

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of
Sikarin Public Company Limited

Opinion

I have audited the consolidated financial statements of Sikarin Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Sikarin Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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Key Audit Matters

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

Revenue recognition from general medical treatment

The revenue from medical treatment is significant amount in the consolidated and separate financial statements, representing 98% and 99% of total revenues, respectively. In addition, there are various components in revenues from hospital operation such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc., including discounts with parties, whereas the agreements contain various conditions for each party. I therefore focus with respect to the amount, value and timing of revenue recognition of the Company.

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

Revenue recognition from Social Security

The Company has the revenue from Social Security by entering into medical service provider agreement under Social Security Act, B. E. 2533. The revenues from Social Security in the consolidated and separate financial statements represent 19% and 24% of total revenues, respectively. The Company will receive the money from the Social Security Office in terms of insured persons who select the medical treatment with the hospitals. In addition, the Company will also gain the income from medical service fee for the cases with burden of disease risk and high-cost disease but the additional revenue from earnings each time has to be approved by the Social Security Office. However, the consideration process of the Social Security Office takes a long time. In the event that the Company has already provided the medical service to the insured persons, the Company has its right to gain the medical treatment fee according to the medical service agreement. The management then consider the estimation of medical service revenue for the cases with burden of disease risk and high-cost disease. This is significant estimation requiring the management to apply the high judgment. The specialists' opinion is also needed in considering the severity rate of the disease to estimate the revenue. I therefore focus with respect to the revenue recognition from Social Security as it has a significant risk to the financial statements.

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

Other Information

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

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

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr.Pojana Asvasontichai.

(Mr.Pojana Asvasontichai)
Certified Public Accountant
Registration No. 4891

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 21, 2018

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Baht				
		Consolidated financial statements		Separate financial statements		
Note		2017	2016	2017	2016	
ASSETS						
Current assets						
	Cash and cash equivalents	5	66,882,031	56,859,708	48,415,193	32,714,570
	Current investments in fixed deposit		471,053	810,155	471,053	810,155
	Accounts receivable	6	230,195,564	208,476,054	175,286,922	158,333,642
	Accrued income	7	140,676,705	165,045,709	140,676,705	165,045,709
	Other receivable	8, 10	25,010,317	23,569,698	20,126,388	24,997,228
	Inventories	9	104,656,557	91,813,751	80,773,102	69,557,367
	Non-current assets held for sale		5,368,745	5,368,745	-	-
	Other current assets		13,486,136	9,574,577	6,792,949	5,886,625
	Total current assets		586,747,108	561,518,397	472,542,312	457,345,296
Non-current assets						
	Investment in subsidiary	12	-	-	1,366,194,103	1,366,194,103
	Investments in related company	13	-	-	-	-
	Long-term loans to subsidiary company	10	-	-	7,198,519	10,874,358
	Investment property	14	5,382,258	5,432,132	5,382,258	5,432,132
	Property, plant and equipment	15	4,324,967,230	4,267,409,718	2,955,477,265	2,907,314,268
	Intangible assets	16	9,759,994	17,313,123	9,122,709	16,534,236
	Leasehold right	17	70,966,594	77,792,999	57,566,653	63,160,168
	Goodwill	12	326,167,591	326,167,591	-	-
	Deffered tax assets	18	5,869,506	6,963,205	-	-
Other non-current assets						
	Fixed deposit pledged as collateral	19	1,998,157	3,700,871	-	1,719,440
	Others	20	17,836,479	20,305,747	2,784,834	3,366,334
	Total non-current assets		4,762,947,809	4,725,085,386	4,403,726,341	4,374,595,039
	Total assets		5,349,694,917	5,286,603,783	4,876,268,653	4,831,940,335

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Current liabilities					
Bank overdrafts and short - term loans					
from institutions	22	115,092,180	54,416,680	79,286,359	46,561,573
Accounts payable		148,504,194	150,385,782	114,891,400	119,033,576
Other payable		192,301,062	195,820,689	160,320,168	163,447,483
Current portion of long-term loans from institutions	23	194,081,731	256,497,896	151,229,731	213,645,896
Current portion of liabilities under long-term					
agreements	24	69,161,333	63,729,896	55,266,924	56,718,277
Accrued income tax		4,336,663	3,975,751	3,574,158	3,957,918
Accrued dividend		2,446,870	1,741,671	2,446,870	1,741,671
Retention payable		-	14,000,701	-	14,000,701
Other current liabilities		7,584,936	10,595,683	5,633,392	9,630,065
Total current liabilities		733,508,969	751,164,749	572,649,002	628,737,160
Non-current liabilities					
Long-term loans from institutions	23	787,397,876	765,484,309	621,969,876	557,204,309
Liabilities under long-term agreements	24	99,182,613	127,363,260	70,772,969	107,590,291
Deferred tax liabilities	18	83,343,534	84,213,267	83,343,534	84,213,267
Employee benefits obligation	25	89,103,869	81,409,696	60,676,121	54,918,008
Other non-current liabilities		1,095,000	1,019,448	-	-
Total non-current liabilities		1,060,122,892	1,059,489,980	836,762,500	803,925,875
Total liabilities		1,793,631,861	1,810,654,729	1,409,411,502	1,432,663,035

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2017	2016	2017	2016
Shareholders' equity					
	Share capital	26			
	Authorized share capital				
	151,009,415 ordinary shares of Baht 6.50 each	981,561,198	981,561,198	981,561,198	981,561,198
	Issued and paid-up share capital				
	151,009,415 ordinary shares of Baht 6.50 each	981,561,198	981,561,198	981,561,198	981,561,198
	Share premium	26	1,350,152,491	1,350,152,491	1,350,152,491
	Premium on capital reduction		7,107,485	7,107,485	7,107,485
	Premium on sale treasury shares		105,081,744	105,081,744	105,081,744
	Retained earnings				
	-Appropriated				
	Statutory reserve	27	59,513,615	50,578,248	59,513,615
	-Unappropriated		702,237,379	626,056,073	678,697,324
	Unrealized increment per assets appraisal	15	284,743,294	290,206,499	284,743,294
	Total equity attributable to owners of the parent		3,490,397,206	3,410,743,738	3,466,857,151
	Non-controlling interest	12	65,665,850	65,205,316	-
	Total shareholder's equity		3,556,063,056	3,475,949,054	3,466,857,151
	Total liabilities and shareholders' equity		5,349,694,917	5,286,603,783	4,876,268,653

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Medical service revenues		3,108,044,917	2,392,579,333	2,474,955,302	2,308,638,915
Food and beverage revenues		45,036,914	42,365,822	-	-
Unrealized gain on measurement of investment	11	-	66,685,621	-	70,612,654
Other income	10	27,016,293	25,998,685	16,702,280	18,118,190
Total revenues		<u>3,180,098,124</u>	<u>2,527,629,461</u>	<u>2,491,657,582</u>	<u>2,397,369,759</u>
Expenses					
Cost of medical services		2,274,643,332	1,735,661,289	1,805,564,282	1,679,857,284
Cost of food and beverage		27,704,404	27,608,042	-	-
Administrative expenses		599,629,450	462,968,820	446,554,531	433,992,604
Financial cost		73,857,768	66,518,004	56,073,679	62,278,711
Total expenses		<u>2,975,834,954</u>	<u>2,292,756,155</u>	<u>2,308,192,492</u>	<u>2,176,128,599</u>
Share of profit of associated company	11	-	1,524,181	-	-
Profit before income tax expense		204,263,170	236,397,487	183,465,090	221,241,160
Income tax expense	31	41,093,990	46,206,806	32,830,061	42,533,811
Profit for the year		<u>163,169,180</u>	<u>190,190,681</u>	<u>150,635,029</u>	<u>178,707,349</u>
Other comprehensive income :					
Item that will not be reclassified to profit or loss					
Actuarial gain (losses) arising from post-employee benefit	25	-	4,398,181	-	4,398,181
Income tax relating not be reclassified	31.1	-	(879,636)	-	(879,636)
Other comprehensive income for the year, net of income tax		<u>-</u>	<u>3,518,545</u>	<u>-</u>	<u>3,518,545</u>
Total comprehensive income for the year		<u>163,169,180</u>	<u>193,709,226</u>	<u>150,635,029</u>	<u>182,225,894</u>
Profit attributable to					
Owners of the parent		162,708,646	189,710,969	150,635,029	178,707,349
Non-controlling interest		460,534	479,712	-	-
		<u>163,169,180</u>	<u>190,190,681</u>	<u>150,635,029</u>	<u>178,707,349</u>
Total comprehensive income attributable to					
Owners of the parent		162,708,646	193,229,514	150,635,029	182,225,894
Non-controlling interest		460,534	479,712	-	-
		<u>163,169,180</u>	<u>193,709,226</u>	<u>150,635,029</u>	<u>182,225,894</u>
Earnings per share					
32.2					
Basic earning per share					
Attributable to owners of the parent		<u>1.08</u>	<u>1.53</u>	<u>1.00</u>	<u>1.44</u>

