidiary	-	15,914	-	-
Book value as at 31 December	71,024,822	137,522,935	15,191,311	15,008,965

8 Short-term investments (Cont'd)

The movements of short-term investments for the years ended 31 December 2019 and 2018 are as follows: (Cont'd)

Investment in equity securities	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost at the beginning of the year	6,248,671	6,248,671	6,248,671	6,248,671
<u>Add</u> Additions during the year	-	-	-	-
<u>Less</u> Disposals during the year	-	-	-	-
Cost at the end of the year	6,248,671	6,248,671	6,248,671	6,248,671
Unrealised gain (loss) on measurement of available-for-sale investments	(991,771)	272,830	(991,771)	272,830
Book value as at 31 December	<u>5,256,900</u>	<u>6,521,501</u>	<u>5,256,900</u>	<u>6,521,501</u>
Total short-term investments	<u>76,281,722</u>	<u>144,044,436</u>	<u>20,448,211</u>	<u>21,530,466</u>

As at 31 December 2019, the book value of short-term investments in debt securities of the Group amounting to Baht 71,024,822 (2018 : Baht 137,522,935) and for the Company amounting to Baht 15,191,311 (2018 : Baht 15,008,965) 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 2019, the book value of short-term investments in equity securities of the Group and the Company amounting to Baht 5,256,900 (2018 : Baht 6,521,501) 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 recognised gain on disposal of investment in securities amounting to Baht 2,828,290 for the year ended 31 December 2019 (2018 : the Group and the Company had gain on disposal of investment in securities amounting to Baht 5,995,314) (Note 33).

During the year 2019, the Group and the Company received dividend income from short-term investments amounting to Baht 139,100 (2018 : Baht 136,750) (Note 33).

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

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9 Trade and other accounts receivable (net)

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable					
- other companies (net)		1,200,792,304	783,198,630	390,428,048	398,741,443
- related companies (net)	38 a)	53,058,210	52,449,904	51,743,769	39,882,373
		<u>1,253,850,514</u>	<u>835,648,534</u>	<u>442,171,817</u>	<u>438,623,816</u>
Other accounts receivable					
- other companies		7,389,256	5,805,603	3,264,586	3,931,670
- related companies	38 a)	39,867,384	10,015,600	13,580,442	8,685,811
		<u>47,256,640</u>	<u>15,821,203</u>	<u>16,845,028</u>	<u>12,617,481</u>
Interests receivable					
- other companies		14,822	13,935	-	-
- related companies	38 a)	4,146,681	547,266	492,529,770	435,386,791
		<u>4,161,503</u>	<u>561,201</u>	<u>492,529,770</u>	<u>435,386,791</u>
<u>Less</u> Allowance for doubtful Accounts					
- related companies	38 a)	-	-	(44,661,690)	(44,661,690)
		<u>4,161,503</u>	<u>561,201</u>	<u>447,868,080</u>	<u>390,725,101</u>
Dividend receivable					
- related company	38 a)	891,792	-	891,792	-
Advance payment					
- other companies		1,779,040	4,237,504	1,009,010	591,263
Prepaid expenses		17,550,872	15,987,370	6,709,106	6,845,895
		<u>1,325,490,361</u>	<u>872,255,812</u>	<u>915,494,833</u>	<u>849,403,556</u>

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

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable					
- other companies (net)					
Not yet due		338,471,329	301,890,634	127,351,002	156,791,363
Overdue					
1 - 90 days		144,291,852	77,324,790	23,334,885	36,896,303
91 - 180 days		45,026,743	13,737,916	5,182,027	3,040,988
181 - 365 days		52,509,993	14,068,628	28,399,391	8,289,826
Over 365 days		37,654,992	31,048,375	31,113,401	26,811,970
		<u>617,954,909</u>	<u>438,070,343</u>	<u>215,380,706</u>	<u>231,830,450</u>
<u>Less</u> Allowance for doubtful accounts		<u>(45,965,568)</u>	<u>(28,812,693)</u>	<u>(36,050,630)</u>	<u>(22,969,214)</u>
Unbilled trade accounts receivable		<u>571,989,341</u>	<u>409,257,650</u>	<u>179,330,076</u>	<u>208,861,236</u>
		<u>628,802,963</u>	<u>373,940,980</u>	<u>211,097,972</u>	<u>189,880,207</u>
Trade accounts receivable					
- other companies (net)		<u>1,200,792,304</u>	<u>783,198,630</u>	<u>390,428,048</u>	<u>398,741,443</u>

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

Outstanding balance of trade accounts receivable classified by aging are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade account receivable - related companies (net)				
Not yet due	373,435	6,550	6,335,432	2,208,221
Overdue				
1 - 90 days	18,060,342	85,475	12,298,461	7,460,675
91 - 180 days	-	1,700	10,646,021	1,756,272
181 - 365 days	12,612,315	11,233,166	5,649,601	5,721,010
Over 365 days	4,046,854	-	4,046,854	3,266,604
	35,092,946	11,326,891	38,976,369	20,412,782
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	35,092,946	11,326,891	38,976,369	20,412,782
Unbilled trade accounts receivable	22,221,064	41,123,013	17,023,200	19,469,591
<u>Less</u> Allowance for doubtful accounts	(4,255,800)	-	(4,255,800)	-
	17,965,264	41,123,013	12,767,400	19,469,591
Trade account receivable - related companies (net)	53,058,210	52,449,904	51,743,769	39,882,373

The movements of the allowance for doubtful accounts of trade accounts receivable - other companies for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Allowance for doubtful accounts				
at the beginning of the year	(28,812,693)	(17,120,843)	(22,969,214)	(12,348,034)
<u>Add</u> Additions during the year	(24,319,534)	(15,765,202)	(17,232,943)	(11,115,386)
<u>Less</u> Written-off during the year	2,194,374	138,601	1,905,373	-
<u>Less</u> Reversal during the year - repayments	4,972,285	3,934,751	2,246,154	494,206
Allowance for doubtful accounts at the end of the year	(45,965,568)	(28,812,693)	(36,050,630)	(22,969,214)

During the year ended 31 December 2019, the Group and the Company have written-off bad debt amounting to Baht 7,238,793 (2018 : the Group and the Company have not written-off any bad debt).

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10 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Medicines and medical supplies	150,540,035	114,654,120	79,353,576	74,694,978
Medical equipment	88,080,275	94,885,230	-	-
Supplies	9,358,841	7,575,327	6,596,517	7,049,665
Condominium unit for sale	1,137,716,735	913,370,443	-	-
<u>Less Allowance for obsolete inventories</u>				
- medicines and medical supplies	(1,266,570)	(1,244,389)	-	-
- medical equipment	(7,137,481)	(7,202,613)	-	-
- supplies	(61,563)	(464,916)	(61,563)	(464,916)
Goods in transit - medical equipment	1,281,625	5,352,695	-	-
	<u>1,378,511,897</u>	<u>1,126,925,897</u>	<u>85,888,530</u>	<u>81,279,727</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.

11 Cost of developing holistic care project

Subsidiary - Thonburi Wellbeing Co., Ltd. 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 2019 and 2018 comprise the following:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Land under development	1,092,761,605	1,024,340,366
Construction in progress and other related costs	308,521,050	257,680,024
Capitalised interest	11,999,092	25,063,334
	<u>1,413,281,747</u>	<u>1,307,083,724</u>

12 Non-current assets classified as held-for-sale

	Consolidated financial statements	
	2019 Baht	2018 Baht
Land	84,162,048	-
	<u>84,162,048</u>	<u>-</u>

In March 2019, a subsidiary made land sale and purchase agreement with Rachphattana Real Estate Co., Ltd. which is a related company in amounting to Baht 96.50 million. The subsidiary reclassified such land from property, plant and equipment to non-current assets classified as held-for-sale with their carrying amount. As at 31 December 2019, the subsidiary received deposit from a related company in amounting to Baht 1,000,000 (Note 25) with all conditions of payment for land within December 2019. However, the purchaser request to extend the payment period due to experiencing a slowdown in real estate. The Board of Directors' Meeting of the Company no. 2/2020 on 27 February 2020, has resolved to extend the payment period for another 12 months from the expiration date specified in land sales and purchase agreement. For the remaining deposits of land, land cost and other conditions shall be in accordance with the original contract in all respects.

In November 2019, a subsidiary made land sale and purchase agreement with a third party in amounting to Baht 4.23 million. The subsidiary reclassified such land from investment properties to non-current assets classified as held-for-sale with their carrying amount. As at 31 December 2019, the subsidiary received deposit from the third party in amounting to Baht 423,062 (Note 25).

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13 Restricted deposits at financial institutions

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash at banks - savings account	426,100	426,100	-	-
- 3-month fixed deposit	1,980,000	1,980,000	-	-
- 12-month fixed deposit	6,286,189	6,300,347	-	-
	8,692,289	8,706,447	-	-
Interest rate (% per annum)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash at banks - savings account	0.22 to 0.38	0.37 to 0.38	-	-
- 3-month fixed deposit	0.60 to 0.80	0.80 to 1.00	-	-
- 12-month fixed deposit	0.80 to 1.05	0.90 to 1.05	-	-

As at 31 December 2019 and 2018, restricted deposits at financial institutions of the Group are deposits of the subsidiaries in Baht currency. The Group pledged these deposits as collateral against the bank overdrafts and bank guarantees (Note 24 and 40).

14 Long-term investments in equity securities

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 2019 and 2018 are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Investments in ordinary shares		
Cost at the beginning of the year	604,701,090	604,702,986
<u>Less</u> Decrease from capital reduction	-	(1,896)
<u>Less</u> Disposals during the year	(222,000,000)	-
Cost at the end of the year	382,701,090	604,701,090
Unrealised gain on measurement of available-for-sale investments	101,204,416	(24,141,349)
Book value as at 31 December	483,905,506	580,559,741

For the year ended 31 December 2019, the Company has gain on disposals of long-term investments in equity securities amounting to Baht 277,881,368 (Note 33) which came from the reclassification of unrealised gain on measurement of available-for sale investments of Baht 216,854,092 from previously recognised in other comprehensive income to profit or loss (For the year ended 31 December 2018 : Nil).

During the year 2019, the Company received dividend income from long-term investments in equity securities amounting to Baht 17,825,014 (2018 : Baht 18,007,056) (Note 33).

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

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15 Investments in associates (net)

a) As at 31 December 2019 and 2018, investments in associates (net) comprise the following:

Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Consolidated financial statements		Share of profit For the year ended 31 December	
				2019 Baht	2018 Baht	2019 Percentage	2018 Percentage	Investments (Equity method)	2018 Baht	2019 Baht	2018 Baht
										2019 Baht	2018 Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.52	332,190,785	317,817,773	27,966,794	29,310,922
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	325,091,250	270,909,375	31.87	31.87	233,490,345	165,539,430	22,627,839	11,561,561
								565,681,130	483,357,203	50,594,633	40,872,483
Separate financial statements											
Cost method											
Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		2019		2018	
				2019 Baht	2018 Baht	2019 Percentage	2018 Percentage	Investments Baht	Allowance for impairment of Investments Baht	Investments (net) Baht	Allowance for impairment of Investments Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.52	272,762,500	-	272,762,500	272,762,500
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	325,091,250	270,909,375	31.87	31.87	159,724,802	-	159,724,802	107,927,000
								432,487,302	-	432,487,302	380,689,500

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

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Notes to the Consolidated and Separate Financial Statements
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15 Investments in associates (net) (Cont'd)

- b) The movements in book value of investments in associates (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning book value of the year (net)	483,357,203	454,725,259	380,689,500	374,911,500
Additions during year	51,797,802	5,778,000	51,797,802	5,778,000
Share of profit during the year (net)	50,594,633	40,872,483	-	-
Dividend income during the year	(20,068,508)	(18,018,539)	-	-
Ending book value of the year (net)	<u>565,681,130</u>	<u>483,357,203</u>	<u>432,487,302</u>	<u>380,689,500</u>

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

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

- d) Increase in investment in associate - Sirivej Chanthaburi Public Company Limited

At the Annual General Shareholders' Meeting of an associate for the year 2019 on 21 April 2019, the shareholders approved the increase in registered share capital from Baht 270,909,375 (270,909,375 ordinary shares at Baht 1.00 per share) to Baht 325,091,250 (325,019,250 ordinary shares at Baht 1.00 per share) which will be sold to existing shareholders in proportion of 5 shares to 1 new share at Baht 3.00 per share.

On 3 October 2019, the Company paid for the additional investment in Sirivej Chanthaburi Public Company Limited for 17,265,934 ordinary shares at the price of Baht 3.00 per share (par value at Baht 1.00 per share), totally of Baht 51,797,802. The associate registered the share capital increase with the Ministry of Commerce on 22 October 2019. Such additional investment did not effect to the Company's shareholding interest.

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

Summarised financial information for significant associates

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

	Ubonrak Co., Ltd. As at 31 December		Sirivej Chanthaburi Public Company Limited As at 31 December		Total As at 31 December	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current assets	231	225	285	81	516	306
Non-current assets	579	500	565	522	1,144	1,022
Current liabilities	(113)	(119)	(85)	(91)	(198)	(210)
Non-current liabilities	(158)	(109)	(79)	(40)	(237)	(149)
Net assets	539	497	686	472	1,225	969
Revenue	798	755	618	532	1,416	1,287
Net profit	81	85	73	44	154	129
Other comprehensive income	-	-	(1)	(8)	(1)	(8)
Total comprehensive income	81	85	72	36	153	121

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 2019 and 2018.