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Baht										
Consolidated financial statements										
Equity attributable to owners of the parent									Non-controlling	Total shareholders'
Note	Share capital	Share premium	Premium on	Premium on sale	Retained earnings		Unrealized	Total	interest	equity
	issued and		Capital	Treasury shares	Appropriated	- Unappropriated	increment per	equity attributable		
	paid-up		reduction		statutory reserve		assets appraisal-net	to owners of the parent		
Ending balance, as at December 31, 2015	780,000,000	170,000,000	7,107,485	105,081,744	44,797,595	510,848,564	295,965,147	1,913,800,535	-	1,913,800,535
Share increase - common stock	26	201,561,198	-	-	-	-	-	1,381,713,689	-	1,381,713,689
Appropriated statutory reserve	28	-	-	-	5,780,653	(5,780,653)	-	-	-	-
Dividend	28	-	-	-	-	(78,000,000)	-	(78,000,000)	-	(78,000,000)
Unrealized increment per assets appraisal transferred										
to retained earning		-	-	-	-	5,758,648	(5,758,648)	-	-	-
Total comprehensive income for the year										
Profit for the year		-	-	-	-	189,710,969	-	189,710,969	479,712	190,190,681
Other comprehensive income : net of income tax										
Actuarial gain arising from post - employee benefit	25	-	-	-	-	3,518,545	-	3,518,545	-	3,518,545
Non - controlling interest as at acquisition date	12	-	-	-	-	-	-	-	64,725,604	64,725,604
Ending balance, as at December 31, 2016		981,561,198	1,350,152,491	7,107,485	105,081,744	50,578,248	626,056,073	290,206,499	3,410,743,738	65,205,316
Appropriated statutory reserve		-	-	-	-	8,935,367	(8,935,367)	-	-	-
Dividend		-	-	-	-	(83,055,178)	-	(83,055,178)	-	(83,055,178)
Unrealized increment per assets appraisal transferred										
to retained earning		-	-	-	-	5,463,205	(5,463,205)	-	-	-
Total comprehensive income for the year		-	-	-	-	162,708,646	-	162,708,646	460,534	163,169,180
Ending balance, as at December 31, 2017		981,561,198	1,350,152,491	7,107,485	105,081,744	59,513,615	702,237,379	284,743,294	3,490,397,206	65,665,850

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2017

		Baht							
		Separate financial statements							
Note		Share capital issued and paid-up	Share premium	Premium on Capital reduction	Premium on sale Treasury shares	Retained earnings		Unrealized increment per assets appraisal-net	Total shareholders' equity
						Appropriated statutory reserve	- Unappropriated		
	Ending balance, as at December 31, 2015	780,000,000	170,000,000	7,107,485	105,081,744	44,797,595	510,385,746	295,965,147	1,913,337,717
26	Share increase - common stock	201,561,198	1,180,152,491	-	-	-	-	-	1,381,713,689
28	Appropriated statutory reserve	-	-	-	-	5,780,653	(5,780,653)	-	-
28	Dividend	-	-	-	-	-	(78,000,000)	-	(78,000,000)
	Unrealized increment per assets appraisal transferred to retained earning	-	-	-	-	-	5,758,648	(5,758,648)	-
	Total comprehensive income for the year								
	Profit for the year	-	-	-	-	-	178,707,349	-	178,707,349
	Other comprehensive income : net of income tax								
25	Actuarial gain arising from post - employee benefit	-	-	-	-	-	3,518,545	-	3,518,545
	Ending balance, as at December 31, 2016	981,561,198	1,350,152,491	7,107,485	105,081,744	50,578,248	614,589,635	290,206,499	3,399,277,300
	Appropriated statutory reserve	-	-	-	-	8,935,367	(8,935,367)	-	-
	Dividend	-	-	-	-	-	(83,055,178)	-	(83,055,178)
	Unrealized increment per assets appraisal transferred to retained earning	-	-	-	-	-	5,463,205	(5,463,205)	-
	Total comprehensive income for the year	-	-	-	-	-	150,635,029	-	150,635,029
	Ending balance, as at December 31, 2017	981,561,198	1,350,152,491	7,107,485	105,081,744	59,513,615	678,697,324	284,743,294	3,466,857,151

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Cash flows from operating activities</u>				
Profit for the year	163,169,180	190,190,681	150,635,029	178,707,349
Items to reconcile profit for the year to net cash flows from operating activities				
Depreciation and amortized expense	310,995,981	242,007,328	237,627,966	233,367,274
Bad debt and doubtful accounts (reverse)	4,450,785	6,162,528	3,531,002	6,162,528
Allowance for impairment of investment (reverse)	-	(2,870,400)	-	(2,870,400)
Unrealize gain on measument of investment	-	(66,685,621)	-	(70,612,654)
Share of (profit) of associated company	-	(1,524,181)	-	-
(Gain) loss on sale of fixed assets	2,934,263	(238,091)	2,927,709	(238,092)
Employee benefits expense	8,583,973	7,274,034	5,758,113	6,441,803
Interest income	(128,171)	(125,217)	(76,169)	(105,057)
Interest expense	73,857,768	66,518,004	56,073,679	62,278,711
Income tax expense	41,093,990	46,206,806	32,830,061	42,533,811
Profit from operations before changes in operating assets and liabilities	604,957,769	486,915,871	489,307,390	455,665,273
Operating assets (increase) decrease				
Accounts receivable	(26,170,294)	(36,037,300)	(20,484,282)	(33,080,990)
Accrued income	24,369,004	(31,311,147)	24,369,004	(31,311,147)
Other receivable	(1,440,604)	7,072,944	4,870,840	8,851,949
Inventories	(12,842,806)	(7,366,584)	(11,215,735)	(6,930,053)
Other current assets	(3,614,789)	4,745,391	(906,324)	1,035,828
Other non-current assets	381,800	363,349	581,500	(129,800)
Operating liabilities increase (decrease)				
Accounts payable	(1,845,698)	26,480,086	(4,142,176)	28,557,413
Other payable	(3,124,291)	(9,761,552)	(3,151,762)	(9,516,632)
Other current liabilities	(3,010,747)	1,140,945	(3,996,673)	1,482,778
Other non current liabilities	75,552	-	-	-
Cash received from operation	577,734,896	442,242,003	475,231,782	414,624,619
Cash paid for employee benefits expense	(889,800)	(2,134,370)	-	(2,134,370)
Cash paid for income tax	(43,751,451)	(27,159,344)	(34,083,553)	(25,994,472)
Net cash provided by operating activities	533,093,645	412,948,289	441,148,229	386,495,777

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Cash flows from investing activities</u>				
(Increase) decrease in short-term investment in fixed deposit	339,102	(22,832)	339,102	(22,832)
Cash paid for property, plant and equipment	(317,850,307)	(234,552,441)	(266,451,835)	(232,868,983)
Cash paid for intangible assets	(293,170)	(1,686,588)	(260,000)	(1,686,588)
Cash paid for land improvement - leasehold right	(3,936,598)	(1,719,448)	(3,936,598)	(1,719,448)
Cash received from sale of fixed assets	2,143,724	240,000	2,111,624	240,000
(Increase) decrease in fixed deposit with commitment	1,702,714	(3,693)	1,719,440	(3,693)
Cash received for interest income	128,156	125,217	76,169	105,057
Net cash used in investing activities	<u>(317,766,379)</u>	<u>(237,619,785)</u>	<u>(266,402,098)</u>	<u>(235,956,487)</u>
<u>Cash flows from financing activities</u>				
Increase (decrease) in bank overdrafts and short-term loans from institute	60,675,500	(94,858,291)	32,724,786	(90,085,989)
Cash receive from long-term loans to subsidiary	-	-	3,675,839	3,675,839
Cash receive from long-term loans from institute	675,000,000	220,000,000	675,000,000	220,000,000
Cash paid for long-term loans from institute	(715,502,598)	(220,799,361)	(672,650,598)	(215,323,828)
Cash paid for liabilities under long-term agreements	(67,085,450)	(55,711,225)	(57,168,675)	(53,188,967)
Cash paid for interest expenses	(76,042,416)	(67,750,748)	(58,276,881)	(63,569,492)
Cash paid for dividend	(82,349,979)	(86,904,151)	(82,349,979)	(86,904,151)
Cash receive from share increase	-	150,000,000	-	150,000,000
Net cash provided by financing activities	<u>(205,304,943)</u>	<u>(156,023,776)</u>	<u>(159,045,508)</u>	<u>(135,396,588)</u>
Net increase in cash and cash equivalents	10,022,323	19,304,728	15,700,623	15,142,702
Cash and cash equivalents - at acquisition date	-	16,267,993	-	-
Cash and cash equivalents - at beginning of the year	56,859,708	21,286,987	32,714,570	17,571,868
Cash and cash equivalents - at ending of the year	<u>66,882,031</u>	<u>56,859,708</u>	<u>48,415,193</u>	<u>32,714,570</u>

Supplemental disclosures of cash flow information

- The Company acquired fixed assets by mean of liabilities under long-term agreement

	48,966,927	307,850,945	18,900,000	30,782,945
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- On November 14, 2016, the Company has received 41,170,499 shares transfer from Sikarin Hadyai Hospital Co.,Ltd. held by Sikarin Hadyai Holding Co.,Ltd. amounting to Baht 1,231.71 million. The Company has issued 25,009,415 new ordinary shares capital increase to Sikarin Hatyai Holding Co.,Ltd. in return instead of payment for the shares in cash. The share price as at the transfer date has the closing price at Baht 49.25 per share.