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

Reconciliation of summarised financial information

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

Summarised financial information	Ubonrak Co., Ltd.		Sirivej Chanthaburi Public Company Limited		Total	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Net assets as at 1 January	497	446	472	456	969	902
Capital increase during the year	-	-	162	-	162	-
Profit for the year	81	85	73	44	154	129
Other comprehensive income	-	-	(1)	(8)	(1)	(8)
Dividends	(39)	(34)	(20)	(20)	(59)	(54)
Net assets as at 31 December	539	497	686	472	1,225	969
Interest in associate (%)	34.52	34.52	31.87	31.87		
Equity in associate	186	172	218	150	404	322
Change of investment proportion	-	6	-	-	-	6
Excess of fair value to cost of investments prior to the change in shareholding interest	(34)	(40)	-	-	(34)	(40)
Goodwill	180	180	15	15	195	195
Net book value	332	318	233	165	565	483
Carrying amount of investments in associates using the equity method (Note 15 a))	332	318	233	165	565	483

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

a) As at 31 December 2019 and 2018, investments in subsidiaries (net) comprise the investments in ordinary shares of companies as following:

Direct Subsidiaries	Incorporated in	Nature of business	Separate financial statements Cost method												Dividend income For the year ended 31 December	
			Paid-up share capital (Amount)		Shareholding interest		2019		Allowance for impairment of Investments		2018		Allowance for impairment of Investments			
			2019 Baht	2018 Baht	2019 Percentage	2018 Percentage	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Rajyindee Hospital Public Company Limited	Thailand	Private hospital activities	430,000,000	430,000,000	56.91	56.91	238,918,787	-	238,918,787	238,918,787	-	238,918,787	22,026,063	12,236,702		
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	-	-		
Thonburi Wellbeing Co., Ltd. (former "Premiere Home Health Care Company Limited")	Thailand	Senior medical service and residences	1,300,000,000	1,150,000,000	99.99	99.99	1,300,000,000	-	1,300,000,000	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	(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	-	-		
Utraridit 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	-	-		
Thonburi Bamrungruang Hospital Co., Ltd.	Thailand	Private hospital activities	1,223,176,700	1,223,176,700	99.99	99.99	2,111,913,029	-	2,111,913,029	2,111,913,029	-	2,111,913,029	-	-		
Thanarad Thung Song Co. Ltd	Thailand	Private hospital activities	600,000,000	600,000,000	51.12	51.12	306,692,500	-	306,692,500	306,692,500	-	306,692,500	-	-		
							6,304,384,306	(834,368,167)	5,470,016,139	6,154,384,306	(834,368,167)	5,320,016,139	22,026,063	12,236,702		

16 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 2019 and 2018 are as follows:

Summarised statements of financial position

	2019 (Thousand Baht)			2018 (Thousand Baht)		
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total
Current						
Assets	206,989	15,826	222,815	216,972	150,043	367,015
Liabilities	(63,172)	(104,066)	(167,238)	(70,754)	(33,659)	(104,413)
Total net current assets (liabilities)	143,817	(88,240)	55,577	146,218	116,384	262,602
Non-current						
Assets	552,913	769,014	1,321,927	540,797	481,768	1,022,565
Liabilities	(66,395)	(125,802)	(192,197)	(45,239)	(176)	(45,415)
Total net non-current assets (liabilities)	486,518	643,212	1,129,730	495,558	481,592	977,150
Net assets (liabilities)	630,335	554,972	1,185,307	641,776	597,976	1,239,752

16 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 2019 and 2018 are as follows:
(Cont'd)

Summarised statements of comprehensive income

	2019 (Thousand Baht)			2018 (Thousand Baht)		
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total
Revenue	690,782	9,166	699,948	695,529	-	695,529
Profit (loss) before income tax	41,237	(50,225)	(8,988)	54,755	(2,718)	52,037
Income tax (expenses)	(6,652)	8,117	1,465	(9,475)	70	(9,4050)
Post-tax profit (loss) from continuing operations	34,585	(42,108)	(7,523)	45,280	(2,648)	42,632
Other comprehensive income	(7,328)	(896)	(8,224)	(2,389)	174	(2,215)
 Total comprehensive income	 27,257	 (43,004)	 (15,747)	 42,891	 (2,474)	 40,417
Proportion of non-controlling interests (%)	43.09	43.57		43.09	43.57	
Total comprehensive income allocated to non-controlling interests	11,745	(18,737)	(6,992)	18,482	(1,702)	16,780
Increase in non-controlling interests from investment in a subsidiary	-	-	-	-	261,284	261,284
Effect from changing of proportion of non-controlling interests	-	-	-	-	(23,157)	(23,157)
Dividend paid to non-controlling interests	(16,674)	-	(16,674)	(9,263)	-	(9,263)
Cumulative balance of non-controlling interests	271,583	217,688	489,271	276,512	236,425	512,937

16 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 2019 and 2018 are as follows:
(Cont'd)

Summarised statements of Cash flow

	2019 (Thousand Baht)			2018 (Thousand Baht)		
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Total
Cash flow from operating activities						
Cash generated from operation	107,194	(38,253)	68,941	109,350	(1,924)	107,426
Interest received	383	166	549	234	-	234
Interest paid	-	(2,675)	(2,675)	-	-	-
Income tax paid	(11,643)	(4)	(11,647)	(7,206)	(2)	(7,208)
Net cash generated from (used in) operating activities	95,934	(40,766)	55,168	102,378	(1,926)	100,452
Net cash generated from (used in) investing activities	(106,806)	(186,370)	(293,176)	(72,870)	(202,038)	(274,908)
Net cash generated from (used in) financing activities	(38,786)	163,661	124,875	(21,738)	209,093	187,355
Net (decrease) increase in cash and cash equivalents	(49,658)	(63,475)	113,133	7,770	5,129	12,899
Cash and cash equivalents at the beginning of the year	103,112	68,005	171,117	95,342	62,876	158,218
Cash and cash equivalents at the end of the year	53,454	4,530	57,984	103,112	68,005	171,117

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

16 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 2019 and 2018 comprise the following:

	Separate financial statements Cost method	
	2019 Baht	2018 Baht
Beginning net book value of the year	5,320,016,139	5,013,323,639
Increase in investments in subsidiaries during the year	<u>150,000,000</u>	<u>306,692,500</u>
Ending net book value of the year	<u><u>5,470,016,139</u></u>	<u><u>5,320,016,139</u></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 2019 to 31 December 2019 (2018 : from 1 January 2018 to 31 December 2018).
- 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) Investment in subsidiary - Thanarad Thung Song Co., Ltd.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f) Liquidation of indirect subsidiary - Rajyindee Co.,Ltd

At the Extra Ordinary Shareholders' Meeting no.1/2562 of Rajyindee Co.,Ltd on 30 September 2019, the shareholders approved the liquidation of Rajyindee Co.,Ltd. The subsidiary registered the liquidation with the Ministry of Commerce on 11 October 2019 and completed liquidation on 23 December 2019.

g) Investment in subsidiary - Thonburi Wellbeing Co., Ltd

At the Board of Directors' Meeting of the Company no. 8/2562 on 24 October 2019, the Board of directors approved payment for unpaid shares capital of Thonburi Wellbeing Co., Ltd amounting to Baht 150.00 million (100.00 million ordinary shares at Baht 1.50 per share). The payment will pay into 3 installments, Baht 50.00 million per time.

The Company paid all unpaid shares capital amounting to Baht 150.00 million in November and December 2019. Such additional payment did not impact to the Group's shareholding interest.

h) Consideration of allowance for impairment of investments

As at 31 December 2019 and 2018, 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.

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17 Investments in joint ventures (net)

a) As at 31 December 2019 and 31 December 2018, investments in joint ventures (net) comprise the following:

Company name	Incorporated in	Nature of business	Percentage of shareholding		Consolidated financial statements		Share of loss		Share of other comprehensive income of joint ventures accounted for using the equity method	
			2019 Percentage	2018 Percentage	Investments (Equity method)	2019 Baht	2018 Baht	For the year ended 31 December	2019 Baht	2018 Baht
										2018 Baht
Weihai Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	474,707,737	478,544,800	(61,363,932)	(81,021,274)	57,526,869	(15,326,584)
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	40.00	791,357,976	589,908,256	(56,486,077)	(52,194,784)	6,393,078	(3,326,331)
					1,266,065,713	1,068,453,056	(117,850,009)	(133,216,058)	63,919,947	(18,652,915)

For the year ended 31 December 2019, share of loss from investment in joint venture - Ar Yu International Health Care Company Limited is calculated based on financial information which was prepared by management of its joint venture and was reviewed by auditor (For the year ended 31 December 2018 : was not reviewed by auditor). The Group's management views that the value of this investment would not significantly differ if the financial statements are audited by auditor.

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

a) As at 31 December 2019 and 31 December 2018, investments in joint ventures (net) comprise the following: (Cont'd)

Company name	Incorporated in	Nature of business	Percentage of shareholding		Separate financial statements					
					2019		Cost method		2018	
			2019 Percentage	2018 Percentage	Investment Baht	Allowance for impairment of investment Baht	Investment (net) Baht	Investment Baht	Allowance for impairment of investment Baht	Investment (net) Baht
Weihai Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	782,651,204	(100,000,000)	682,651,204	782,651,204	-	782,651,204
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	40.00	898,012,168	-	898,012,168	646,469,449	-	646,469,449
					1,680,663,372	(100,000,000)	1,580,663,372	1,429,120,653	-	1,429,120,653

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

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

- b) The movements of investments in joint ventures (net) for the years ended 31 December 2019 and 2018 comprise the following :

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning net book value of the year	1,068,453,056	740,375,032	1,429,120,653	949,173,656
Increase in investments in joint ventures during the year	251,542,719	479,946,997	251,542,719	479,946,997
Share of loss during the year	(117,850,009)	(133,216,058)	-	-
Share of other comprehensive income of joint ventures accounted for using the equity method	63,919,947	(18,652,915)	-	-
Allowance for impairment of investment	-	-	(100,000,000)	-
Ending net book value of the year	<u>1,266,065,713</u>	<u>1,068,453,056</u>	<u>1,580,663,372</u>	<u>1,429,120,653</u>

- c) Investment in People's Republic of China

The Company has contract with Wego Holding Company Limited to set up a "Joint venture" in the name of "Weihai Welly Hospital 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 250.00 million. The Company held 58.00% of registered share capital.

As at 31 December 2019 and 2018, the Company's shareholding interest in joint venture is 58.00% of registered share capital amounting to Renminbi 145.00 million (equivalent to Baht 782.65 million).

- d) Investment in Republic of the Union of Myanmar

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.

During the year 2017, the Company paid share payment for 50% of shareholding interest, amounting to US dollar 5.00 million (equivalent to Baht 166.78 million).

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

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

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

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

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

d) Investment in Republic of the Union of Myanmar (Cont'd)

At Executive committee Meeting No. 1/2562 on 15 January 2019, Executive Committee has unanimous approved the investment in ordinary shares increase of joint venture according to the previous shareholding interest amounting to US dollar 8.00 million. During 2nd quarter of 2019, such joint venture call up for the share payment. The Company paid for share payment in May and July 2019 of US dollar 8.00 million (equivalent to Baht 251.54 million). Such additional investment did not impact to the Group's shareholding interest.

As at 31 December 2019, the Company paid share payment in investments in joint venture totalling US Dollar 28.00 million (equivalent to Baht 898.01 million).

e) Consideration of allowance for impairment of investment

As at 31 December 2019, the Company's management considered an allowance for impairment of investment in a joint venture - Weihai Welly Hospital Company Limited by calculating the recoverable amount of investment in a joint venture by using value in used method. The calculation is based on pre-tax cash flow projections which are based on 5-year financial budgets, which has been approved by management. Cash flow after 5-year is calculated using the following assumptions:

Assumption used as at 31 December 2019	
Revenue growth rate	5.00% to 7.00% per annum
Discount rate	8.50% per annum

These assumptions have been used to calculate the recoverable amount. The growth rate is based on the average growth rate in the hospital business. The discount rates used are pre-tax rates that reflect specific risks associated with the business.

The recoverable amount calculated from the above assumptions is lower than the book value. The Company's management considered to record loss on impairment of such investment amounting to Baht 100.00 million in the separate financial statements by presenting as impairment loss of investments in joint ventures in profit or loss.

In the event that there is a change in the discount rate, decrease or increase of 1.00% will cause the recoverable amount to be lower than the book value approximately of Baht 60.21 million and Baht 143.20 million, respectively.

Impairment of such investment is included in the hospital operations segment (Note 6).

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

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

	Weihai Welly Hospital Company Limited As at 31 December		Ar Yu International Health Care Company Limited As at 31 December		Total As at 31 December	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
	Current assets	69	64	42	87	111
Non-current assets	687	800	2,476	1,716	3,163	2,516
Current liabilities	(192)	(169)	(239)	(409)	(431)	(578)
Non-current liabilities	(31)	-	(553)	(77)	(584)	(77)
Net assets	533	695	1,726	1,317	2,259	2,012
Revenue	188	195	163	-	351	195
Net loss	(106)	(140)	(141)	(130)	(247)	(270)
Other comprehensive income	99	(26)	16	(8)	115	(34)
Total comprehensive income	(7)	(166)	(125)	(138)	(132)	(304)

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 2019 and 2018.

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

Reconciliation of summarised financial information

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

Summarised financial information

	Weihai Welly Hospital Company Limited		Ar Yu International Health Care Company Limited		Total	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Net asset as at 1 January	(524)	(358)	(149)	(11)	(673)	(369)
Net loss during the year	(106)	(140)	(141)	(130)	(247)	(270)
Other comprehensive income during the year	99	(26)	16	(8)	115	(34)
Net asset as at 31 December	<u>(531)</u>	<u>(524)</u>	<u>(274)</u>	<u>(149)</u>	<u>(805)</u>	<u>(673)</u>
Interest in joint venture (%)	58.00	58.00	40.00	40.00		
Equity in joint venture	(307)	(304)	(110)	(60)	(417)	(364)
Investment as at 1 January	782	782	646	167	1,428	949
Additional investment during the year	-	-	252	480	252	480
Deficit of fair value to cost of investment prior to the change in shareholding interest	-	-	3	3	3	3
Net book value as at 31 December	<u>475</u>	<u>478</u>	<u>791</u>	<u>590</u>	<u>1,266</u>	<u>1,068</u>

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18 Other long-term investments (net)

As at 31 December 2019 and 2018, other long-term investments (net) comprise the following:

	Consolidated financial statements					
	2019				2018	
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht
General investments of the Company	126,871,045	(4,302,097)	122,568,948	126,070,338	(1,917,119)	124,153,219
General investments of subsidiaries	48,294,517	-	48,294,517	48,294,517	-	48,294,517
	<u>175,165,562</u>	<u>(4,302,097)</u>	<u>170,863,465</u>	<u>174,364,855</u>	<u>(1,917,119)</u>	<u>172,447,736</u>
Separate financial statements						
	2019				2018	
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht
	121,018,393	(4,302,097)	116,716,296	120,217,686	(1,917,119)	118,300,567
	<u>121,018,393</u>	<u>(4,302,097)</u>	<u>116,716,296</u>	<u>120,217,686</u>	<u>(1,917,119)</u>	<u>118,300,567</u>

The movements of other long-term investments (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Notes	Consolidated financial statements Cost method		Separate financial statements Cost method	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning net book value of the year		172,447,736	252,542,536	118,300,567	147,995,367
Increase during the year	18 b), 18 d)	800,707	5,600,000	800,707	-
Transfer to investments in subsidiary	18 b)	-	(56,000,000)	-	-
Disposals of other long-term investment - other companies	18 c)	-	(29,694,800)	-	(29,694,800)
Loss on impairment during the year	18 e)	(2,384,978)	-	(2,384,978)	-
Ending net book value of the year		<u>170,863,465</u>	<u>172,447,736</u>	<u>116,716,296</u>	<u>118,300,567</u>

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

	Consolidated financial statements										Separate financial statements											
	Shareholding percentage		2019				2018				Allowance for impairment		2019				Allowance for impairment		2018			
			2019	2018	Investments	Allowance for impairment of investments	Investments	Allowance for impairment of investments	Investments	Allowance for impairment of investments			2019	2018	Investments	Allowance for impairment of investments	Investments	Allowance for impairment of investments	Investments	Allowance for impairment of investments		
	%	%	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
General investments in ordinary shares																						
General investments of the Company																						
- Other companies																						
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	39,343,800	-	39,343,800	39,343,800	-	39,343,800		
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	8,674,633	-	8,674,633	8,674,633	-	8,674,633		
Kalasin - Thonburi Hospital Co., Ltd.	10.00	10.00	30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000	30,000,000	-	30,000,000		
Phitsanulok Inter Medical Co., Ltd.	5.00	5.00	8,000,000	(4,255,449)	3,744,551	8,000,000	(1,917,119)	6,082,881	8,000,000	(4,255,449)	3,744,551	8,000,000	(1,917,119)	6,082,881	8,000,000	(4,255,449)	3,744,551	8,000,000	(1,917,119)	6,082,881	8,000,000	
Thepakkorn Hospital Co., Ltd.	0.20	0.20	136,400	(46,648)	89,752	136,400	-	136,400	136,400	(46,648)	89,752	136,400	-	136,400	136,400	-	136,400	136,400	-	136,400		
- Related companies																						
Phatara Hospital Co., Ltd.	16.67	16.67	25,000,000	-	25,000,000	25,000,000	-	25,000,000	19,147,348	-	19,147,348	19,147,348	-	19,147,348	19,147,348	-	19,147,348	19,147,348	-	19,147,348		
Chumvej Hospital Public Company Limited	7.93	7.89	14,966,212	-	14,966,212	14,165,505	-	14,165,505	14,966,212	-	14,966,212	14,165,505	-	14,966,212	14,165,505	-	14,966,212	14,165,505	-	14,966,212		
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	750,000	-	750,000	750,000	-	750,000		
General investments of subsidiaries																						
- Related companies																						
Rajnara Hospital Company Limited	14.00	14.00	28,000,000	-	28,000,000	28,000,000	-	28,000,000	-	-	-	-	-	-	-	-	-	-	-	-		
Siroros Hospital Public Company Limited	11.12	11.12	20,294,517	-	20,294,517	20,294,517	-	20,294,517	-	-	-	-	-	-	-	-	-	-	-	-		
			<u>175,165,562</u>	<u>(4,302,097)</u>	<u>170,863,465</u>	<u>174,364,855</u>	<u>(1,917,119)</u>	<u>172,447,736</u>	<u>121,018,393</u>	<u>(4,302,097)</u>	<u>116,716,296</u>	<u>120,217,686</u>	<u>(1,917,119)</u>	<u>118,300,567</u>								

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

a) Investment in Siroros Hospital Public Company Limited

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

b) Investments in Thanarad Thung Song Company Limited

Subsidiary - Rajyindee Hospital Public Company Limited

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

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

As at 30 June 2018, the subsidiary - Rajyindee Hospital Public Company Limited has the shareholding interest in Thanarad Thung Song Co., Ltd. at 13.51%. By considering the shareholding interest of the Group as at 30 June 2018 and the number of directors who entitles to vote on matter considered to be significant in determining the financial and operating policies, the management of the Group considered that the investment in Thanarad Thung Song Co., Ltd. is investment in a subsidiary. Therefore, the Group transfer such investment to investment in a subsidiary (Note 16 d)).

During year 2018, Thanarad Thung Song Co., Ltd. issued new ordinary shares (Note 16 e)). However, Rajyindee Hospital Public Company Limited did not purchase such additional shares. Therefore, the shareholding interest as at 31 December 2018 decrease from 13.51% to 9.33%.

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

On 31 March 2018, the Company disposed investment in Rajthanee Rojana Hospital Co., Ltd. to Rajthanee Hospital Public Company Limited which is a related company by sales of 2,347,826 shares at Baht 35.00 per share (cost at Baht 29.69 million), totalling Baht 82.17 million. The Company has gain on disposal of such investment amounting to Baht 52.48 million (Note 33). The Company received the payment from the disposal in April 2018.

d) Increase in other long-term investment - Chumvej Hospital Public Company Limited

At the Annual General Shareholders' Meeting of Chumvej Hospital Public Company Limited for the year 2019, on 25 March 2019, the shareholders approved the decrease in registered share capital from Baht 116,000,000 (116,000,000 ordinary shares at Baht 1.00 per share) to Baht 114,871,819 (114,871,819 ordinary shares at Baht 1.00 per share) and approved the increase in registered share capital to Baht 125,000,000 (125,000,000 ordinary shares at Baht 1.00 per share) by selling to existing shareholders in proportion of 91 existing shares to 1 new shares at Baht 1.00 per share. The payment will pay into 4 installments during the year 2019.

During the year 2019, the Company paid for 800,707 ordinary shares at Baht 1.00 per share, totalling Baht 800,707. Such additional investment resulted in the change in the Company's shareholding interest from 7.89% to 7.93%

e) Consideration of allowance for impairment of investments

As at 31 December 2019, 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 4,302,097 (2018: Baht 1,917,119) for consolidated and separate financial statements.

f) Others

During the year 2019, the Group received dividend income from other long-term investments amounting to Baht 14,376,322 and the Company amounting to Baht 14,076,322 (2018 : the Group of Baht 11,784,919 and the Company of Baht 11,484,919) (Note 33).

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19 Investment properties (net)

	Consolidated financial statements		
	Land Baht	Buildings Baht	Total Baht
As at 1 January 2018			
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>
For the year ended 31 December 2018			
Opening net book value	1,811,668,549	2,089,253	1,813,757,802
Depreciation change	-	(155,808)	(155,808)
Closing net book value	<u>1,811,668,549</u>	<u>1,933,445</u>	<u>1,813,601,994</u>
As at 31 December 2018			
Cost	2,109,556,054	3,117,225	2,112,673,279
<u>Less</u> Accumulated depreciation	-	(1,183,780)	(1,183,780)
<u>Less</u> Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	<u>1,811,668,549</u>	<u>1,933,445</u>	<u>1,813,601,994</u>
For the year ended 31 December 2019			
Opening net book value	1,811,668,549	1,933,445	1,813,601,994
Write-off - cost	(294,728,021)	-	(294,728,021)
- allowance for impairment	294,728,021	-	294,728,021
Transfer to non-current assets held-for-sale	(1,162,048)	-	(1,162,048)
Depreciation charge	-	(155,808)	(155,808)
Closing net book value	<u>1,810,506,501</u>	<u>1,777,637</u>	<u>1,812,284,138</u>
As at 31 December 2019			
Cost	1,813,665,985	3,117,225	1,816,783,210
<u>Less</u> Accumulated depreciation	-	(1,339,588)	(1,339,588)
<u>Less</u> Allowance for impairment	(3,159,484)	-	(3,159,484)
Net book value	<u>1,810,506,501</u>	<u>1,777,637</u>	<u>1,812,284,138</u>

During the year 2019, the Group's management wrote-off investment properties which fully set allowance for impairment in previous years amounting to Baht 294,728,021.

As at 31 December 2019, the Group's management reviewed the allowance for impairment of investment properties of subsidiaries and considered to recognise allowance for impairment amounting to Baht 3,159,484 (2018: Baht 297,887,505) in the consolidated financial statements.

As at 31 December 2019 and 2018, 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 2019, fair values of investment properties under land and buildings (not included the land which in the lawsuit as mentioned in Note 42) category assessed in the consolidated financial statements are Baht 3,113,130,000 (2018 : Baht 2,921,442,000).

As at 31 December 2019 and 2018, investment properties - land which have book value (net) in amounting to Baht 35.50 million in the lawsuit as mentioned in Note 42.

As at 31 December 2019 and 2018, the Company has no investment property.

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19 Investment properties (net) (Cont'd)

Amounts recognised in profit or loss that are related to investment properties (net) for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue				
Rental income	24,239,600	27,041,900	-	-
Service income	-	-	-	-
	24,239,600	27,041,900	-	-
Expense				
Direct operating expense arising from investment properties that generated rental income and service income for the year	155,808	155,808	-	-
Direct operating expense arising from investment properties that did not generate rental income and service income for the year	-	-	-	-
	155,808	155,808	-	-

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20 Property, plant and equipment (net)

	Consolidated financial statements										Total Baht
	Land Baht	Unutilised land in operation Baht	Buildings Baht	Building improvements and utility system Baht	Medical tools and equipment Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Motor vehicle Baht	Assets under installation and construction in progress Baht	
As at 1 January 2018											
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
<u>Less</u> Accumulated depreciation	-	-	(1,213,572,730)	(442,763,549)	(1,024,531,588)	(172,933,796)	(11,385)	(102,892,224)	(64,957,329)	-	(3,113,490,457)
Allowance for impairment	-	-	-	-	-	-	-	-	-	(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
For the year ended 31 December 2018											
Opening net book value	1,905,156,605	155,476,062	1,871,304,531	251,521,929	376,243,462	57,651,776	28,728,729	78,670,406	11,328,790	96,706,247	4,832,788,537
Additions from acquisition of subsidiary											
- cost	62,771,386	-	83,032	-	-	-	21,491	-	869,100	270,043,464	333,788,473
- accumulated depreciation	-	-	(54,687)	-	-	-	(10,599)	-	(334,018)	-	(399,304)
Additions	5,047,500	-	-	10,948,869	206,253,239	15,688,516	14,098,960	7,955,009	9,667,622	1,647,402,841	1,917,062,556
Borrowing costs	-	-	-	-	-	-	-	-	-	7,348,512	7,348,512
Transfer from advance payment for fixed assets	-	-	-	348,081	4,563,665	-	138,142	-	-	114,781,533	119,831,421
Transfer to cost of developing holistic care project	(27,602,093)	-	-	-	-	-	-	-	-	-	(27,602,093)
Transfer in (out)	-	-	22,320,538	152,159,548	54,232,698	4,007,362	10,930,660	15,285,050	-	(258,935,856)	-
Reclassify - cost	-	-	(330,286,435)	330,286,435	-	-	-	-	-	-	-
- accumulated depreciation	-	-	164,398,524	(164,398,524)	-	-	-	-	-	-	-
Disposals - cost	(22,500)	-	-	(10,672,735)	(32,239,365)	(1,753,131)	(571,781)	(1,595,651)	(800,000)	-	(47,655,163)
- accumulated depreciation	-	-	-	10,669,581	32,213,632	1,620,405	439,997	1,284,707	799,999	-	47,028,321
Write-off - cost	-	-	(42,900,045)	(22,168,849)	(2,684,105)	(1,108,491)	(11,591,345)	(280,410)	-	-	(80,733,245)
- accumulated depreciation	-	-	42,900,032	22,168,824	2,603,898	928,747	11,012,726	254,565	-	-	79,868,792
Depreciation charge	-	-	(83,465,853)	(83,625,982)	(100,864,283)	(17,120,051)	(12,952,219)	(20,402,847)	(4,528,309)	-	(322,959,544)
Impairment charge	-	-	-	(4,744,878)	-	11,385	(89,867)	(10,872)	-	(4,766,850)	(9,601,082)
Closing net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181
As at 31 December 2018											
Cost	1,945,350,898	155,476,062	2,734,094,351	1,155,186,827	1,630,901,182	247,431,213	144,647,080	191,873,645	86,022,841	1,878,020,306	10,169,004,405
<u>Less</u> Accumulated depreciation	-	-	(1,089,794,714)	(657,949,650)	(1,090,578,341)	(187,504,695)	(104,402,319)	(110,702,816)	(69,019,657)	-	(3,309,952,192)
Allowance for impairment	-	-	-	(4,744,878)	-	-	(89,867)	(10,872)	-	(5,440,415)	(10,286,032)
Net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181

During 4th quarter of 2018, a subsidiary - Thonburi Wellbeing 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 27.60 million due to management charged land allocation in green area and lake to be proper.

Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

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

	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
For the year ended 31 December 2019											
Opening net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181
Additions	11,774,685	-	3,905,253	10,744,664	461,337,458	20,669,894	72,070,129	56,436,584	9,047,427	1,121,440,687	1,767,426,781
Borrowing costs	-	-	-	-	-	-	-	-	-	43,950,234	43,950,234
Transfer from advance payment for fixed assets	-	-	-	-	3,016,239	446,743	2,521,911	-	852,250	153,260,653	160,097,796
Transfer to inventories	(6,782,089)	-	-	-	-	-	-	-	-	-	(6,782,089)
Transfer to cost of developing holistic care project	(6,704,580)	-	-	-	-	-	-	-	-	-	(6,704,580)
Transfer to non-current assets held-for-sale	(83,000,000)	-	-	-	-	-	-	-	-	-	(83,000,000)
Transfer in (out)	-	-	1,366,340,955	414,121,791	96,621,848	57,370,511	86,663,959	51,623,402	-	(2,072,742,466)	-
Reclassification - cost	-	-	(10,226,308)	33,973,811	-	(38,299,899)	14,493,855	58,541	-	-	-
- accumulated depreciation	-	-	9,313,469	(1,821,657)	-	1,791,744	(9,277,196)	(6,360)	-	-	-
Disposals - cost	-	-	-	(1,831,956)	(29,358,703)	(3,370,391)	(531,688)	(1,610,981)	(4,209,200)	-	(40,912,919)
- accumulated depreciation	-	-	-	1,819,711	28,664,272	3,267,439	493,220	1,575,977	4,209,195	-	40,029,814
Write-off - cost	-	-	(12,837,679)	(15,407,999)	(96,986,750)	(1,824,634)	(22,034,773)	(1,771,949)	(67,000)	-	(150,930,784)
- accumulated depreciation	-	-	12,837,679	10,419,170	94,341,362	1,770,053	21,687,287	1,670,701	66,998	-	142,793,250
Depreciation charge	-	-	(119,555,358)	(97,262,673)	(155,127,862)	(21,206,362)	(26,122,042)	(39,044,507)	(5,401,194)	-	(463,719,998)
Impairment charge	-	-	-	4,744,878	-	(7,647)	83,882	(1,638)	-	-	4,819,475
Closing net book value	1,860,638,914	155,476,062	2,894,077,648	851,992,039	942,830,705	80,533,969	180,203,438	150,089,727	21,501,660	1,118,488,999	8,255,833,161
As at 31 December 2019											
Cost	1,860,638,914	155,476,062	4,081,276,572	1,596,787,138	2,065,531,274	282,423,437	297,830,473	296,609,242	91,646,318	1,123,929,414	11,852,148,844
<u>Less</u> Accumulated depreciation	-	-	(1,187,198,924)	(744,795,099)	(1,122,700,569)	(201,881,821)	(117,621,050)	(146,507,005)	(70,144,658)	(5,440,415)	(3,590,849,126)
Allowance for impairment	-	-	-	-	-	(7,647)	(5,985)	(12,510)	-	(5,446,557)	-
Net book value	1,860,638,914	155,476,062	2,894,077,648	851,992,039	942,830,705	80,533,969	180,203,438	150,089,727	21,501,660	1,118,488,999	8,255,833,161

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

	Separate financial statements										
	Unutilised land in operation		Building improvements and utility system		Medical tools and equipment		Tools and equipment		Furniture and office equipment		Assets under installation and construction in progress
	Land Baht	Baht	Buildings Baht	System Baht	Baht	Baht	Baht	Baht	Baht	Baht	Total Baht
As at 1 January 2018											
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
<u>Less</u> Accumulated depreciation	-	-	(1,066,887,324)	(303,102,641)	(830,755,848)	(139,187,223)	(82,800,135)	(72,334,603)	(38,848,160)	-	(2,533,915,934)
Net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012
For the year ended 31 December 2018											
Opening net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012
Additions	-	-	-	7,692,804	93,241,118	7,207,890	6,040,778	4,219,693	4,978,286	161,984,090	285,364,659
Transfer from advance payment for fixed assets	-	-	-	348,081	4,500,000	-	89,729	-	-	-	4,937,810
Transfer in (out)	-	-	22,320,538	107,306,239	-	3,158,359	6,624,184	10,550,000	-	(149,959,320)	-
Reclassification - cost	-	-	(290,770,933)	290,770,933	-	-	-	-	-	-	-
- accumulated depreciation	-	-	139,282,955	(139,282,955)	-	-	-	-	-	-	-
Disposals - cost	-	-	-	-	(23,076,666)	(826,604)	(349,819)	(1,046,799)	(800,000)	-	(26,099,888)
- accumulated depreciation	-	-	-	-	23,062,703	773,624	324,736	737,521	799,999	-	25,698,583
Write-off - cost	-	-	(1,845,527)	-	(94,120)	(327,231)	(32,427)	(278,831)	-	-	(2,578,136)
- accumulated depreciation	-	-	1,845,521	-	85,700	191,331	20,330	253,495	-	-	2,396,377
Depreciation charge	-	-	(76,095,679)	(58,860,847)	(71,058,088)	(12,091,425)	(9,532,111)	(16,138,756)	(3,209,502)	-	(246,986,408)
Closing net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
As at 31 December 2018											
Cost	999,971,022	155,476,062	2,612,898,333	913,575,468	1,182,705,265	192,674,776	117,595,624	158,580,918	53,345,301	54,296,622	6,441,119,391
<u>Less</u> Accumulated depreciation	-	-	(1,001,854,527)	(501,246,443)	(878,665,533)	(150,313,693)	(91,987,180)	(87,482,343)	(41,257,663)	-	(2,752,807,382)
Net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
For the year ended 31 December 2019											
Opening net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
Additions	11,774,685	-	-	7,617,178	102,205,838	9,900,969	8,564,955	17,304,776	13,500	158,674,010	316,055,911
Transfer from advance payment for fixed assets	-	-	-	-	207,120	83,460	-	-	-	83,396	373,976
Transfer in (out)	-	-	-	123,610,687	3,300,000	2,657,681	8,925,005	19,276,700	-	(157,770,073)	-
Disposals - cost	-	-	-	(1,733,026)	(28,851,725)	(783,422)	(436,787)	(254,596)	-	-	(32,059,556)
- accumulated depreciation	-	-	-	1,733,024	28,155,030	741,992	434,122	254,586	-	-	31,318,754
Write-off - cost	-	-	-	(726,249)	(91,911,340)	(502,660)	(6,518,870)	(1,033,292)	-	-	(100,692,411)
- accumulated depreciation	-	-	-	726,244	91,710,962	465,263	6,515,707	936,041	-	-	100,354,217
Depreciation charge	-	-	(73,274,939)	(67,987,321)	(79,548,405)	(12,594,502)	(10,164,326)	(20,965,245)	(3,479,323)	-	(268,014,061)
Closing net book value	1,011,745,707	155,476,062	1,537,768,867	475,569,562	329,100,092	42,453,524	33,011,710	86,617,545	8,621,815	55,283,955	3,735,648,839
As at 31 December 2019											
Cost	1,011,745,707	155,476,062	2,612,898,333	1,042,344,058	1,167,448,038	204,154,464	128,213,387	193,874,506	53,358,801	55,283,955	6,624,797,311
<u>Less</u> Accumulated depreciation	-	-	(1,075,129,466)	(566,774,496)	(838,347,946)	(161,700,940)	(95,201,677)	(107,256,961)	(44,736,986)	-	(2,889,148,472)
Net book value	1,011,745,707	155,476,062	1,537,768,867	475,569,562	329,100,092	42,453,524	33,011,710	86,617,545	8,621,815	55,283,955	3,735,648,839

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20 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.

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost	174,639,479	16,124,943	22,583,295	14,672,384
<u>Less</u> Accumulated depreciation	(22,964,986)	(4,975,922)	(8,426,340)	(4,127,136)
Net book value	<u>151,674,493</u>	<u>11,149,021</u>	<u>14,156,955</u>	<u>10,545,248</u>

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

On 29 January 2019, a subsidiary has entered into credit facility with a financial institution amounting to Baht 155.00 million and pledged land and buildings as collateral against such credit facility.

As at 31 December 2019, land and buildings with cost amounting to Baht 942.03 million (2018: Baht 305.60 million) have been pledged with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 24, 26 and 40).

21 Intangible assets (net)

	Consolidated financial statements		
	Software Baht	under installation Baht	Total Baht
As at 1 January 2018			
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>
For the year ended 31 December 2018			
Opening net book value	80,509,893	1,519,400	82,029,293
Additions	2,907,252	69,682,438	72,589,690
Transfer in (out)	3,304,090	(3,304,090)	-
Disposals - cost	(7,223)	-	(7,223)
- accumulated amortisation	1,033	-	1,033
Amortisation charge	(11,994,095)	-	(11,994,095)
Closing net book value	<u>74,720,950</u>	<u>67,897,748</u>	<u>142,618,698</u>
As at 31 December 2018			
Cost	142,877,526	67,897,748	210,775,274
<u>Less</u> Accumulated amortisation	(68,156,576)	-	(68,156,576)
Net book value	<u>74,720,950</u>	<u>67,897,748</u>	<u>142,618,698</u>
For the year ended 31 December 2019			
Opening net book value	74,720,950	67,897,748	142,618,698
Additions	21,769,475	34,250,963	56,020,438
Transfer from advance for fixed assets	697,484	-	697,484
Transfer in (out)	40,873,089	(40,873,089)	-
Write-off - cost	(616,600)	-	(616,600)
- accumulated amortisation	614,998	-	614,998
Amortisation charge	(17,373,882)	-	(17,373,882)
Closing net book value	<u>120,685,514</u>	<u>61,275,622</u>	<u>181,961,136</u>
As at 31 December 2019			
Cost	205,600,974	61,275,622	266,876,596
<u>Less</u> Accumulated amortisation	(84,915,460)	-	(84,915,460)
Net book value	<u>120,685,514</u>	<u>61,275,622</u>	<u>181,961,136</u>

Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

21 Intangible assets (net) (Cont'd)

	Separate financial statements		
	Software Baht	Software under installation Baht	Total Baht
As at 1 January 2018			
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>76,835,740</u>
For the year ended 31 December 2018			
Opening net book value	76,835,740	-	76,835,740
Additions	2,485,630	3,279,100	5,764,730
Transfer in (out)	759,700	(759,700)	-
Disposals - cost	(7,223)	-	(7,223)
- accumulated amortisation	1,033	-	1,033
Amortisation charge	(10,393,531)	-	(10,393,531)
Closing net book value	<u>69,681,349</u>	<u>2,519,400</u>	<u>72,200,749</u>
As at 31 December 2018			
Cost	110,186,134	2,519,400	112,705,534
<u>Less</u> Accumulated amortisation	(40,504,785)	-	(40,504,785)
Net book value	<u>69,681,349</u>	<u>2,519,400</u>	<u>72,200,749</u>
For the year ended 31 December 2019			
Opening net book value	69,681,349	2,519,400	72,200,749
Additions	3,561,272	4,177,140	7,738,412
Transfer from advance payment for fixed assets	486,850	-	486,850
Transfer in (out)	5,097,960	(5,097,960)	-
Disposals - cost	(117,000)	-	(117,000)
- accumulated amortisation	117,000	-	117,000
Amortisation charge	(10,942,370)	-	(10,942,370)
Closing net book value	<u>67,885,061</u>	<u>1,598,580</u>	<u>69,483,641</u>
As at 31 December 2019			
Cost	119,215,216	1,598,580	120,813,796
<u>Less</u> Accumulated amortisation	(51,330,155)	-	(51,330,155)
Net book value	<u>67,885,061</u>	<u>1,598,580</u>	<u>69,483,641</u>

22 Land leasehold rights and leased buildings (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net book value	2,271,893,072	2,372,990,701	11,397,260	12,197,260
Addition during the year - subsidiary	91,800,000	30,000,000	-	-
<u>Less</u> Amortisation charge	(131,575,372)	(131,097,629)	(800,000)	(800,000)
Closing net book value	<u>2,232,117,700</u>	<u>2,271,893,072</u>	<u>10,597,260</u>	<u>11,397,260</u>

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

Parent - Thonburi Healthcare Group Public Company Limited

- Land leasehold rights - Thonburi hospital, branch 1

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

Subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd.

- Land leasehold rights and leased buildings - Soho building

In November 2017, the Company has been received land leasehold rights and leased buildings which is belonged to Thai Red Cross Society from Bamrung Maung Plaza Co., Ltd. The rights are as follows:

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

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

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

Memorandum for land rental and development agreement

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

Memorandum for buildings rental agreement (for commercial)

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

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

During 2019, a subsidiary paid for the additional leasehold rights amounting to Baht 30.60 million as specified in the additional memorandum.

As at 31 December 2019, a subsidiary has liabilities under land leasehold rights amounting to Baht 61.20 million.

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

Subsidiary - Thonburi Wellbeing Co., Ltd.

- Land leasehold rights

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

During the year 2019, a subsidiary paid for land leasehold rights amounting to Baht 1,000,000.

As at 31 December 2019, a subsidiary has remaining liability under land leasehold right amounting to Baht 1,000,000 (2018 : Baht 2,000,000).

Operating commitments from land leasehold rights and leased buildings is disclosed in Note 39.

- Down payment for land leasehold rights

In March 2018 and January 2019, a subsidiary - Thonburi Wellbeing Co., Ltd. paid for land leasehold right to other individual amounting to Baht 1,000,000 and Baht 1,000,000, respectively. As at 31 December 2019, a subsidiary recognised such amount as down payment for land leasehold rights, totalling Baht 3,000,000 (2018 : Baht 2,000,000).

23 Deferred tax assets (net)

Deferred tax assets (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
- Deferred tax assets to be recovered within 12 months	16,872,468	11,140,182	8,574,316	6,236,112
- Deferred tax assets to be recovered after more than 12 months	259,139,613	173,052,936	69,563,865	55,049,711
	<u>276,012,081</u>	<u>184,193,118</u>	<u>78,138,181</u>	<u>61,285,823</u>
Deferred tax liabilities:				
- Deferred tax liabilities to be settled within 12 months	(28,616,877)	(19,804,372)	(9,530,705)	(7,480,682)
- Deferred tax liabilities to be settled after more than 12 months	(358,794,470)	(366,409,464)	(146,225,164)	(158,705,214)
	<u>(387,411,347)</u>	<u>(386,213,836)</u>	<u>(155,755,869)</u>	<u>(166,185,896)</u>
Deferred tax assets (liabilities) (net)	(111,399,266)	(202,020,718)	(77,617,688)	(104,900,073)
Deferred tax assets (liabilities) (net) which presented in statements of financial position				
- Deferred tax assets (net)	171,655,146	120,322,614	-	-
- Deferred tax liabilities (net)	(283,054,412)	(322,343,332)	(77,617,688)	(104,900,073)
	<u>(111,399,266)</u>	<u>(202,020,718)</u>	<u>(77,617,688)</u>	<u>(104,900,073)</u>

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

The movements of deferred tax assets (liabilities) (net) for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance of the year	(202,020,718)	(311,314,514)	(104,900,073)	(146,317,681)
Increase (decrease) from acquiring subsidiary during the year (Note 16 d))	-	21,917	-	-
Increase (decrease) to profit or loss (Note 36)	73,257,070	65,355,117	12,091,542	(1,869,759)
Increase (decrease) to other comprehensive income	17,364,382	43,916,762	15,190,843	43,287,367
Closing balance of the year	<u>(111,399,266)</u>	<u>(202,020,718)</u>	<u>(77,617,688)</u>	<u>(104,900,073)</u>