Notes to financial statement form an intergral part of these statement.

SIKARIN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2017

1. GENERAL INFORMATION

(a) Legal status

The Company has registered to be a limited public company under the Limited Public Company Act B.E. 2535 with the Ministry of Commerce on November 10, 1994.

(b) Address, nature of business and number of employees of Company.

Name	Location	Main business activities	Number of employees (person)	
			2017	2016
Sikarin Public Company Limited	consisted of	Hospital, general heal with		
1. Sikarin Hospital	4/29 Moo 10 Srinakarin Road Bangna Bangkok 10260	235 beds	1,370	1,368
2. Rattarin Hospital	999/23-29 Sukhumvit Road Tambol Bangpu Mai Amphur Muang Samutprakarn 10280	100 beds	179	174

2. BASIS OF PREPARATION

2.1 Basis for the preparation of financial statements

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

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

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

2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Sikarin Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of holding (% of share capital)		Head office location
		2017	2016	
S K R Management Co.,Ltd.	Rental spaces management and sale food and beverage	99.99	99.99	Bangkok
Sikarin Hadyai Hospital Co.,Ltd.	Hospital	94.11	94.11	Songkhla

The Company has entered into the business transfer transaction of Sikarin Hadyai Hospital Co.,Ltd. and has a power to control its business. Such transaction has resulted in Sikarin Hadyai Hospital Co.,Ltd. to become a subsidiary of the Company. The Company has a direct shareholding of 94.11% (including the existing shares held by the Company 11.77%) and the Company has to prepare the consolidated financial statements of the Group from November 14, 2016, onwards.

2.2.2 The Company record investment in subsidiary by purchase method.

2.2.3 Accounting policy for subsidiary companies will utilize the same policy as Sikarin Public Company Limited.

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

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

3. THE NEW AND REVISED ACCOUNTING STANDARDS ARE EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts

TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement

TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Recognition of revenues and expenses

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognized as in come when the services have been rendered medical supply or medicine delivered.

Revenues from social security welfare are recognized on an accrual basis.

Revenues from food and beverage are recognized when are delivered.

Rental income, other income, costs and expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks and short - term investment in promissory notes, which are not due over 3 months or less and excluded cash at banks which are used for guarantee.

4.3 Allowance for doubtful accounts

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is estimated losses are based on a percentage of outstanding receivables classified by aging of accounts receivable. Assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value, whichever is lower.

Cost is calculated using the first-in, first-out basis, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

4.5 Investments

Investments in associates and subsidiaries

Associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associated are stated by equity method in consolidated financial statements. In case of the associates

have capital deficiencies the recognition of Company's portion on such investments will be equal to zero only.

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

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

General investments - investment in related parties and other companies

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

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

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

4.6 Goodwill

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

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

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

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

4.7 Investment property

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

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

The Company and its subsidiary have has policy to revalue its assets every five years.

4.8 Property, plant and equipment

Property are stated at appraised value.

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

Plant and equipment are stated at revaluation after deducted accumulated depreciation and allowance on impairment (if any).

Depreciation of plant and equipment are calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Buildings and improvement	15 - 30	Years
Others	5 - 10	Years

Since 1999 the Company changed the measurement subsequent to initial recognition of property, plant and equipment from cost less accumulated depreciation to a valued amount (allowed alternative method by the accounting principle). The value is determined by an independent appraiser. The surplus resulting from the revaluation was shown under the caption of "Shareholders' Equity" in the balance sheet. The revaluation surplus on fixed asset is depreciated over the period of the remaining useful live by directly charging to retained earnings.

The Company and its subsidiary have policy to revalue its assets every five years.

Borrowing Costs during construction were capitalized as property.

4.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other

borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

4.10 Intangible asset

Intangible asset represents computer software is stated at cost after deducted accumulated amortization.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that the computer software is available for use over the estimated useful life of the software of 5 years.

4.11 Leasehold right

Leasehold right is stated at cost after deducted accumulated amortization. Amortization is charged to the statement of comprehensive income on straight-line method, based on the term of lease agreement.

Leasehold right of land	10-20	years
Building on leasehold right	15-20	years
Utilizable right on land improvement	9-20	years

4.12 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the capital balances outstanding.

4.13 Operating lease

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

4.14 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income.

4.15 Employee benefit

Short-term employment benefits

The Company and its subsidiary recognize salary, overtime, bonus, social securities and welfares as expenses when incurred.

Post-employment benefits (Defined benefit plans)

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

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

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in comprehensive income.

4.16 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by

reference to the carrying amount and are presented in premium on treasury share and retained earnings, consecutively.

4.17 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

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

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

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

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

4.18 Fair value of financial instruments

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

Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

4.19 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Accrued revenues from hospital operations

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

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Impairment of investment in subsidiary

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

Leases

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

Investment property/Depreciation

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

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

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

Property, plant and equipment/Depreciation

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

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

Intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

5. CASH AND CASH EQUIVALENTS

This account consisted of: -

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	5,215,296	4,272,177	3,593,784	2,895,177
Credit card	2,783,555	2,255,641	2,232,371	1,720,594
Cash at bank - current account	4,016,324	5,814,865	4,000,760	5,390,098
Cash at bank - savings account	54,866,856	44,517,025	38,588,278	22,708,701
Total	<u>66,882,031</u>	<u>56,859,708</u>	<u>48,415,193</u>	<u>32,714,570</u>

Savings accounts earned interest rate at 0.125 - 0.750 per annum.

6. ACCOUNTS RECEIVABLE

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounts receivable - general	13,100,926	15,371,564	10,751,093	12,537,605
Accounts receivable - contract	222,136,052	194,700,945	168,775,854	147,588,558

Accounts receivable - compensation fund	4,746,427	3,675,601	4,628,033	3,479,535
Accounts receivable - social fund	3,921,320	3,986,320	3,921,320	3,986,320
Total	243,904,725	217,734,430	188,076,300	167,592,018
<u>Less</u> Allowance for doubtful accounts	(13,709,161)	(9,258,376)	(12,789,378)	(9,258,376)
Net	230,195,564	208,476,054	175,286,922	158,333,642

Accounts receivable were presented by aging as follows: -

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Age 0 month to 3 months	204,292,881	185,822,239	152,051,765	138,545,898
Age 3 months to 6 months	15,423,913	10,919,834	14,380,940	9,557,900
Age 6 months to 12 months	7,378,824	8,765,916	5,754,271	7,314,676
Age over 12 months	16,809,107	12,226,441	15,889,324	12,173,544
Total	243,904,725	217,734,430	188,076,300	167,592,018

Transactions with allowance for doubtful accounts - accounts receivable as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	9,258,376	3,095,848	9,258,376	3,095,848
Increase(Decrease)	4,450,785	6,162,528	3,531,002	6,162,528
Write off	-	-	-	-
Ending balance	13,709,161	9,258,376	12,789,378	9,258,376

The Company's management has contemplated about provision of allowance for doubtful accounts and believed that it is adequate for covering collection losses.

7. ACCRUED INCOME

This account consisted of:-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2017	2016
Accrued Income from capitation	6,816,593	6,391,169
Accrued Income from risk adjusted capitation	17,139,488	47,431,052

Accrued Income from Diagnosis Related Groups (DRGs)	96,322,499	93,805,299
Accrued Income from additional capitation	19,088,000	17,418,189
Accrued Income from health promotion	1,310,125	-
Total	<u>140,676,705</u>	<u>165,045,709</u>

In 2014, the Social Security Office has considered checking the medical service information for Diagnosis Related Groups (DRGs) in-patient treatment that was sold from January to December 2013 by applying a randomized medical examination approach not less than 10% of the available amount of information to consider in order to refund the medical service fee. But at that moment, it was not known how many wrong amount and how much money that the Company has to return.

On April 11, 2017, the company has received the notification of payment for medical services that the company may be refunded for Diagnosis Related Groups (DRGs) in - patient treatment. Later in 2016, the Social Security Office has informed the results of the information examination in 2013 and it has found the amount of medical service fees that exceed the amount to be refunded to the hospital from the hospital according to the percentage of AdjRW that is incorrect by 42.29% from the refunded amount of medical service fee in 2013 amounting to Baht 19,664,290 and will be deducted from the amount that the Social Security Office delayed the payment for medical services for Diagnosis Related Groups (DRGs) in-patient treatment for October to December 2013 amounting to Baht 12,997,883. The outstanding balance that the hospital has to pay back to the Social Security Office is Baht 6,666,408. The Social Security Office will deduct such amount from the medical service fee for the package payment of the hospital for 6 installments: No. 1-5 at Baht 1,120,000 each and No. 6 at Baht 1,066,408. The first installment starts in April 2017. The Company has recorded the amount returned to the Social Security Office at the amount of Baht 6,666,408 as the advance payment in the full amount and is gradually write off when the Social Security Office has deducted the capitation payment and the Company has recorded the deduction in revenue from DRGs by the same amount in the second quarter of 2017.

For accrued revenue from medical service fee for DRGs in-patient treatment for the periods October to December 2013 that the Social Security Office has delayed the payment of Baht 12,997,883, the Company still made an appeal and sent additional documents to the Social Security Office for verification. However, the Company's management expects to have an uncertainty in receiving the payment of this amount in full. Therefore, the Company recorded to reduce accrued revenue and revenue from DRGs in-patient treatment to Baht 12,997,883 in the year of 2017.