As at 31 December 2019 and 2018, 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 2019 Baht	Increase (decrease) from acquiring subsidiary Baht	Increase (decrease) to profit or loss Baht	Increase (decrease) to other comprehensive income Baht	31 December 2019 Baht
Deferred tax assets					
Provision for obsolete inventories	138,983	-	(83,159)	-	55,824
Employee benefit obligations	66,776,021	-	24,040,860	(1,316,376)	89,500,505
Finance lease liabilities	2,171,064	-	23,309,392	-	25,480,456
Difference in interest expense which calculated by effective interest rate method	4,932,451	-	891,482	-	5,823,933
Accumulated deficit	104,218,229	-	35,010,941	-	139,229,170
Difference in rental expense	965,084	-	126,411	-	1,091,495
Difference in cost of assets between accounting and tax approach	3,524,727	-	3,612,014	-	7,136,741
Difference in depreciation expense between accounting and tax approach	1,248,517	-	1,171,805	-	2,420,322
Provision for decommissioning cost	158,400	-	(158,400)	-	-
Allowance for impairment	59,642	-	2,448	-	62,090
Deferred revenue	-	-	2,633,182	-	2,633,182
	<u>184,193,118</u>	<u>-</u>	<u>90,556,976</u>	<u>(1,316,376)</u>	<u>273,433,718</u>
Deferred tax liabilities					
Difference in depreciation expense between accounting and tax approach	(57,441,885)	-	(7,249,380)	-	(64,691,265)
Assets under finance leases	(2,151,472)	-	(26,402,679)	-	(28,554,151)
Unrealised gain from available-for-sale investments	(105,710,955)	-	-	18,680,758	(87,030,197)
Prepaid front-end fee	(1,256,735)	-	(442,276)	-	(1,699,011)
Borrowing cost as cost of developing holistic care project	(2,209,530)	-	4,787,894	-	2,578,364
Fair value of land leasehold rights and leased buildings	(217,443,259)	-	12,006,535	-	(205,436,724)
	<u>(386,213,836)</u>	<u>-</u>	<u>(17,299,906)</u>	<u>18,680,758</u>	<u>(384,832,984)</u>
Deferred tax assets (liabilities) (net)	<u>(202,020,718)</u>	<u>-</u>	<u>73,257,070</u>	<u>17,364,382</u>	<u>(111,399,266)</u>

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

As at 31 December 2019 and 2018, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

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

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

As at 31 December 2019 and 2018, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

Separate financial statements				
			Increase (decrease) to other comprehensive income Baht	
	1 January 2019 Baht	Increase (decrease) to profit or loss Baht		31 December 2019 Baht
Deferred tax assets				
Provision for obsolete inventories - supplies	92,983	(80,671)	-	12,312
Employee benefit obligations	54,123,397	18,838,415	(3,327,273)	69,634,539
Finance lease liabilities	2,136,992	530,405	-	2,667,397
Difference in interest expense which calculated by effective interest rate method	4,932,451	891,482	-	5,823,933
	<u>61,285,823</u>	<u>20,179,631</u>	<u>(3,327,273)</u>	<u>78,138,181</u>

Separate financial statements				
			Increase (decrease) to other comprehensive income Baht	
	1 January 2019 Baht	Increase (decrease) to profit or loss Baht		31 December 2019 Baht
Deferred tax liabilities				
Difference in depreciation expense between accounting and tax approach	(57,441,884)	(7,249,380)	-	(64,691,264)
Assets under finance leases	(2,093,476)	(451,009)	-	(2,544,485)
Unrealised gain from available-for-sale investments	(105,393,801)	-	18,518,116	(86,875,685)
Prepaid front-end fee	(1,256,735)	(387,700)	-	(1,644,435)
	<u>(166,185,896)</u>	<u>(8,088,089)</u>	<u>18,518,116</u>	<u>(155,755,869)</u>
Deferred tax liabilities (net)	<u>(104,900,073)</u>	<u>12,091,542</u>	<u>15,190,843</u>	<u>(77,617,688)</u>

Separate financial statements				
			Increase (decrease) to other comprehensive income Baht	
	1 January 2018 Baht	Increase (decrease) to profit or loss Baht		31 December 2018 Baht
Deferred tax assets				
Provision for obsolete inventories - supplies	89,198	3,785	-	92,983
Employee benefit obligations	35,418,163	3,302,765	15,402,469	54,123,397
Finance lease liabilities	2,302,033	(165,041)	-	2,136,992
Difference in interest expense which calculated by effective interest rate method	3,180,235	1,752,216	-	4,932,451
	<u>40,989,629</u>	<u>4,893,725</u>	<u>15,402,469</u>	<u>61,285,823</u>
Deferred tax liabilities				
Difference in depreciation expense between accounting and tax approach	(50,078,873)	(7,363,011)	-	(57,441,884)
Assets under finance leases	(2,398,891)	305,415	-	(2,093,476)
Unrealised gain from available-for-sale investments	(133,278,699)	-	27,884,898	(105,393,801)
Prepaid front-end fee	(1,550,847)	294,112	-	(1,256,735)
	<u>(187,307,310)</u>	<u>(6,763,484)</u>	<u>27,884,898</u>	<u>(166,185,896)</u>
Deferred tax liabilities (net)	<u>(146,317,681)</u>	<u>(1,869,759)</u>	<u>43,287,367</u>	<u>(104,900,073)</u>

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

As at 31 December 2019 and 2018, the Group and the Company did not recognise deferred tax assets (liabilities) which such amount can be deductible with tax expense in the future are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Unused tax losses				
- 2019	-	17,472,476	-	-
- 2020	42,502,717	41,860,040	-	-
- 2021	12,481,041	20,596,576	-	-
- 2022	13,162,578	20,852,185	-	-
- 2023	8,565,294	8,565,294	-	-
- 2024	8,620,174	-	-	-
Allowance for impairment of investments properties	631,897	59,577,501	-	-
Allowance for impairment of investments	860,419	777,557	187,734,052	167,651,191
Allowance for doubtful accounts				
- Trade receivable	10,044,273	5,762,539	8,061,286	4,593,843
- Advance payment and other receivable	53,823	53,783	-	-
- Interest receivable	-	-	8,932,338	8,932,338
- Withholding tax	-	188,851	-	-
- Deposit	-	63,000	-	-
Allowance for obsolete inventories	1,637,298	1,643,401	-	-
Allowance for sales return	315,089	212,286	-	-
Deferred revenue	61,500	-	-	-

Deferred tax assets (liabilities) for accumulated deficit, allowance for impairment of investment properties, allowance for impairment of investments, allowance for doubtful accounts, allowance for obsolete inventories, allowance for sales return, and deferred revenue of the Group and the Company are only recognised to the future taxable profits, which is probable that the deferred tax assets can be utilised.

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24 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bank promissory notes	2,647,905,029	2,649,751,222	2,580,000,000	2,583,000,000
Bank overdrafts	8,427,749	19,964,767	-	-
Trust receipts	48,804,549	71,145,674	-	-
	<u>2,705,137,327</u>	<u>2,740,861,663</u>	<u>2,580,000,000</u>	<u>2,583,000,000</u>
	Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)		Interest rate (% per annum)	
	2019	2018	2019	2018
Bank promissory notes	Interest rate in Financial Market and MLR 6.25	Interest rate in Financial Market and MLR 6.25	Interest rate in Financial Market	Interest rate in Financial Market
Bank overdrafts	MOR	MOR	-	-
Trust receipts	Interest rate in Financial market	Interest rate in Financial market	-	-

The bank overdrafts and short-term loans from financial institutions are secured by the mortgage some of land and buildings of the Group and the Company (Note 20).

Bank overdrafts of subsidiaries are secured by deposits at financial institution as mentioned in Note 13.

As at 31 December 2019, bank promissory notes of the Group have the maturity date for repayment at call or within 5-month period and the repayment is due in May 2020 (2019 : due for repayment within 6-month period and the repayment is due in June 2019) and bank promissory notes of the Company have the maturity date for repayment at call or within 3-month period and the repayment is due in February 2020 (2018 : bank promissory notes of the Company have the maturity date for repayment at call or within 6-month period and the repayment is due in March 2019).

As at 31 December 2019 and 2018, trust receipts of the Group represent the credit from a local bank which have the maturity date within 180 days. The Group used trust receipts as working capital to purchase medical supplies and equipment from overseas.

During 2019, the Group has credit facilities for oversea letter of credit and trust receipts with a domestic financial institution. Such credit facilities can be drawn down amounting to Baht 100.00 million. The credit limit is combined line with Thonburi Healthcare Group Public Company Limited and a subsidiary.

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25 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable					
- other companies		473,379,847	719,516,579	262,049,502	240,890,628
- related companies	38 a)	4,125,289	4,001,221	5,196,319	4,962,220
Other accounts payable					
- other companies		63,834,367	59,764,635	41,983,839	40,842,964
- related companies	38 a)	2,281,940	1,658,029	39,156,008	28,333,062
Fixed assets payable					
- other companies		470,032,635	743,281,412	43,644,250	44,901,800
- related companies	38 a)	-	-	1,701,392	42,750
Intangible asset payable					
- other companies		1,982,534	15,889,500	-	-
- related company	38 a)	-	-	132,680	-
Interest payable					
- other companies		39,534,396	28,973,118	34,929,396	28,930,257
Dividend payable		14,814,924	12,680,939	14,418,279	12,198,145
Accrued doctor fee		119,110,172	101,473,228	83,073,376	89,250,011
Accrued staff salary, wage and bonus		143,304,510	149,180,441	119,727,299	126,482,843
Accrued expenses - other companies		55,526,251	55,108,382	22,702,176	36,900,520
- related company	38 a)	747,368	817,463	747,368	817,463
Unearned income - other companies		25,977,298	23,073,709	17,224,192	18,008,414
Retention payable		141,400,685	69,708,079	6,338,752	12,972,451
Deferred revenue from condominium unit sold		13,473,404	-	-	-
Advance received from down payment of condominium unit		25,665,444	73,528,099	-	-
Deposit received - related company	38 a)	1,000,000	-	-	-
- other companies		466,372	40,310	-	-
Other		1,028,451	792,000	-	-
		1,597,685,887	2,059,487,144	693,024,828	685,533,528

As at 31 December 2019, a subsidiary has 14 outstanding promissory notes issued to fixed assets payable in amounting to Baht 302.57 million (31 December 2018 : a subsidiary had 8 outstanding promissory notes issued to fixed assets payable in amounting to Baht 155.28 million). Such promissory notes are unsecured in Thai Baht. The promissory notes bear interest at the fixed rate per annum. The subsidiary recorded such promissory notes as a part of fixed asset payable and made all payments to such payable in January 2020.

26 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning balance of the year	3,450,000,000	3,550,000,000	3,450,000,000	3,550,000,000
Additions during the year	3,120,000,000	-	2,200,000,000	-
Repayments during the year	(425,000,000)	(100,000,000)	(425,000,000)	(100,000,000)
Prepaid front-end fee (net)	6,145,000,000 (9,187,755)	3,450,000,000 (6,283,675)	5,225,000,000 (8,222,177)	3,450,000,000 (6,283,675)
Ending balance of the year	6,135,812,245	3,443,716,325	5,216,777,823	3,443,716,325
<u>Less</u> Current portion	<u>(655,000,000)</u>	<u>(400,000,000)</u>	<u>(580,000,000)</u>	<u>(400,000,000)</u>
	<u>5,480,812,245</u>	<u>3,043,716,325</u>	<u>4,636,777,823</u>	<u>3,043,716,325</u>

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Due within 1 year	655,000,000	400,000,000	580,000,000	400,000,000
Due within 2 to 5 years	5,077,124,000	2,410,000,000	4,305,000,000	2,410,000,000
Due after 5 years	412,876,000	640,000,000	340,000,000	640,000,000
<u>Less</u> Prepaid front-end fee (net)	<u>6,145,000,000 (9,187,755)</u>	<u>3,450,000,000 (6,283,675)</u>	<u>5,225,000,000 (8,222,177)</u>	<u>3,450,000,000 (6,283,675)</u>
Total long-term loans	6,135,812,245	3,443,716,325	5,216,777,823	3,443,716,325

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 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
	2019 (Million Baht)	2018 (Million Baht)						
1	1,450.00	1,850.00	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 to revise the condition of interest rate as follows:</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>However, on 23 December 2019, the Company made an agreement to revise the condition of interest rate as follows:</p> <p>Since 1 January 2020 - 31 December 2020 : MLR less fixed interest rate per annum.</p> <p>Since 1 January 2021 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month.</p>	<p>Agreement dated on 2 December 2014, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 26 periods as following schedule:</p> <ul style="list-style-type: none"> - Period 1 - 2 : Baht 25.00 million - Period 3 - 6 : Baht 50.00 million - Period 7 - 18 : Baht 100.00 million - Period 19 - 22 : Baht 112.50 million - Period 23 - 25 : Baht 125.00 million - Period 26 : Payment for the remaining principals. <p>However, on 28 September 2017, the Company made an agreement to revise the condition of the principal repayment. The Company used a grace period for the principals to be paid 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> <ul style="list-style-type: none"> - March 2018 - December 2019 : Baht 100.00 million - March 2020 - December 2020 : Baht 112.50 million - March 2021 - September 2021 : Baht 125.00 million - December 2021 : Payment for the remaining principals. <p>On 21 December 2017 the Company made an agreement to revise the condition of 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"> - March 2018 - December 2018 : Baht 25.00 million - March 2019 - December 2019 : Baht 100.00 million - March 2020 - December 2020 : Baht 150.00 million - March 2021 - September 2021 : Baht 212.50 million - December 2021 : Payment for the remaining principals. <p>On 23 December 2019, the Company made an agreement to revise the condition of the principals every 3 months in March, June, September and December every year which start since March 2020.</p> <ul style="list-style-type: none"> - March 2020 - September 2024 : Baht 72.50 million - December 2024 : Payment for the remaining principals. 	No collateral

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 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
	2019 (Million Baht)	2018 (Million Baht)						
2	1,600.00	1,600.00	Thailand	Support the purchase of shares or assets of Bamrungmaung 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. However, on 23 December 2019, the Company made an agreement to revise the condition of interest rate as follows: Since 1 January 2020 - 31 December 2020 : MLR less fixed interest rate per annum. Since 1 January 2021 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month	Agreement dated on 31 October 2017, repayment for principal every 3 months, totalling 24 periods as following schedule: Period 1 - 4 : Baht 45.00 million Period 5 - 8 : Baht 60.00 million Period 9 - 12 : Baht 65.00 million Period 13 - 16 : Baht 70.00 million Period 17 - 20 : Baht 75.00 million Period 21 - 23 : Baht 85.00 million Period 24 : Payment for the remaining principals.	No collateral
3	990.00	-	Thailand	Repayment of short-term loans	1,000.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 4 July 2019, repayment for principal every 3 months since September 2019 as following schedule: Year 1 : at least Baht 5.00 million every 3 months Year 2 : at least Baht 20.00 million every 3 months Year 3 : at least Baht 50.00 million every 3 months Year 4 : at least Baht 75.00 million every 3 months Year 5 : at least Baht 100.00 million every 3 months	No collateral