8. OTHER RECEIVABLE

This account consisted of:-

		Baht	
		Consolidated financial statements	Separate financial statements
2017	2016	2017	2016

Other receivables, in pending of Court	3,152,035	3,152,035	3,152,035	3,152,035
Welfare for staff receivables	2,696,327	3,917,750	2,696,327	3,917,750
Other receivables	19,367,300	14,070,343	16,611,561	15,657,676
Advance	2,946,690	5,581,605	818,500	5,421,802
Total	28,162,352	26,721,733	23,278,423	28,149,263
<u>Less</u> Allowance for doubtful accounts	(3,152,035)	(3,152,035)	(3,152,035)	(3,152,035)
Net	25,010,317	23,569,698	20,126,388	24,997,228

9. INVENTORIES

This account consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Medical	53,109,715	43,419,064	42,073,093	32,997,021
Medical supplies	23,767,294	20,803,687	14,288,712	12,478,975
Other supplies	27,779,548	27,591,000	24,411,297	24,081,371
Total	104,656,557	91,813,751	80,773,102	69,557,367

10. TRANSACTIONS WITH RELATED PARTIES

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

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

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

Nature of relationships with related parties as follows:

Name of parties	Nature of relationships
<u>Subsidiary Company</u>	
S K R Management Co.,Ltd.	Subsidiary company, which the Company has 99.99% shareholding
<u>Associated Company</u>	
Sikarin Hadyai Hospital Co.,Ltd.	Since November 14, 2016, subsidiary company, which the Company has 94.11% shareholding

Name of parties	Nature of relationships
	(Formerly, Associated company, which the Company has 11.77% shareholding)

Related Company

Kanjanaburi Memorial Hospital Co.,Ltd.	Related company, which the Company has 6.67% shareholding
Kho Yai Resort and Spa Hotel Co.,Ltd.	Shareholding
Juldis River Mansion Co.,Ltd.	Shareholding

		Baht			
		Consolidated financial statements		Separate financial statements	
Pricing policies		2017	2016	2017	2016
<u>Transaction during the year</u>					
Subsidiary company					
Other income - share of revenue from foods	At prices which had been agreed upon	-	-	2,108,600	2,060,375
Expense - land rental	At prices which had been agreed upon	-	-	10,200,000	10,200,000
Purchase assets	At prices which had been agreed upon	-	-	2,831,750	-
Directors and management's remuneration consisted of:-					
Short-term employee benefits		61,707,590	50,344,336	51,366,120	50,344,336
Port-term employee benefits		2,207,304	2,121,675	2,026,178	2,121,675
		<u>63,914,894</u>	<u>52,466,011</u>	<u>53,392,298</u>	<u>52,466,011</u>

		Baht			
		Consolidated financial statement		Separate financial statements	
		2017	2016	2017	2016
<u>Balance at the year</u>					
Subsidiary company					
Other receivable		-	-	330,158	5,134,227
Long-term loan		-	-	7,198,519	10,874,358
Related Company					
Other non-current assets (See note 20)					
Advances for purchase land and constructions					
	- Juldis River Mansion Co.,Ltd.	149,500,000	149,500,000	149,500,000	149,500,000
<u>Less</u>	Allowance for contingent loss from advance for purchase of assets	<u>(149,500,000)</u>	<u>(149,500,000)</u>	<u>(149,500,000)</u>	<u>(149,500,000)</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term loan to subsidiary

On April 1, 2015, the Company entered into an agreement to provide financial support and transferred the rights for the building construction licenses at Sikarin's Mall project with subsidiary. The Company provided the financial support to subsidiary amounting to Baht 19 million for all

advance payment expenses in the construction Sikarin's Mall project from construction installment, equipment, marginal deposit for electricity, and other related expenses until the project will be finished. On the same date, the Company transferred the rights for the building construction licenses at Sikarin's Mall amounting to Baht 16.54 million to the subsidiary. The subsidiary had to reimburse the construction fee by allowing the Company to exercise all over the ground on the land title deed No. 231,233 and 255, Tambon Bangna, Amphur Bangna, Bangkok to be used as a parking place for its customers and company's staff without any fees and expenses for a period of 55 months from June 15, 2015 to December 31, 2019 according to the agreement to exercise over the ground dated June 15, 2015.

Share of revenue from food and beverage

On October 1, 2014, the Company had made a memorandum of understanding with SKR Management Co., Ltd. on allocation the share of revenue from sales of food and beverage to the Company. Both parties agreed to allocate the share of revenue from sales of food and beverage at 85:15 which meant the subsidiaries, business operator, would get 85 percent and the parent company, location owner, would get 15 percent. The starting date was October 1, 2014, onwards.

On January 1, 2016 the company had recorded the additional memorandum with Sikarin Public Co., Ltd. regarding the dividing proportion of revenue from operation on food & beverage by changing revenue sharing from 85:15 to 95:5 effective from January 1, 2016, onwards.

Land rental

On December 18, 2015, the Company has entered into sub-lease land agreement with SKR Management Co., Ltd. and has agrees to sub-lease total 2 land titles to rai 2 square war, for 3 years from January 1, 2016 to December 31, 2018. The rental fee is baht 850,000.00 monthly.

Directors and Management's Remuneration

Directors and management's remuneration represent the benefits paid to the Company's directors and management such as salaries and related benefit including the benefit paid by other means. The Company's directors and management are the persons who are defined under the Securities and Exchange Act.

Directors of the Company are comprised of board of director audit committee, executive board, compensation committee and recruitment committee.

Managements of the Company are comprised of the executive committee, director of hospital and chief of administration.

11. INVESTMENTS IN ASSOCIATED COMPANY

Sikarin Hadyai Hospital Co., Ltd.

On November 14, 2016, the Company is entered into the business transfer transaction of Sikarin Hadyai Hospital Co.,Ltd. and has fully power to control. Therefore, Sikarin Hadyai Hospital Co.,Ltd. has changed the status from associate to subsidiary (see note 12).

For the period of January 1, 2016 to November 14, 2016 and for the years ended December and 2015, the Company recorded the shares of profit from investment in Sikarin Hadyai Hospital Co.,Ltd. from the financial statements that had been prepared by Baht the management and had not been audited by other auditors at the amount of Baht 1.52 million and Baht 1.73 million, respectively.

The Company has assessed the fair value of the investment as at the date before controlling with net asset value of Baht 1,099.75 million, representing 11.77 percent of the Company's holding. Therefore, the fair value of the investment as at the date before controlling is Baht 129.48 million and the Company has recognized unrealized gains from fair value adjustment of such investment in the income statement of the buyer as follows:

	Baht	
	Consolidated	Separate financial
	financial statements	statements
	Equity method	Cost method
Investment at beginning of the period	61,271,012	58,868,160
Share of profit	1,524,181	-
Investment before the control	62,795,193	58,868,160
Fair value of investment before the control	129,480,814	129,480,814
Unrealized gain on measurement of investment	66,685,621	70,612,654

12. INVESTMENTS IN SUBSIDIARY COMPANIES

Name of company	Type of business	Paid-up capital (Baht)		Proportion of share holding (%)	
		2017	2016	2017	2016
SKR Management Co., Ltd.	Rental space services and restaurant	5,000,000	5,000,000	99.99	99.99
Sikarin Hadyai Hospital Co.,Ltd.	Hospital	500,000,000	500,000,000	94.11	94.11

Name of company	Baht					
	Separate financial statements					
	Equity Method		At cost method		Dividend income	
	2017	2016	2017	2016	2017	2016
SKR Management Co., Ltd.	16,324,554	8,801,639	4,999,600	4,999,600	-	-
Sikarin Hadyai Hospital Co.,Ltd.	1,050,000,278	1,042,641,893	1,361,194,503	1,361,194,503	-	-
Total	1,066,324,832	1,051,443,532	1,366,194,103	1,366,194,103	-	-

The subsidiaries that have material non-controlling interests

The Company has consolidated Sikarin Hadyai Hospital Co., Ltd. that have material non-controlling interest:

Name of Company	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
				Profit(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
				2017	2016	2017	2016
Sikarin Hadyai Hospital Co.,Ltd.	Thai	5.89	5.89	460,534	479,712	65,665,850	65,205,316

Summarized financial information as at December 31, 2017 and 2016 in respect of Sikarin Hadyai Hospital Co.,Ltd. amounts before intragroup eliminations.

	Baht	
	2560	2559
Current assets	108,694,803	117,106,540
Non-current assets	1,399,488,112	1,363,508,544
Current liabilities	156,747,376	118,745,802
Non-current liabilities	221,459,676	253,972,235
Non-Controlling interests	65,665,850	65,205,316
Revenue		
Profit attributable to the non-controlling interests	460,534	479,712
Net cash provided by from operating activities	87,352,291	24,222,726
Net cash used in investing activities	(50,873,789)	(1,586,193)
Net cash used in financing activities	(42,583,596)	(16,734,378)
Net cash increase (decrease)	(6,105,094)	5,902,155

Sikarin Hadyai Hospital Co.,Ltd.