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 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
	2019 (Million Baht)	2018 (Million Baht)						
4	985.00	-	Thailand	Repayment of short-term loans	1,900.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 25 October 2019, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 24 periods as following schedule: Period 1 - 8 : Baht 15.00 million Period 9 - 12 : Baht 60.00 million Period 13 - 16 : Baht 85.00 million Period 17 - 23 : Baht 150.00 million Period 24 : Payment for the remaining principals.	No collateral
5	200.00	-	Thailand	Business expansion and investment in foreign countries	200.00	Since the first drawdown until the last payment : Prime rate less fixed interest rate per annum.	Agreement dated on 4 December 2019, repayment for principal every 3 months before the last workday since the first drawdown date, totaling 8 periods as following schedule: Period 1 - 7 : Baht 25.00 million Period 8 : Payment for the remaining principals.	No collateral
Total	<u>5,225.00</u>	<u>3,450.00</u>						

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

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following: (Cont'd)

Subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
1	800.00	-	Thailand	Repayment loans to the shareholders	800.00	Since the first drawdown until the last payment : fixed interest rate per annum to be paid every 3 months.	Agreement dated on 2 August 2019, repayment for principal every 3 months after 12 months since the first drawdown totalling 12 periods as following schedule: Period 1 - 4 : Baht 37.50 million Period 5 - 8 : Baht 42.50 million Last period : Payment for the remaining principals and interest.	Guaranteed by parent company with guarantee limit at Baht 800.00 million.
Total	800.00	-						

Subsidiary - Thanarad Thung Song Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
1	120.00	-	Thailand	Construction of a hospital	120.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 2 May 2018, repayment for principal on monthly basis for grace period 36 months since the first drawdown, totalling 84 periods as following schedule: Period 1 - 83 : Baht 1.428 million Last period : Baht 1.476 million with remaining interest	Secured some of land and buildings (Note 20).

Total	120.00	-
	6,145.00	3,450.00

The Group and the Company are 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.

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

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

	Consolidated financial statements			
	2019		2018	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Loans from financial institutions	6,135,812,245	6,173,110,640	3,443,716,325	3,475,108,593
Separate financial statements				
	2019		2018	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
	5,216,777,823	5,253,110,640	3,443,716,325	3,475,108,593

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 and the Company's interest rate risks from borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Loans at floating rates	5,336,504,946	3,443,716,325	5,216,777,823	3,443,716,325

The effective interest rates as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 % per annum	2018 % per annum	2019 % per annum	2018 % per annum
Loans from financial institutions	3.25 to 3.91	3.31 to 3.72	3.25 to 3.91	3.31 to 3.72

Unused credit facilities

As at 31 December 2019 and 2018, the unused credit facilities comprise the following:

	Consolidated financial statements					
	2019			2018		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
Floating interest rate						
- Unlimited period (Baht)	138,479,194	1,160,000,000	2,259,781,713	85,832,594	450,000,000	2,026,067,817
- Unlimited period (US Dollar)	-	-	1,600,000	-	-	-
Separate financial statements						
	2019			2018		
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee
	52,000,000	1,160,000,000	2,116,491,291	52,000,000	450,000,000	1,970,143,712
Floating interest rate						
- Unlimited period (Baht)	-	-	1,600,000	-	-	-
- Unlimited period (US Dollar)	-	-	-	-	-	-

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

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 and two subsidiaries. The Group has to follow the condition which specified in credit agreement.

27 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 2019 and 2018, finance lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finance lease liabilities	146,991,206	12,203,579	15,377,421	11,813,731
<u>Less</u> Deferred interest expenses	(11,823,781)	(884,238)	(559,105)	(867,098)
Present value of finance lease liabilities	135,167,425	11,319,341	14,818,316	10,946,633
<u>Less</u> Current portion (net)	(37,790,685)	(3,151,914)	(5,604,389)	(2,857,376)
	<u>97,376,740</u>	<u>8,167,427</u>	<u>9,213,927</u>	<u>8,089,257</u>

As at 31 December 2019 and 2018, minimum finance lease liabilities payments are as follows:

Due payment	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
- Within 1 year	42,833,038	3,561,479	5,940,152	3,254,847
- Later than 1 year but not later than 5 years	104,158,168	8,642,100	9,437,269	8,558,884
	<u>146,991,206</u>	<u>12,203,579</u>	<u>15,377,421</u>	<u>11,813,731</u>

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

28 Employee benefit obligations

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Present value of unfunded obligations	447,562,090	333,880,092	348,172,692	270,616,985

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28 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning balance of the year	333,880,092	228,908,057	270,616,985	177,090,817
Increase from investment in a subsidiary	-	125,498	-	-
Current service cost	41,648,727	31,514,486	28,686,265	23,349,956
Interest cost	10,484,615	7,503,089	8,526,650	5,716,215
Past service cost in accordance with the amended Labour Protection Law	95,545,076	-	78,386,704	-
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	867,540	3,701,353	867,540	3,701,353
Remeasurements of employee benefit obligations				
- (Gain) loss that changed from assumptions	(9,921,177)	68,979,473	(19,349,234)	64,354,441
- Loss that occurred from experience	3,339,295	11,792,606	2,712,868	12,657,903
Employee benefits paid during the year	(28,282,078)	(18,644,470)	(22,275,086)	(16,253,700)
Ending balance of the year	447,562,090	333,880,092	348,172,692	270,616,985

Employee benefit obligations recognised in the statement of comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current service cost	41,648,727	31,514,486	28,686,265	23,349,956
Interest cost	10,484,615	7,503,089	8,526,650	5,716,215
Past service cost in accordance with the amended Labour Protection Law	95,545,076	-	78,386,704	-
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	867,540	3,701,353	867,540	3,701,353
	148,545,958	42,718,928	116,467,159	32,767,524

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of hospital operations/				
Cost of goods sold/				
Cost of other services	104,489,766	29,707,435	87,099,878	25,820,417
Selling expenses	3,973,136	6,879,187	1,583,298	5,798,642
Administrative expenses	40,083,056	6,132,306	27,783,983	1,148,465
	148,545,958	42,718,928	116,467,159	32,767,524

The principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate (% per annum)	1.19 to 2.38	1.76 to 4.16	1.19 to 2.38	1.76 to 4.16
Expected future salary increase (% per annum)	2.50 to 10.00	2.50 to 10.00	2.50 to 5.00	2.50 to 7.00
Employee turnover ratio (% per annum)	0.00 to 30.00	0.00 to 30.00	0.00 to 30.00	0.00 to 30.00
Retirement age (year)	55 and 60	55 and 60	55	55

28 Employee benefit obligations (Cont'd)

Sensitivity analysis for significant assumptions are as follows:

Post-employment benefits

Change in assumptions	Increase (decrease) on employee benefit obligation			
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Discount rate	Increase by 1.00%	(35,151,215)	(25,280,233)	(26,816,092)
Discount rate	Decrease by 1.00%	40,463,057	29,005,852	30,798,987
Salary increase rate	Increase by 1.00%	38,000,373	27,635,630	28,794,430
Salary increase rate	Decrease by 1.00%	(33,774,525)	(24,652,389)	(25,640,297)
Turnover rate	Increase by 20.00%	(26,544,072)	(18,943,931)	(20,260,168)
Turnover rate	Decrease by 20.00%	31,193,250	22,048,357	23,548,403
Mortality rate	Increase by 1.00%	571,539	367,762	417,808
Mortality rate	Decrease by 1.00%	(634,177)	(405,378)	(462,871)

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

The weighted average duration of the defined obligation of the Group and the Company for the year ended 31 December 2019 is 13.6 years (2018 : the Group and the Company is 14.1 years).

Expected maturity analysis of retirement benefits as at 31 December 2019 and 2018 comprise the following:

	Post-employment benefits			
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	32,714,312	39,625,156	24,505,125	27,909,063
More than 1 year but less than 5 years	203,823,953	180,675,244	156,576,565	144,107,837
More than 5 years but less than 10 years	192,738,705	227,343,063	139,328,021	178,152,676
More than 10 years but less than 15 years	224,589,965	238,275,860	149,925,769	168,314,572
	653,866,935	685,919,323	470,335,480	518,484,148

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The Group recognised the impact in profit or loss for the year ended 31 December 2019.

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29 Share capital

	Consolidated and Separate financial statements				
	Registered capital		Issued and paid-up		Share premium on ordinary shares (net) Baht
	shares	Baht	shares	Baht	
As at 31 December 2017	849,080,000	849,080,000	849,080,000	849,080,000	6,861,242,864
Issued of share during the year	-	-	-	-	-
As at 31 December 2018	849,080,000	849,080,000	849,080,000	849,080,000	6,861,242,864
Issued of share during the year	-	-	-	-	-
As at 31 December 2019	<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>

As at 31 December 2019 and 2018, share premium presented in statement of financial position at Baht 6,861,242,864.

As at 31 December 2019, the total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share (2018: total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share) was issued and fully paid.

30 Legal reserve

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 2019, the retained earnings-unappropriated in the consolidated financial statements included the legal reserve of 1 subsidiary, totalling Baht 12,698,212 (2018: 1 subsidiary, totalling Baht 11,673,832).

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31 Dividend payment

Parent company - Thonburi Healthcare Group Public Company Limited

2019

At the Annual General Shareholders' Meeting of year 2019 on 26 April 2019, the shareholders have unanimous approved the dividend payment from its operation for the year 2018 to its shareholder at Baht 0.35 per share, totalling Baht 297.18 million. The Company paid dividend to shareholders on 23 May 2019.

At the Board of Director's Meeting No. 7/2019 on 13 August 2019, the Board of Directors approved the interim dividend payment from its operation for the period 30 June 2019 to its shareholders at Baht 0.10 per share, totalling Baht 84.91 million. The Company paid dividend to shareholders on 12 September 2019.

During 2019, the Company paid dividend totalling Baht 382.09 million.

2018

At the Annual General Shareholders' Meeting of year 2018 on 24 April 2018, the shareholders have unanimous approved the dividend payment from its operation for the year 2017 to its shareholder at Baht 0.40 per share, totalling Baht 339.63 million. The Company paid dividend to shareholders on 21 May 2018.

Subsidiary company - Rajyindee Hospital Public Company Limited

2019

At the Annual General Shareholders' Meeting of year 2019 of subsidiary on 20 April 2019, the meeting has approved the dividend payment from its operation for the year 2018 to its shareholder at Baht 0.09 per share, totalling Baht 38.70 million. The subsidiary paid dividend to shareholders on 20 May 2019.

2018

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

32 Non-controlling interests

	Consolidated financial statements	
	2019 Baht	2018 Baht
Beginning balance of the year	508,964,985	261,652,498
Share of net profit of subsidiaries	(6,564,861)	18,448,635
Decrease in non-controlling interests from dividend payment of a subsidiary	(16,673,937)	(9,263,298)
Increase in non-controlling interest from investment in a subsidiary	-	261,284,525
Increase in non-controlling interests from liquidation of a subsidiary	135,290	-
Increase (decrease) in non-controlling interests from change in shareholding interest	-	(23,157,375)
Ending balance of the year	485,861,477	508,964,985

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33 Other income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Dividend income				
- investments in subsidiaries (Note 16 a))	-	-	22,026,063	12,236,702
- investments in associates (Note 15 b))	-	-	20,068,508	18,018,539
- other long-term investments (Note 18)				
- related companies	2,314,189	958,986	2,014,189	658,986
- other companies	12,062,133	10,825,933	12,062,133	10,825,933
- available-for-sale investments (Note 8, 14)	17,964,114	18,143,806	17,964,114	18,143,806
Gain on disposal of other long-term investments (Note 18 c))	-	52,479,110	-	52,479,110
Gain on disposal of long-term investments in equity securities (Note 14)	277,881,368	-	277,881,368	-
Gain on disposal of short-term investments (Note 8)	2,828,290	5,995,314	-	5,995,314
Gain on disposal of property, plant and equipment (net) and intangible assets (net)	532,101	506,561	-	91,099
Interest income				
- other companies	2,262,514	1,605,960	1,062,247	790,539
- related companies (Note 38 b))	3,725,257	549,413	182,047,366	106,208,307
Membership income	16,388,259	17,401,465	16,388,259	17,401,465
Rental income- other companies	18,793,758	12,959,947	8,933,837	8,742,417
- related companies (Note 38 b))	26,087,514	27,000,000	4,860,000	6,360,000
Write-off of tax payable	-	28,846,154	-	-
Others - other companies	33,698,046	24,284,893	20,008,320	15,152,857
- related companies (Note 38 b))	1,915,993	43,488	6,170,304	107,670
	416,453,536	201,601,030	591,486,708	273,212,744

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

Rental agreement of a subsidiary

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

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34 Expense by nature

The following expenditure items for the years ended 31 December 2019 and 2018 are classified by nature as follows:

Notes	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Medicine, medical supplies and medical equipment used	(1,314,528,775)	(1,298,439,098)	(813,766,528)	(852,758,440)
Laboratory and x-ray	(199,265,973)	(169,943,654)	(161,834,635)	(144,607,314)
Doctor fee	(1,685,755,517)	(1,449,148,587)	(1,272,269,274)	(1,233,319,178)
Staff costs	(2,587,188,490)	(2,174,387,500)	(1,851,941,590)	(1,693,648,574)
Depreciation charges on investment properties and plant and equipment	19, 20	(463,875,806)	(323,115,352)	(268,014,061)
Amortisation charges on intangible assets and land leasehold rights and leased buildings	21, 22	(148,949,254)	(143,091,724)	(11,742,370)
Repair and maintenance expenditure and service expenses		(167,112,585)	(142,205,263)	(115,978,463)
Marketing expenses		(152,583,568)	(183,726,434)	(59,159,170)
Utilities expenses		(138,998,133)	(124,022,942)	(87,450,893)
Operating lease rental		(56,726,343)	(48,100,758)	(18,977,714)