On October 19, 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 has a resolution for the Company to receive all the transfer of Sikarin Hadyai Holding Co.,Ltd. (“SHH”) which includes all ordinary shares SHH held in Sikarin Hadyai Hospital Co.,Ltd. (“SKHY”) 41,170,499 shares or 82.34% of the issued and paid up ordinary shares of SKHY. The Company has newly issued the ordinary shares for 25,009,415 shares at par value of Baht 6.50 per share to SHH at the offering price Baht 59.00 per share. This is the negotiation price with SHH in return for SHH transfer all business to the Company in lieu of newly issued ordinary shares payment of the Company with cash.

The trading price above is derived from the valuation of the Company and SHH is employed a financial adviser to compare the fair value of the Company and SKHY by using Discounted Cash Flow Approach: DCF. The share valuation of SKHY for 41,170,499 shares at par value of Baht 10 per share that the Company will receive as compensation has the fair value of Baht 35.84 per share. The Swap Ratio is 1.0000:1.6462 (1 newly issued ordinary share of the Company can be changed to 1.6462 ordinary share of SHH). However, the transaction date on November 14, 2016, the fair value of ordinary share of the Company to SHH has a closing price at Baht 49.25 per share. Therefore, the share value of SKHY that the Company has transferred is Baht 1,231.71 million.

Such transaction is resulted Sikarin Hadyai Hospital Co.,Ltd. to become a subsidiary of the Company. The Company has a direct shareholding of 94.11% (including the existing shares held by the Company in SKHY 5,886,792 shares or 11.77%) and the Company has to prepare the consolidated financial statements of the Group from November 14, 2016, onwards.

The value of the assets and liabilities acquired by Sikarin Hadyai Hospital Co.,Ltd. as at November 14, 2016 has been included in the consolidated financial statements of the Group which is measured at fair value by an independent appraiser, Fanix Appraisal Co.,Ltd. The appraiser has applied the comparative approach of market price as the criteria for setting the price of land and land improvements and cost approach as a basis for pricing the building, building components and other equipment with the transaction as follows:

	<u>Baht</u>
<u>Asset</u>	
Cash and cash equivalents	16,267,993
Trade accounts receivable and other receivable	74,193,460
Inventory	21,611,731
Non - current asset held for sale	5,368,745
Property, plant and equipment	1,355,019,900
Intangible asset	744,166
Deferred tax assets	6,823,835
Other non-current assets	5,286,110
Total assets	<u>1,485,315,940</u>
<u>Liabilities</u>	
Bank overdrafts	12,627,408
Trade accounts payable and other payable	90,544,578
Long-term loan from financial institutions	256,607,533
Employee benefits obligation	25,659,457
Other non-current liabilities	124,448
Total liabilities	<u>385,563,424</u>

Net assets acquired	<u>1,099,752,516</u>
Total purchase consideration - ordinary shares 25,009,415 at close price Baht 49.25	1,231,713,689
Fair value of previous equity interests (see note 11)	<u>129,480,814</u>
	1,361,194,503
Non - controlling interest	<u>64,725,604</u>
	<u>1,425,920,107</u>
Goodwill	<u>326,167,591</u>

13. INVESTMENTS IN RELATED COMPANY

	Type of Business	Portion of Interest Percent	Baht	
			Consolidated financial statements/ Separate financial statements	
			2017	2016
Kanjanaburi Memorial Hospital Co., Ltd.	Hospital	6.67	4,845,895	4,845,895
<u>Less</u> Allowance for impairment of investment			<u>(4,845,895)</u>	<u>(4,845,895)</u>
Total Investment in related company - net			<u>-</u>	<u>-</u>

Investment in Kanjanaburi Memorial Hospital Co., Ltd., which has continuing loss and has significant accumulated deficit and its operations shows a declining trend, the Company wrote off such investment in securities for its impairment. At present, there is no information

14. INVESTMENT PROPERTY

This account consisted of :-

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2017
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248
	<u>6,111,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,111,248</u>
<u>Less</u> Accumulated depreciation					
Building	679,116	49,874	-	-	728,990
Investment property - net	<u>5,432,132</u>				<u>5,382,258</u>

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2016
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248

	6,111,248	-	-	-	6,111,248
<u>Less. Accumulated depreciation</u>					
Building	629,106	50,010	-	-	679,116
Investment property net	<u>5,482,142</u>				<u>5,432,132</u>

Baht					
Separate financial Statements					
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2017
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248
	<u>6,111,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,111,248</u>
<u>Less. Accumulated depreciation</u>					
Building	679,116	49,874	-	-	728,990
Investment property net	<u>5,432,132</u>				<u>5,382,258</u>

Baht					
Separate financial Statements					
	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2016
<u>At Cost</u>					
Land	4,615,000	-	-	-	4,615,000
Building	1,496,248	-	-	-	1,496,248
	<u>6,111,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,111,248</u>
<u>Less. Accumulated depreciation</u>					
Building	629,106	50,010	-	-	679,116
Investment property - net	<u>5,482,142</u>				<u>5,432,132</u>

Baht					
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
Depreciation for the year	49,874	50,010	49,874	50,010	

Investment property is a land and building, locate at Juldis Park District, Tambol Mu Si, Ampur Pak Chong, Nakhon Ratchasima, Area 2 rai 2 ngan 39 square wah. The Company used these building as a seminar centre. Later, the Management has made a decision not to use it and expected to sell it in the future. The market approach had been used by an appraiser to evaluate the investment property in 2015 to Baht 12.95 million.

15. PROPERTY, PLANT AND EQUIPMENT

This account consisted of :-

	Baht					
	Consolidated financial statements					
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer in (out)		Balance per book as at Dec. 31, 2017
	_____	_____	_____	_____		_____
<u>At cost</u>						
Land	708,494,207	54,458,863	-	-	762,953,070	
Land improvement	106,530,900	1,458,534	-	-	107,989,434	
Building and improvement	3,326,969,912	53,604,575	(669,296)	144,513,761	3,524,418,952	
Office equipment	403,493,712	12,387,751	(5,235,602)	-	410,645,861	
Medical equipment and tools	931,033,334	73,290,130	(7,410,123)	-	996,913,341	
Other equipments	74,063,104	6,256,851	(4,935,834)	8,147,058	83,531,179	
Vehicles	66,784,293	606,070	(8,387,650)	-	59,002,713	
Construction in progress	86,937,879	148,350,720	-	(152,660,819)	82,627,780	
Total	5,704,307,341	350,413,494	(26,638,505)	-	6,028,082,330	
<u>Less accumulated depreciation</u>						
Land improvement	30,405,351	6,385,517	-	-	36,790,868	
Building and improvement	941,535,803	158,116,573	(613,823)	-	1,099,038,553	
Office equipment	213,374,552	32,868,005	(5,212,777)	-	241,029,780	
Medical equipment and tools	503,581,902	74,648,260	(7,139,829)	-	571,090,333	
Other equipments	56,171,589	8,697,018	(4,067,446)	-	60,801,161	
Vehicles	54,586,549	4,094,614	(8,387,640)	-	50,293,523	
Total	1,799,655,746	284,809,987	(25,421,515)	-	2,059,044,218	
Property, plant and equipment - net	3,904,651,595				3,969,038,112	
<u>At Revaluation-net</u>						

Land and land improvement	227,393,171	-	-	-	227,393,171
Building and improvement	129,423,071	-	(5,207,793)	-	124,215,278
Office equipment	396,713	-	(80,103)	-	316,610
Medical equipment and tools	5,545,164	-	(1,541,109)	-	4,004,055
Vehicles	4	-	-	-	4
Property, plant and equipment					
Revaluation - net	362,758,123	-	(6,829,005)	-	355,929,118
Property, plant and equipment - net	<u>4,267,409,718</u>				<u>4,324,967,230</u>

Baht

Consolidated financial statements

	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Land	158,208,616	-	-	550,285,591	708,494,207
Land improvement	102,279,857	310,200	-	3,940,843	106,530,900
Building and improvement	2,279,275,787	9,241,018	-	1,038,453,107	3,326,969,912
Office equipment	301,625,756	10,300,038	(28,536,772)	120,104,690	403,493,712
Medical equipment and tools	670,145,556	40,898,080	(98,440)	220,088,138	931,033,334
Other equipments	10,484,047	284,646	-	63,294,411	74,063,104
Vehicles	61,257,824	120,000	(2,973,000)	8,379,469	66,784,293
Construction in progress	225,992,334	181,451,891	-	(320,506,346)	86,937,879
Total	<u>3,809,269,777</u>	<u>242,605,873</u>	<u>(31,608,212)</u>	<u>1,684,039,903</u> *	<u>5,704,307,341</u>
<u>Less accumulated depreciation</u>					
Land improvement	22,181,394	5,811,523	-	2,412,434	30,405,351
Building and improvement	691,859,209	123,126,337	-	126,550,257	941,535,803
Office equipment	175,869,647	31,605,475	(28,534,865)	34,434,295	213,374,552
Medical equipment and tools	335,737,466	51,521,880	(98,439)	116,420,995	503,581,902
Other equipments	8,551,277	1,096,759	-	46,523,553	56,171,589
Vehicles	51,171,470	3,709,608	(2,972,998)	2,678,469	54,586,549
Total	<u>1,285,370,463</u>	<u>216,871,582</u>	<u>(31,606,302)</u>	<u>329,020,003</u> *	<u>1,799,655,746</u>
Property, plant and equipment - net	<u>2,523,899,314</u>				<u>3,904,651,595</u>
<u>At Revaluation-net</u>					
Land and land improvement	227,393,171	-	-	-	227,393,171