35 Finance costs

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Interest expense from borrowings				
- financial institutions	(212,969,292)	(142,120,078)	(231,365,470)	(157,336,891)
- related company	-	-	(10,273)	-
Interest expense from financial lease liabilities	(1,290,523)	(506,753)	(452,995)	(463,860)
Amortisation charges on front-end fee	(1,823,766)	(1,470,560)	(1,711,498)	(1,470,560)
	<u>(216,083,581)</u>	<u>(144,097,391)</u>	<u>(233,540,236)</u>	<u>(159,271,311)</u>

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36 Income tax

Reconciliations of income tax for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Current income tax:				
Current income tax on taxable profit for the year	(202,582,476)	(179,762,899)	(181,198,602)	(159,058,389)
Under recorded income tax of prior year	-	(308,975)	-	457,110
Write-off withholding tax	(794,518)	(1,990,499)	-	-
Total current income tax	(203,376,994)	(182,062,373)	(181,198,602)	(158,601,279)
Deferred income tax:				
Origination and reversal of temporary differences (Note 23)	73,257,070	65,355,117	12,091,542	(1,869,759)
Total tax expense	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Profit before income tax	589,886,299	483,386,386	861,394,060	919,198,687
Tax calculated at a tax rate of 20% (2018 : 20%)	(117,977,260)	(96,677,277)	(172,278,812)	(183,839,737)
Tax effect of:				
Income not subject to tax	1,985,901	1,194,271	13,419,368	10,828,301
Income subject to tax	8,095	(28,998)	-	-
Expense not deductible for tax purpose	(12,755,787)	(17,399,208)	(3,805)	(350,835)
Additionally taxable expense transactions	16,666,644	16,769,846	14,452,188	14,558,359
Temporary differences for which no deferred tax was recognised	(8,759,266)	(9,782,477)	(24,695,999)	(2,124,236)
Accumulated deficit	(8,493,733)	(7,341,446)	-	-
Reversal of unutilised deferred tax asset	-	(1,142,493)	-	-
Under record income tax of prior year	-	(308,975)	-	457,110
Write-off withholding tax	(794,518)	(1,990,499)	-	-
Income tax	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)

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37 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
Profit attributable to shareholders of the parent for the year (Baht)	462,387,421	347,599,923	692,287,000	758,727,649
Weighted average number of ordinary shares (shares)	849,080,000	849,080,000	849,080,000	849,080,000
Basic earnings per share (Baht per share)	0.55	0.41	0.82	0.89

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

38 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 2019, most of the shares of the Company are held by Vanasin family totalling 23.98% (2018 : 29.38%) and the remaining 76.02% (2018 : 70.62%) of the shares is widely held.

On 24 May 2019, the subsidiary registered the change of its name from "Premiere Home Health Care Company Limited" to "Thonburi Wellbeing Co., Ltd."

On 17 September 2019, the subsidiary - Thonburi wellbeing Co., Ltd. has established a new subsidiary named Thonburi Property Management Co., Ltd. which has registered share capital of Baht 4,000,000 (40,000 ordinary shares at par Baht 100.00 per share) with the Ministry of Commerce dated on 17 September 2019. Thonburi Wellbeing Co., Ltd. has 100.00% shareholding interest in such company.

The significant investments in associates, subsidiaries and joint ventures are disclosed in Notes 15, 16 and 17.

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
Thonburi Wellbeing Co., Ltd. (Former Premiere Home Health Care Company Limited)	Thai	Subsidiary
Utraridit Thonburi Hospital Co., Ltd.	Thai	Subsidiary
Thonburi Bamrungmuang Hospital Co., Ltd.	Thai	Subsidiary
Thanarad Thung Song Co., Ltd.	Thai	Subsidiary (Since 30 June 2018) Indirect subsidiary
Rajyindee Co., Ltd. (Registered the liquidation on 23 December 2019)	Thai	Indirect subsidiary (Since 17 September 2019)
Thonburi Property Management Co., Ltd.	Thai	Common shareholders
Rajthanee Associates Co., Ltd.	Thai	

38 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>
Ubonrak Co., Ltd.	Thai	Associate
Sirivej Chanthaburi Public Company Limited	Thai	Associate
Weihai Welly Hospital Company Limited	China	Joint venture
Ar Yu International Health Care Company Limited	Myanmar	Joint venture
Logical Information Network Co., Ltd.	Thai	A relative of directors
Health Gate Co., Ltd.	Thai	A relative of directors
Rajthanee Pattanakarn (2014) Co., Ltd.	Thai	Common shareholders
Rachphattana Real Estate Company Limited	Thai	Common shareholders
Nateetip Co., Ltd.	Thai	A relative of directors
Phatara Hospital Co., Ltd.	Thai	Common directors
Rajnara Hospital Co., Ltd.	Thai	A relative of director
Siroros Hospital Public Company Limited	Thai	A relative of directors
Chumvej Hospital Public Company Limited	Thai	Shareholders and common directors with subsidiary
Rajthanee Hospital Public Company Limited	Thai	Common shareholders
Loxley Gtech Technology Co., Ltd.	Thai	Common directors
Wellness City Co., Ltd.	Thai	Common directors with subsidiary
The Thonburi Holding Hospital Co., Ltd.	Thai	Common shareholders and shareholder is director of subsidiary
C.H.T. Holding Co., Ltd.	Thai	Common shareholders
Golden Bright Asia Pacific Investment Ltd.	Hong Kong	Under common control of shareholders
WJ International Hospital Management Co., Ltd.	Hong Kong	Under common control of shareholders
Global Health Investment Ltd.	Hong Kong	Under common control of shareholders
Computed Tomography Urupong Co., Ltd.	Thai	Common shareholders
Rajthanee Golf And Country Home Co., Ltd.	Thai	Common shareholders
Rajpatnakorn Co., Ltd.	Thai	Common directors with subsidiary
Thonburi Home Appliance Co., Ltd.	Thai	Common directors with subsidiary
Super P&S Limited	Thai	Common shareholders
Dr. Boon Vanasin	Thai	Shareholder and director
Ms. Nalin Vanasin	Thai	Shareholder and director
Mr. Chalermkul Apibunyopas	Thai	Shareholder and director
Mr. Weerachai Srikhajorn	Thai	Shareholder and director
Mr. Sitha Meksawan	Thai	Shareholder and director
Mr. Aasis Unnanuntana	Thai	Shareholder and director
Dr. Viphada Chaowakun	Thai	Shareholder and director of associate
Ms. Masruedee Kanapithakpong	Thai	Shareholder and director of subsidiaries
Mr. Ravoravee Chanharojwong	Thai	Shareholder and director of subsidiary
Mr. Jon Vanasin	Thai	Shareholder and director of subsidiary
Dr. Amnuay Unnanuntana	Thai	Shareholder
Mr. Suthon Sriyaphan	Thai	Shareholder
Mrs. Jaruwan Vanasin	Thai	Shareholder
Mrs. Nawara Vanasin	Thai	Shareholder
Dr. Chukiat Assawanich	Thai	Shareholder
Mr. Arsa Meksawan	Thai	Shareholder
Dr. Linda Kraivit	Thai	Director
Mr. Kachorn Thanapase	Thai	Director
Mr. Somchai Khoowijitsuwan	Thai	Director (Until 14 February 2018)
Mrs. Kannika Ngamsoppee	Thai	Director
Mr. Wisit Wamwanich	Thai	Director (Until 26 April 2019)
Mr. Vikrom Koompirochana	Thai	Director
Mr. Timothy Lertsmitivanta	Thai	Director (Until 22 October 2019)
Mr. Eugene D.M.B. Croon	Dutch	Director (Until 22 October 2019)
Mr. Aurchart Kanjanapitak	Thai	Director (Since 25 October 2019)
Miss Rukkagee Kanjanapitak	Thai	Director (Since 25 October 2019)
Mr. Tanatip Suppradit	Thai	Shareholder and Director

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38 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>
Mr. Chow Ket Wong	Hong Kong	Management director (Until 10 May 2018)
Mr. Kim Christian Warfight	Thai	Close relative of shareholders whom not a director of the Company or subsidiaries
Mr. Thongsuk Booranarungruengkij	Thai	Close relative of a shareholders whom not a director of the Company or subsidiaries

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

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

Related-party transactions are as follows:

- a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019 Baht</u>	<u>2018 Baht</u>	<u>2019 Baht</u>	<u>2018 Baht</u>
Trade accounts receivable				
Subsidiaries				
Thonburi Hospital Heart Centers Company Limited	-	-	33,371,792	16,054,334
Dental Siam Co., Ltd.	-	-	800,811	-
	-	-	34,172,603	16,054,334
Associates				
Ubonrak Co., Ltd.	288,810	150,075	-	-
Sirivej Chanthaburi Public Company Limited	-	6,550	-	-
	288,810	156,625	-	-
Joint ventures				
Weihai Welly Hospital Company Limited	17,023,200	18,654,400	17,023,200	18,654,400
Ar Yu International Health Care Company Limited	4,866,647	5,173,639	4,803,766	5,173,639
	21,889,847	23,828,039	21,826,966	23,828,039
<u>Less</u> Allowance for doubtful accounts	(4,255,800)	-	(4,255,800)	-
	17,634,047	23,828,039	17,571,166	23,828,039
Related companies				
Phatara Hospital Co., Ltd.	35,135,353	28,455,640	-	-
Rajthanee Hospital Public Company Limited	-	9,600	-	-
	35,135,353	28,465,240	-	-
	53,058,210	52,449,904	51,743,769	39,882,373

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38 Related-party transactions (Cont'd)

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

- a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other accounts receivable				
Subsidiaries				
Thonburi Hospital Heart Centers Company Limited	-	-	4,427,922	4,721,191
Thonburi Wellbeing Co., Ltd.	-	-	2,798,600	2,795,000
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	1,414,320	1,154,020
	-	-	8,640,842	8,670,211
Joint venture				
Ar Yu International Health Care Company Limited	3,153,700	15,600	3,153,700	15,600
	3,153,700	15,600	3,153,700	15,600
Related companies				
Rajthanee Pattanakam (2014) Co., Ltd.	34,000,000	10,000,000	-	-
Rachphattana Real Estate Company Limited	927,784	-	-	-
The Thonburi Holding Hospital Co., Ltd.	1,785,900	-	1,785,900	-
	36,713,684	10,000,000	1,785,900	-
	39,867,384	10,015,600	13,580,442	8,685,811
Dividend receivable				
Related company				
Chumvej Hospital Public Company Limited	891,792	-	891,792	-
	891,792	-	891,792	-
Interest receivable				
Subsidiaries				
Rajthanee Realty Co., Ltd.	-	-	327,922,458	296,821,435
Thonburi Realty Development Co., Ltd.	-	-	124,900,148	116,000,060
Thonburi Wellbeing Co., Ltd.	-	-	7,430,835	9,804,536
Modular Software Expertise Co., Ltd.	-	-	8,496,895	7,474,361
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	21,342,974	4,182,092
Thonburi Hospital Heart Centers Company Limited	-	-	-	557,041
	-	-	490,093,310	434,839,525
Less Allowance for doubtful accounts				
	-	-	(44,661,690)	(44,661,690)
	-	-	445,431,620	390,177,835
Joint venture				
Weihai Welly Hospital Company Limited	2,436,460	547,266	2,436,460	547,266
	2,436,460	547,266	2,436,460	547,266
Related company				
Rachphattana Real Estate Company Limited	1,710,221	-	-	-
	1,710,221	-	-	-
	4,146,681	547,266	447,868,080	390,725,101

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38 Related-party transactions (Cont'd)

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

- a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental deposit				
<u>Related company</u>				
Thonburi Home Appliance Co., Ltd.	503,079	-	-	-
	<u>503,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	1,002,631	874,245
Thonburi Hospital Heart Centers Company Limited	-	-	-	96,100
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	68,400	-
	<u>-</u>	<u>-</u>	<u>1,071,031</u>	<u>970,345</u>
<u>Related companies</u>				
Computed Tomography Urupong Co., Ltd.	4,125,289	3,991,875	4,125,288	3,991,875
Phatara Hospital Co., Ltd.	-	9,346	-	-
	<u>4,125,289</u>	<u>4,001,221</u>	<u>4,125,288</u>	<u>3,991,875</u>
	<u>4,125,289</u>	<u>4,001,221</u>	<u>5,196,319</u>	<u>4,962,220</u>
Other accounts payable				
<u>Subsidiaries</u>				
Dental Siam Co., Ltd.	-	-	156,703	42,133
Modular Software Expertise Co., Ltd.	-	-	122,732	125,537
Thonburi Hospital Heart Centers Company Limited	-	-	37,368,344	26,657,163
	<u>-</u>	<u>-</u>	<u>37,647,779</u>	<u>26,824,833</u>
<u>Related companies</u>				
Rajthanee Pattanakarn (2014) Co., Ltd.	218,820	149,800	-	-
Thonburi Home Appliance Co., Ltd.	554,891	-	-	-
	<u>773,711</u>	<u>149,800</u>	<u>-</u>	<u>-</u>
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	1,508,229	1,508,229	1,508,229	1,508,229
	<u>1,508,229</u>	<u>1,508,229</u>	<u>1,508,229</u>	<u>1,508,229</u>
	<u>2,281,940</u>	<u>1,658,029</u>	<u>39,156,008</u>	<u>28,333,062</u>
Fixed assets payable				
<u>Subsidiaries</u>				
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	11,663	-
Dental Siam Co., Ltd.	-	-	1,689,729	42,750
	<u>-</u>	<u>-</u>	<u>1,701,392</u>	<u>42,750</u>

Thonburi Healthcare Group Public Company Limited
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38 Related-party transactions (Cont'd)

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

- a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Intangible assets payable				
<u>Subsidiary</u>				
Modular Software Expertise Co., Ltd.	-	-	132,680	-
	-	-	132,680	-
Accrued expense				
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	747,368	817,463	747,368	817,463
	747,368	817,463	747,368	817,463
Deposit				
<u>Related company</u>				
Rachphattana Real Estate Company Limited	1,000,000	-	-	-
	1,000,000	-	-	-

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38 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 2019 and 2018 are as follows:

	For the year ended 31 December 2019											
	Consolidated financial statements					Separate financial statements						
	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht
Revenue from sales of medical supplies	-	107,318	-	6,636	-	113,954	17,138,340	-	-	-	-	17,138,340
Revenue from service and consulting	-	870,000	3,157,589	16,766,071	-	20,793,660	1,858,970	-	2,822,000	-	-	4,680,970
Revenue from land rental	-	-	-	26,087,514	-	26,087,514	4,860,000	-	-	-	-	4,860,000
Other income	-	-	129,420	1,786,573	-	1,915,993	4,254,984	-	129,420	1,785,900	-	6,170,304
Dividend income	-	-	-	2,314,189	-	2,314,189	22,026,063	20,068,508	-	2,014,189	-	44,108,760
Interest income	-	-	2,015,036	1,710,221	-	3,725,257	180,032,330	-	2,015,036	-	-	182,047,366
Purchase of inventory	-	-	-	9,250	-	9,250	5,058,426	-	-	-	-	5,058,426
Purchase of property, plant and equipment	-	-	-	-	-	-	4,237,583	-	-	-	-	4,237,583
Purchase of intangible assets	-	-	-	-	-	-	3,113,520	-	-	-	-	3,113,520
Interest expense	-	-	-	-	-	-	10,274	-	-	-	-	10,274
Repair expense & professional fee	-	-	-	51,654,301	-	51,654,301	1,723,995	-	-	51,654,301	-	53,378,296
Land rental expense	-	-	-	2,944,514	2,523,000	5,467,514	-	-	-	-	2,523,000	2,523,000

	For the year ended 31 December 2018											
	Consolidated financial statements					Separate financial statements						
	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht
Revenue from sales of medical supplies	-	500,486	-	24,533	-	525,019	8,268,319	-	-	-	-	8,268,319
Revenue from service and consulting	-	652,500	7,129,749	17,268,652	-	25,050,901	-	-	7,129,749	-	-	7,129,749
Revenue from land rental	-	-	-	27,000,000	-	27,000,000	6,360,000	-	-	-	-	6,360,000
Other income	-	-	43,488	-	-	43,488	92,070	-	15,600	-	-	107,670
Dividend income	-	-	-	14,752,470	-	14,752,470	12,236,702	18,018,539	-	14,452,470	-	44,707,711
Interest income	-	-	549,413	-	-	549,413	105,658,894	-	549,413	-	-	106,208,307
Purchase of inventory	-	-	-	290,271	-	290,271	4,298,897	-	-	5,940	-	4,304,837
Purchase of property, plant and equipment	-	-	-	-	-	-	332,795	-	-	-	-	332,795
Purchase of intangible assets	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
Land rental expense	-	-	-	-	2,514,000	2,514,000	-	-	-	-	2,514,000	2,514,000
Repair expense & professional fee	-	-	-	43,873,808	-	43,873,808	2,943,511	-	-	43,724,008	-	46,667,519

38 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 2019 and 2018 are as follows: (Cont'd)

Managements and directors' remuneration

Managements and directors' remuneration for the years ended 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Management and directors remuneration				
- Salaries and other short-term benefits	121,696,340	127,559,993	66,543,316	78,240,763
- Post employment benefit	7,210,578	3,157,361	3,024,139	1,179,072
Total	<u>128,906,918</u>	<u>130,717,354</u>	<u>69,567,455</u>	<u>79,419,835</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 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
<u>Short-term loans to related parties</u>				
Beginning balance of the year	40,106,960	-	4,013,084,205	1,768,677,245
Additions during the year	-	40,106,960	2,502,000,000	2,168,106,960
Reclassify from long-term loans	-	-	-	81,300,000
Repayment during the year	-	-	(820,019,658)	(5,000,000)
Unrealised loss from exchange rate	(3,507,079)	-	(3,507,079)	-
Ending balance of the year	<u>36,599,881</u>	<u>40,106,960</u>	<u>5,691,557,468</u>	<u>4,013,084,205</u>

38 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 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Short-term loans to</u>				
<u>Subsidiaries</u>				
Premiere Home Health Care Co., Ltd.	-	-	2,557,812,908	1,857,812,908
Rajthanee Realty Co., Ltd.	-	-	915,127,737	914,127,737
Thonburi Bamrungmuang Hospital Co., Ltd.	-	-	1,787,980,342	766,000,000
Thonburi Realty Development Co., Ltd.	-	-	347,436,600	347,436,600
Thonburi Hospital Heart Centers Company Limited	-	-	-	65,000,000
Modular Software Expertise Co., Ltd.	-	-	17,600,000	18,600,000
Dental Siam Co., Ltd.	-	-	29,000,000	4,000,000
	-	-	5,654,957,587	3,972,977,245
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	36,599,881	40,106,960	36,599,881	40,106,960
	36,599,881	40,106,960	36,599,881	40,106,960
	36,599,881	40,106,960	5,691,557,468	4,013,084,205

As at 31 December 2019 and 2018, short-term loans to subsidiaries are unsecured loans in Thai Baht and are due for repayment at call.

As at 31 December 2019, short-term loan to joint venture is unsecured loan in Renminbi and is due for repayment within June 2020 (2018: within October 2019). The loans bear the interest at the rates as agreed.

38 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 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
<u>Long-term loans to related companies</u>				
Beginning balance of the year	-	-	-	81,300,000
Reclassify to short-term loans	-	-	-	(81,300,000)
Ending balance of the year	-	-	-	-

Long-term loan to a subsidiary is an unsecured loan in Thai Baht. The loan bears interest rate at the rate of as agreed and is due for repayment in December 2018.

e) Short-term loans from a related party

Short-term loans from a related party is short-term loans to related company. The movement for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
<u>Short-term loans from related company</u>				
Beginning balance of the year	-	-	-	-
Additions during the year	-	-	15,000,000	-
Repayment during the year	-	-	(15,000,000)	-
Ending balance of the year	-	-	-	-

Short-term loans from a related party is an unsecured loan from a subsidiary in Thai Baht. The loan bears interest rate at the rate as agreed and is due for repayment in August 2019. The Company fully paid for such short-term loans in July 2019.

39 Commitments

39.1 Operating lease commitments

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

As at 31 December 2019 and 2018, the Group and the Company have future lease and service payments required under these non-cancellable agreement as follows:

Due payment	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	79,453,428	79,769,653	29,416,046	18,266,618
Later than 1 year but not later than 5 years	70,821,958	51,716,095	12,993,727	18,512,201
After 5 years	219,345,308	285,137,084	6,000,000	6,720,000
	369,620,694	416,622,832	48,409,773	43,498,819

39.2 Capital commitments

As at 31 December 2019 and 2018, the Group and the Company have capital commitments, relating to the construction of hospital buildings, building improvement and utility system, medical equipment, equipment, furniture and office equipment, computer software and computer, as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Buildings, building improvement and utility system	209,451,934	646,005,174	137,473,201	57,846,392
Computer software	40,191,885	69,829,774	8,856,494	6,764,300
Furniture and office equipment	9,871,885	23,335,872	-	-
Medical equipment	39,942,637	47,512,000	4,870,000	4,550,000
Computer	4,353,581	18,240,000	4,353,581	18,240,000
Equipment	4,114,120	7,892,315	1,526,967	237,000
	307,926,042	812,815,135	157,080,243	87,637,692

39.3 Other commitment

As at 31 December 2019 and 2018, the Group and the Company have other commitments as follows:

	Consolidated financial statement		Separate financial statement	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of developing holistic care project	1,693,988,742	2,078,949,965	-	-
Down payment for land leasehold rights	1,000,000	2,000,000	-	-
Advertising expenses	15,994,432	784,382	1,285,056	128,400
Other	5,206,353	1,214,400	-	1,214,400
	1,716,189,527	2,082,948,747	1,285,056	1,342,800

39 Commitments (Cont'd)

39.4 Forward foreign currency exchange contracts

2019

As at 31 December 2019, the Group and the Company have no forward foreign currency exchange contracts.

2018

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

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

As at 31 December 2018, the Company has no forward foreign currency exchange contracts.

Fair value

Fair value of forward foreign exchange contracts has been calculated using rate quoted by the Company's banker as if the Company terminated the contract on 31 December 2018. The fair values are within level 2 of the fair value hierarchy.

40 Contingent liabilities and guarantees

40.1 Bank guarantees

As at 31 December 2019 and 2018, 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Guarantee for electricity	11,501,903	10,501,903	9,701,903	9,701,903
Guarantee for management and operation of hospital management	32,757,025	28,005,550	32,757,025	28,005,550
Guarantee for operation	36,647,981	43,269,716	-	-
	<u>80,906,909</u>	<u>81,777,169</u>	<u>42,458,928</u>	<u>37,707,453</u>

40 Contingent liabilities and guarantees

40.2 Guarantees of related companies

Subsidiary

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

At the Board of Directors' Meeting of the Company No. 5/2019 on 13 May 2019, the Board of Directors approved providing guarantee for collateral liability of a subsidiary in amounting to Baht 800.00 million.

Joint ventures

The Company is a guarantor of 2 joint ventures in overseas following the standby letter of credit according to the proportion of its holding interest in joint ventures for the borrowings from overseas financial institutions.

As at 31 December 2019, the Company has the standby letter of credit for guarantee to joint ventures in overseas amounting to US Dollar 8.00 million and Renminbi 13.00 million (31 December 2018 : US Dollar 6.00 million).

41 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), Kohlarn, 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 17.

41 Significant contracts (Cont'd)

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

Subsidiary - Thonburi Hospital Heart Centers Company Limited

- 1) The Company has the agreement with two private hospitals (2018 : two private hospitals) which is a related company. This agreement is the sharing agreement for healthcare about cardiovascular disease at a private hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the share income at the rate as stipulated in the agreement.
- 2) The Company has the sharing agreement with Samutprakarn province for medical service and operative of cardiovascular disease patients by using the location at Bangphee Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement. Such contract ended on 29 December 2018 because the Company did not renew the contract.

During the year 2018, a subsidiary reclassify deposit of sharing agreement with Samutprakarn province amounting to Baht 12.07 million which are presented as part of other non-current assets to other current asset due to the management considered to receive the deposit refund within the year 2019. However, the subsidiary received the deposit refund in February 2020.

- 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.

42 Lawsuit

Parent company - Thonburi Healthcare Group Public Company Limited

The Company has been sued to Talingchan Provincial Court for claims expense from its hospital operation service in the black case. In addition, the Company sued to the Civil Court in the black case against the same plaintiff and claimed for the outstanding hospital service fee amounting to Baht 10.28 million with the interest at the rate of 7.50% per annum. The management considered and estimated the uncollected amount of Baht 4.89 million and had been recorded as discount for such amount in the financial statements.

During the year 2019, the management considered the possibility of the collection of such claim and considered to set the allowance for doubtful account of Baht 5.39 million.

However, on 22 October 2019, the Company and the plaintiff have mediated and agree to withdraw such black cases, resulting in the lawsuit was finally resolved.

42 Lawsuit (Cont'd)

Subsidiary

- 1) The subsidiary has filed Department of Land and related government according to the land revocation of the Company which has lawsuits held as follows:
 - 1.1) The Company has filed about land NS.3K. 2 issues (the black case). The Administrative Court judged that it was the revocation of part of certificate of land rights that issued illegally which not revocation of the right to occupy and use the land. The Central Administrative Court dismissed on 18 January 2013 which the Company appealed. As at 31 December 2019, it is under consideration by the Supreme Administrative Court.
 - 1.2) The Company has filed about land NS.3K. 1 issues (the black case). The Administrative Court judged that Department of Land illegally revoke since issued the wrong NS.3K. which caused damage to land owners. The Administrative Court judged that Department of Land has to pay the penalty amounting Baht 1.51 million to the Company on 18 June 2013. However, the judgement is still unpleasant. The Company appealed to the Supreme Administrative Court which as at 31 December 2019 is under consideration.
 - 1.3) The subsidiary has filed about land NS.3K. 2 issues which Department of Land established the revocation committee. However, as at 31 December 2019 there is no revocation order.
- 2) During the year 2019, the subsidiary was sued in the civil court by the supplier for goods payments totalling Baht 25.19 million, plus interest at the rate of 7.50% per annum. As at 31 December 2019, such case is under consideration by the Civil Court. However, the subsidiary will prosecute to the full extent of the law. The management of the subsidiary considered and believed that there would no significant impact to the subsidiary.
- 3) During the year 2018, a subsidiary was filed by external party for the land revocation of which the land was currently developing under real estate project. Lawyer of the Group saw the probability of the land to be revoked since it has been a transportation channel for longer than 10 years. The Court of First Instance had decision to dismiss this case on 19 December 2019.

Another subsidiary was claimed by the same external party for adverse possession. However, lawyer of the Group saw the high probability of not losing the case since the land possession of the plaintiff had not yet been 10 years. As a result, the subsidiary had filed back the party for trespassing and claimed for damages of Baht 20.00 million and Baht 200,000 for monthly damage and the action of the party to remove possession from the property. The lawyer of the Group saw the high probability of winning the case; however, the claimed damages to be received depended on judicial discretion.

As at 31 December 2019, these lawsuits were under the consideration of the Court of First Instance. Management considered and believed that there would be no significant impact. As a result, the subsidiary did not recognise provisions for contingent liabilities for these lawsuits as at the end of the reporting period.

43 Subsequent events

Parent Company

Dividend payment

At the Board of Director's Meeting of the Company No. 2/2020 on 27 February 2020, the Board of Directors approved the dividend payments from its operation for the year 2019 to its shareholders at Baht 0.40 per share, totalling Baht 339.63 million. However, the Company has made the interim dividend payment in September 2019 at Baht 0.10 per share, totalling Baht 84.91 million and the remaining dividend payment is at Baht 0.30 per share, totalling Baht 254.72 million. The Company will present for approval the dividend at the Annual General Shareholders' Meeting of the Company.

Subsidiaries

Dividend payment

At the Board of Director's Meeting of Rajyindee Hospital Public Company Limited No. 1/2020 on 16 February 2020, the Board of Directors approved the dividend payments from its operation for the year 2019 to its shareholders at Baht 0.08 per share, totalling Baht 34.40 million. The subsidiary will present for approval the dividend at the Annual General Shareholders' Meeting of the subsidiary.

Loan from a financial institution

A subsidiary does long-term loan agreement of Baht 100.00 million with local financial institution for construction the hospital and purchase medical equipment. Such subsidiary has fully received such loan from financial institution in January and February 2020.