Building and improvement	134,644,984	-	(5,221,913)	-	129,423,071
Office equipment	476,816	-	(80,103)	-	396,713
Medical equipment and tools	6,931,267	-	(1,386,103)	-	5,545,164
Vehicles	510,195	-	(510,191)	-	4
Property, plant and equipment					
Revaluation - net	369,956,433	-	(7,198,310)	-	362,758,123
Property, plant and equipment - net	<u>2,893,855,747</u>				<u>4,267,409,718</u>

* Transfer from acquisition of business Baht 1,355,019,900 (see note 12)

	Baht				
	Separate financial statements				
	Balance per book	Additions	Deductions	Transfer	Balance per book
	as at			in (out)	as at
	Dec. 31, 2016				Dec. 31, 2017
<u>At cost</u>					
Land	153,868,616	42,387,977	-	-	196,256,593
Land improvement	102,279,857	-	-	-	102,279,857
Building and improvement	2,556,396,763	47,241,194	(669,296)	101,076,581	2,704,045,242
Office equipment	362,323,539	9,976,692	(5,158,461)	-	367,141,770
Medical equipment and tools	710,644,586	44,545,972	(7,410,123)	-	747,780,435
Other equipments	10,479,294	102,798	(3,660,318)	-	6,921,774
Vehicles	58,404,824	650,000	(8,387,650)	-	50,667,174
Construction in progress	55,030,212	128,674,149	-	(101,076,581)	82,627,780
Total	<u>4,009,427,691</u>	<u>273,578,782</u>	<u>(25,285,848)</u>	<u>-</u>	<u>4,257,720,625</u>
<u>Less accumulated depreciation</u>					
Land improvement	27,777,541	5,580,857	-	-	33,358,398
Building and improvement	812,571,770	129,894,065	(613,823)	-	941,852,012
Office equipment	178,542,035	29,160,705	(5,157,170)	-	202,545,570
Medical equipment and tools	385,249,592	49,100,275	(7,139,829)	-	427,210,038
Other equipments	8,895,882	350,053	(2,809,050)	-	6,436,885
Vehicles	51,834,726	3,322,489	(8,387,640)	-	46,769,575
Total	<u>1,464,871,546</u>	<u>217,408,444</u>	<u>(24,107,512)</u>	<u>-</u>	<u>1,658,172,478</u>
Property, plant and equipment - net	<u>2,544,556,145</u>				<u>2,599,548,147</u>
<u>At Revaluation-net</u>					
Land and land improvement	227,393,171	-	-	-	227,393,171

Building and improvement	129,423,071	-	(5,207,793)	-	124,215,278
Office equipment	396,713	-	(80,103)	-	316,610
Medical equipment and tools	5,545,164	-	(1,541,109)	-	4,004,055
Vehicles	4	-	-	-	4
Property, plant and equipment					
Revaluation - net	362,758,123	-	(6,829,005)	-	355,929,118
Property, plant and equipment - net	<u>2,907,314,268</u>				<u>2,955,477,265</u>

Baht

Separate financial statements

	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer in (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Land	153,868,616	-	-	-	153,868,616
Land improvement	102,279,857	-	-	-	102,279,857
Building and improvement	2,274,615,787	8,771,125	-	273,009,851	2,556,396,763
Office equipment	301,422,792	10,087,124	(28,536,772)	79,350,395	362,323,539
Medical equipment and tools	670,145,556	40,499,030	-	-	710,644,586
Other equipments	10,432,282	47,012	-	-	10,479,294
Vehicles	61,257,824	120,000	(2,973,000)	-	58,404,824
Construction in progress	225,992,334	181,398,124	-	(352,360,246)	55,030,212
Total	<u>3,800,015,048</u>	<u>240,922,415</u>	<u>(31,509,772)</u>	<u>-</u>	<u>4,009,427,691</u>
<u>Less accumulated depreciation</u>					
Land improvement	22,181,394	5,596,147	-	-	27,777,541
Building and improvement	691,703,876	120,867,894	-	-	812,571,770
Office equipment	175,831,830	31,245,070	(28,534,865)	-	178,542,035
Medical equipment and tools	335,737,466	49,512,126	-	-	385,249,592
Other equipments	8,548,123	347,759	-	-	8,895,882
Vehicles	51,171,470	3,636,254	(2,972,998)	-	51,834,726
Total	<u>1,285,174,159</u>	<u>211,205,250</u>	<u>(31,507,863)</u>	<u>-</u>	<u>1,464,871,546</u>
Property, plant and equipment - net	<u>2,514,840,889</u>				<u>2,544,556,145</u>
<u>At Revaluation-net</u>					
Land and land improvement	227,393,171	-	-	-	227,393,171

Building and improvement	134,644,984	-	(5,221,913)	-	129,423,071
Office equipment	476,816	-	(80,103)	-	396,713
Medical equipment and tools	6,931,267	-	(1,386,103)	-	5,545,164
Vehicles	510,195	-	(510,191)	-	4
Property, plant and equipment					
Revaluation - net	369,956,433	-	(7,198,310)	-	362,758,123
Property, plant and equipment - net	<u>2,884,797,322</u>				<u>2,907,314,268</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation for the period				
- Depreciation (at cost)	284,809,987	216,871,582	217,408,444	211,205,250
- Depreciation (at revaluation)	6,829,005	7,198,310	6,829,005	7,198,310
Gain on disposal assets	771,726	238,091	778,280	238,092
Capitalized finance cost	2,227,648	1,181,784	2,227,648	1,181,784
Capitalization rate of borrowing cost (per annum)	4.37-5.72	5.81	4.37-5.72	5.81

As at December 31, 2017 and 2016, the company and subsidiaries have unrealized increment per assets appraisal, which is presented in shareholders' equity in the amount of Baht 284.74 million and Baht 290.21 million, is net from deferred tax amounted Baht 71.19 million and Baht 72.55 million, respectively.

As at December 31, 2017 and 2016, the Company has vehicles and medical equipment under long-term agreement which has book value in the amount of Baht 181.64 million and Baht 176.78 million, respectively.

Land title deeds together with building and a condominium of the Company and subsidiaries are mortgaged against bank overdrafts and long-term loans. The insurance policy on building specifies the banks as the beneficiaries, and a portion of land and building of the Company is committed and pledged as collateral to a bank for the issuance of a letter of guarantee to the Social Security Office for undertaking the business of medical service pursuant to Social Security Act B.E. 2533.

The Company and its subsidiaries had held for the latest land valuation, land improvements, buildings, and building components on December 2015 by Fanix Appraisal Co.,Ltd., an independent appraiser. The market approach had been used by an appraiser to evaluate the criteria for determining the

value of land and office building and applied cost approach on the basis of pricing the hospital building and building components. The Company and its subsidiaries had found that the valuation of assets based on such method exceeding the value of assets that was shown according to the fair value from the previous evaluation at the amount of Baht 240.97 million (The Company's at the amount of Baht 240.97 million). Therefore, the Company and its subsidiaries recorded the unrealized gain on the revaluation net of tax in the statement of other comprehensive income for the year 2015 at the amount of Baht 192.76 million.

The property, plant and equipment that are measured at fair value hierarchy ; as follow

	Baht			
	Consolidated financial statement			
	Level 1	Level 2	Level 3	Total
Land and land improvement	-	381,574,000	-	381,574,000
Office building	-	82,961,000	-	82,961,000
Hospital building and building components	-	-	643,917,000	643,917,000
Total	-	464,535,000	643,917,000	1,108,452,000

	Baht			
	Separate financial statement			
	Level 1	Level 2	Level 3	Total
Land and land improvement	-	381,574,000	-	381,574,000
Office building	-	73,961,000	-	73,961,000
Hospital building and building components	-	-	643,917,000	643,917,000
Total	-	455,535,000	643,917,000	1,099,452,000

16. INTANGIBLE ASSETS

This account consisted of :-

	Baht				
	Consolidated financial statements				
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2017
<u>At cost</u>					
Software	71,917,155	293,170	-	-	72,210,325
<u>Less Accumulated amortization</u>	<u>(54,604,032)</u>	<u>(7,846,299)</u>	-	-	<u>(62,450,331)</u>
Software - net	<u>17,313,123</u>				<u>9,759,994</u>

Baht					
Consolidated financial statements					
	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Software	68,670,196	1,686,588	-	1,560,371 *	71,917,155
<u>Less Accumulated amortization</u>	<u>(44,525,511)</u>	<u>(9,262,316)</u>	-	<u>(816,205) *</u>	<u>(54,604,032)</u>
Software - net	<u>24,144,685</u>				<u>17,313,123</u>

* Transfer from acquisition of business Baht 744,166 (see note 12)

Baht					
Separate financial statements					
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2017
<u>At cost</u>					
Software	70,271,784	260,000	-	-	70,531,784
<u>Less Accumulated amortization</u>	<u>(53,737,548)</u>	<u>(7,671,527)</u>	-	-	<u>(61,409,075)</u>
Software - net	<u>16,534,236</u>				<u>9,122,709</u>

Baht					
Separate financial statements					
	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Software	68,585,196	1,686,588	-	-	70,271,784
<u>Less Accumulated amortization</u>	<u>(44,512,324)</u>	<u>(9,225,224)</u>	-	-	<u>(53,737,548)</u>
Software - net	<u>24,072,872</u>				<u>16,534,236</u>

17. LEASEHOLD RIGHT

This account consisted of :-

Baht					
Consolidated financial statements					
	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2017
<u>At cost</u>					
Leasehold right	4,500,000	-	-	-	4,500,000
Building on leasehold right	65,487,235	-	-	-	65,487,235

Utilizable right on land improvement	59,273,119	3,936,598	(7,699,818)	-	55,509,899
Total	129,260,354	3,936,598	(7,699,818)	-	125,497,134
<u>Less</u> Accumulated amortization					
Leasehold right	4,499,999	-	-	-	4,499,999
Building on leasehold right	19,045,303	3,754,839	-	-	22,800,142
Utilizable right on land improvement	27,922,053	3,302,175	(3,993,829)	-	27,230,399
Total	51,467,355	7,057,014	(3,993,829)	-	54,530,540
Net	77,792,999				70,966,594

Baht

Consolidated financial statements

	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Leasehold right	4,500,000	-	-	-	4,500,000
Building on leasehold right	65,487,235	-	-	-	65,487,235
Utilizable right on land improvement	57,553,671	1,719,448	-	-	59,273,119
Total	127,540,906	1,719,448	-	-	129,260,354
<u>Less</u> Accumulated amortization					
Leasehold right	4,499,999	-	-	-	4,499,999
Building on leasehold right	18,791,578	3,761,748	-	(3,508,023)	19,045,303
Utilizable right on land improvement	21,254,409	3,159,621	-	3,508,023	27,922,053
Total	44,545,986	6,921,369	-	-	51,467,355
Net	82,994,920				77,792,999

Baht

Separate financial statements

	Balance per book as at Dec. 31, 2016	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2017
<u>At cost</u>					
Leasehold right	4,500,000	-	-	-	4,500,000
Building on leasehold right	48,945,959	-	-	-	48,945,959
Utilizable right on land improvement	59,273,119	3,936,598	(7,699,818)	-	55,509,899
Total	112,719,078	3,936,598	(7,699,818)	-	108,955,858

<u>Less</u> Accumulated amortization					
Leasehold right	4,499,999	-	-	-	4,499,999
Building on leasehold right	17,136,858	2,521,949	-	-	19,658,807
Utilizable right on land improvement	27,922,053	3,302,175	(3,993,829)	-	27,230,399
Total	49,558,910	5,824,124	(3,993,829)	-	51,389,205
Net	63,160,168				57,566,653

	Baht				
	Separate financial statements				
	Balance per book as at Dec. 31, 2015	Additions	Deductions	Transfer In (out)	Balance per book as at Dec. 31, 2016
<u>At cost</u>					
Leasehold right	4,500,000	-	-	-	4,500,000
Building on leasehold right	48,945,959	-	-	-	48,945,959
Utilizable right on land improvement	57,553,671	1,719,448	-	-	59,273,119
Total	110,999,630	1,719,448	-	-	112,719,078
<u>Less</u> Accumulated amortization					
Leasehold right	4,499,999	-	-	-	4,499,999
Building on leasehold right	18,116,022	2,528,859	-	(3,508,023)	17,136,858
Utilizable right on land improvement	21,254,409	3,159,621	-	3,508,023	27,922,053
Total	43,870,430	5,688,480	-	-	49,558,910
Net	67,129,200				63,160,168

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loss from write-off assets	(3,705,989)	-	(3,705,989)	-

Part of building and improvement on the rental land and land improvement, which the rental agreement that the constructions are permanent properties thereon will be transferred to the landlord at immediately on the date of rental cancellation (Note 30).

The leasehold right contract is for the period of 10 - 20 years and the Company amortized as expenses by the straight-line method for the period of the contract.

18. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets	5,869,506	6,963,205	16,718,600	14,620,807
Deferred tax liabilities	(83,343,534)	(84,213,267)	(100,062,134)	(98,834,074)
	<u>(77,474,028)</u>	<u>(77,250,062)</u>	<u>(83,343,534)</u>	<u>(84,213,267)</u>

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2017 and 2016, are summarized as follows:

	Baht			
	Consolidated financial statements			Balance per book as at Dec. 31, 17
	Balance per book as at Dec. 31, 16	Revenue (expenses) during the year		
In profit or loss		In other comprehensive income		
Deferred tax assets:				
Trade account and other receivables	3,543,619	(801,787)	-	2,741,832
Difference of rental between straight line method and agreement	1,785,530	239,970	-	2,025,500
Provisions for employee benefits	16,254,863	1,565,911	-	17,820,774
Total	<u>21,584,012</u>	<u>1,004,094</u>	<u>-</u>	<u>22,588,106</u>
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	72,551,625	1,365,802	-	71,185,823
Liabilities under financial lease agreements	12,159,918	(2,593,862)	-	14,753,780
Unrealized gain on measurement of investment	14,122,531	-	-	14,122,531
Total	<u>98,834,074</u>	<u>(1,228,060)</u>	<u>-</u>	<u>100,062,134</u>

	Baht			
	Consolidated financial statements			Balance per book as at Dec. 31, 16
	Balance per book as at Dec. 31, 15	Transfer in	Revenue (expenses) during the year	
In profit or loss			In other comprehensive income	
Deferred tax assets:				
Trade account and other receivables	619,170	1,691,944	1,232,505	3,543,619
Investments in associated companies	574,080	-	(574,080)	-
Difference of rental between straight line				

method and agreement	1,545,559	-	239,971	-	1,785,530
Provisions for employee benefits	11,001,751	5,131,891	1,000,857	(879,636)	16,254,863
Loss carry forward not more than 5 fiscal year	451,374	-	(451,374)	-	-
Total	14,191,934	6,823,835	1,447,879	(879,636)	21,584,012

Deferred tax liabilities:

Additional portion from fixed assets revaluation	73,991,287	-	1,439,662	-	72,551,625
Liabilities under financial lease agreements	9,643,969	-	(2,515,949)	-	12,159,918
Unrealized gain on measurement of investment	-	-	(14,122,531)	-	14,122,531
Total	83,635,256	-	(15,198,818)	-	98,834,074

	Baht			
	Separate financial statements			
	Balance per book	Revenue (expenses) during the year		Balance per book
	as at Dec. 31, 16	In profit or loss	In other comprehensive income	as at Dec. 31, 17
Deferred tax assets:				
Trade account and other receivables	1,851,675	706,201	-	2,557,876
Difference of rental between straight line method and agreement	1,785,530	239,970	-	2,025,500
Provisions for employee benefits	10,983,602	1,151,622	-	12,135,224
Total	14,620,807	2,097,793	-	16,718,600
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	72,551,625	1,365,802	-	71,185,823
Liabilities under financial lease agreements	12,159,918	(2,593,862)	-	14,753,780
Unrealize gain on measurement of investment of	14,122,531	-	-	14,122,531
Total	98,834,074	(1,228,060)	-	100,062,134

	Baht			
	Separate financial statements			
	Balance per book	Revenue (expenses) during the year		Balance per book
	as at Dec. 31, 15	In profit or loss	In other comprehensive income	as at Dec. 31, 16
Deferred tax assets:				
Trade account and other receivables	619,170	1,232,505	-	1,851,675
Investments in associated companies	574,080	(574,080)	-	-
Difference of rental between straight line method				

and agreement	1,545,559	239,971	-	1,785,530
Provisions for employee benefits	11,001,751	861,487	(879,636)	10,983,602
Total	13,740,560	1,759,883	(879,636)	14,620,807
Deferred tax liabilities:				
Additional portion from fixed assets revaluation	73,991,287	1,439,662	-	72,551,625
Liabilities under financial lease agreements	9,643,969	(2,515,949)	-	12,159,918
Unrealize gain on measurement of investment of	-	(14,122,531)	-	14,122,531
Total	83,635,256	(15,198,818)	-	98,834,074

19. FIXED DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2017 and 2016, The company and its subsidiaries had cash at bank - fixed deposit of Baht 2.00 million and Baht 3.70 million are pledged as collateral for letters of guarantee issued by banks. (separate financial statements Baht 1.72 million)

20. OTHER NON-CURRENT ASSETS

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Advances for purchases of land and constructions	149,500,000	149,500,000	149,500,000	149,500,000
Deposits and guarantee	6,939,065	7,320,865	2,784,834	3,366,334
Withholding tax	10,897,414	12,984,882	-	-
Total	167,336,479	169,805,747	152,284,834	152,866,334
<u>Less</u> Allowance for contingent loss from advance for purchase of assets	(149,500,000)	(149,500,000)	(149,500,000)	(149,500,000)
Total Other non-current assets	17,836,479	20,305,747	2,784,834	3,366,334

Advance for purchase of land from Juldis River Mansion company amounting to Baht 149.5 million, sale price of Baht 159.72 and with the remaining of Baht 10.22 million will be paid at the date of which title deeds are transferred by the end of the year 2000. At present, such land is mortgaged as collateral to a bank by the land seller on which a problem may arise with regard to the transfer of title deeds or the refund of advance payment. And on September 16, 2002, the Court awarded Baht 149.5 million and interest rate 7.5% per annum. At the moment, the Court order in the process of waiting the asset protection officer summon creditors. The Company has provided for contingent losses for the full amount of such advances for purchases of land.

21. CREDIT FACILITIES

As at December 31, 2017 and 2016, the Company and its subsidiaries had credit facilities with domestic commercial banks as follows:

	Baht			
	Consolidated financial statements			
	2017		2016	
	Facilities	Remaining balance	Facilities	Remaining balance
Overdraft facilities	290,000,000	174,907,820	210,300,000	155,883,320
Short-term credit loans	270,000,000	270,000,000	20,000,000	20,000,000
Long-term credit loans	1,473,110,000	491,630,393	1,518,410,000	496,427,795
Letters of guarantee	80,780,000	42,832,072	54,000,000	18,258,075
Total facilities	<u>2,113,890,000</u>	<u>979,370,285</u>	<u>1,802,710,000</u>	<u>690,569,190</u>

	Baht			
	Separate financial statements			
	2017		2016	
	Facilities	Remaining balance	Facilities	Remaining balance
Overdraft facilities	240,000,000	160,713,641	190,000,000	143,438,427
Short-term credit loans	270,000,000	270,000,000	20,000,000	20,000,000
Long-term credit loans	1,193,410,000	420,210,393	1,218,410,000	447,559,795
Letters of guarantee	79,000,000	41,052,072	54,000,000	18,258,075
Total facilities	<u>1,782,410,000</u>	<u>891,976,106</u>	<u>1,482,410,000</u>	<u>629,256,297</u>

The credit loans are secured by land and buildings, condominiums and bank deposit on fixed accounts.

22. BANK OVERDRAFTS AND SHORT TERM LOAN FROM INSTITUTIONS

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Overdraft	<u>115,092,180</u>	<u>54,416,680</u>	<u>79,286,359</u>
	<u>115,092,180</u>	<u>54,416,680</u>	<u>79,286,359</u>	<u>46,561,573</u>

As at December 31, 2017 and 2016, the Company and subsidiary have credit facilities for bank overdrafts with interest rate of MOR per annum. The bank overdraft is secured by the mortgage of land and its construction title deed of them.

The short-term loan of Company which had been guaranteed by the condominium of the Company.

23. LONG-TERM LOANS FROM INSTITUTIONS

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	1,021,982,205	766,174,033	770,850,205	766,174,033
Transfer from acquisition business	-	256,607,533	-	-
Increase	675,000,000	220,000,000	675,000,000	220,000,000
Decrease	(715,502,598)	(220,799,361)	(672,650,598)	(215,323,828)
Ending balance	981,479,607	1,021,982,205	773,199,607	770,850,205
<u>Less</u> Current portion within one year	(194,081,731)	(256,497,896)	(151,229,731)	(213,645,896)
Net	<u>787,397,876</u>	<u>765,484,309</u>	<u>621,969,876</u>	<u>557,204,309</u>

The Company has long-term loans as follows:-

1. On June 27, 2012, Company has entered into the loan agreement with a domestic commercial bank at the amount of 15 million Baht and has been withdrawn 14.75 million Baht. The Company has to pay the MLR interest rate per year every end of the month and monthly installments of principal not less than Baht 250,000 which is to be completed within 60 months.

2. On at December 7, 2012, the Company has entered into long-term loan request agreement with a domestic commercial bank at the amount of 238.21 million Baht in order to repay the loans from the 6 original agreements and then included into only one loan agreement. The Company has to pay the THBFX 3M interest rate plus the difference 3% per year on every month since the month that has been withdrawn the first installment loan onwards and repays the monthly principal in accordance with the repayment schedule attached to this agreement which will be completed by July 2018. In addition, the Company has entered into an interest rate swap transaction agreement to fix the interest rate at 6.50% per year in order to protect the fluctuation of market interest rate.

3. On March 27, 2013, the Company entered into another long-term loan agreement in order to renovate the building of the hospital and purchase computers amounting to Baht 110 million at MLR-1.50 percent per annum throughout the agreement period with monthly interest repayment. The first installment of principle had started since the 13th month from the date of agreement amounting to Baht 1.83 million per month for 6 years. The Company had withdrawn the loan in total amount.

4. On August 13, 2013, the Company entered into an additional long-term loan agreement in order to construct the new hospital building amounting to Baht 600 million at MLR-1.50 percent per annum throughout the agreement period with monthly interest repayment. The first installment of principle had started since the 19th month from the date of agreement amounting to Baht 9.09 million per month for 7 years. The Company had withdrawn the loan at the amount of Baht 371.22 million.

On February 27, 2015 and March 26, 2015, the Company entered into the revised memorandum on the loan agreements No. 1 and No. 2, respectively, under the loan agreement amounting to Baht 600 million and had some changes in the period of imbursement and debt repayment as follows:

- 1) Extend period of all remaining loan within 24 months from the date of the previous agreement to be within 28 months from the date of the revised agreement No. 1
- 2) Change the principle repayment to monthly installment at Baht 9.09 million within the last business day of the month. The loan payment starts from the 19th month and from the date of the previous agreement to repay monthly installment at Baht 10.91 million within the last business day of the month. The first installment will start in January 2016.
- 3) From the date of the revised agreement No. 2 onwards, there are some changes on the interest rate in accordance with the previous agreement that had to repay at MLR-1.50% per annum to the interest rate as follows:
 - 3.1) Credit limit Baht 400 million, repay interest rate THBFIX + 2.90% per annum
 - 3.2) Credit limit Baht 200 million, repay interest rate MLR 1.50% per annum

The Company paid this loan on September 8, 2017 from the refinance of the company on August 30, 2017

On July 24, 2017, the Company entered into a long-term loan agreement with a local commercial bank for Baht 100 million to repay the construction fee for the intensive care unit room expansion, sterile unit and heart disease rehabilitation center in building 3. The principal repayment is scheduled monthly from July onwards at 1.67 million per month within 66 months and monthly interest payment at MLR - 2.975% per annum (The Company paid this loan on September 8, 2017 from the refinance of the company on August 30, 2017).

On August 30, 2017, the Company entered into a long-term loan agreement with a local commercial bank for Baht 575 million in 2 credit lines as follows:

Credit line 1 Baht 425 million is to pay off the loan to another commercial bank (refinance) is scheduled to pay the principal in total 84 monthly installments from the loan draw down under this agreement. In installments 1- 83, the principal is to be paid at Baht 5.06 million per installment and installment 84 to be paid for the remaining principal and interest in the full amount. The monthly interest in years 1-3 is MLR - 2.8 per annum and years 4 -7 is MLR - 2.4 per annum.

Credit line 2 Baht 150 million is for working capital within the business. The principal repayment is monthly in total 84 installments from the first loan draw down under this agreement. From installments 1-83, the principal repayment is Baht 1.78 million and installment 84 is to settle the remaining principal and interest in full. Interest payment in years 1-3 is at MLR - 2.8 percent per annum and years 4-7 at MLR - 2.4 percent per annum.

5. On June 8, 2015, the Company entered into loan agreement amounting to Baht 5.2 million with a local leasing company in order to be a working capital in the operation. The term of repayment was made in 36 monthly installments with Baht 156,525 each installment plus the interest rate 5.60 percent per annum every end of the month. The first repayment starts June 30, 2015 and the final repayment will be on May 31, 2018.

6. On June 24, 2015, the Company entered into loan agreement amounting of Baht 30 million with a local bank in order to be a working capital in the medical tool and equipment. The term of repayment was made in 51 monthly installments with Baht 590,000.00 each installment

and repay interest at MLR - 1.50% per annum. The first repayment starts April 30, 2015 and The final repayment will be on July 31, 2020.

7. On March 22, 2016, the Company has entered into the long-term loan credit agreement with a local commercial bank amounting to Baht 220 million to repay the construction costs for the expansion of the new hospital building. The principle repayment is scheduled in monthly installments from the date of drawdown of the first installment of the loan onwards at the amount of Baht 2.62 million monthly within 84 months. The monthly interest is also paid separately at the rate of 5.525% per annum.

The Company's loan is guaranteed by land and construction of the company and the Company has to adhere to the significant conditions as specified in the agreement such as maintenance of financial ratios, debt to equity ratio not over 1.5, DSCR (debt service coverage ratio) not less than 1.25.

Subsidiary has long-term loan as follows:

On April 18, 2016, a subsidiary is entered into credit agreement with a local commercial bank amounting to Baht 300 million to repay the existing loan with a commercial bank. The subsidiary has withdrawn the loan amounting to Baht 279.70 million. The subsidiary has to repay the interest at 5.525% per annum every end of month from the month that is withdrawn the first loan installment onwards and repay the capital amounting to Baht 3.571 million monthly and the debt repayment is completed within 7 years from the month that is withdrawn the first loan installment.

Such loan is guaranteed by land and the director of the subsidiary and the Company has to comply with the conditions as specified in the agreement such as maintain debt to equity ratio not over 1.2 times, DSCR (debt service coverage ratio) more than 1.2 times.

24. LIABILITIES UNDER LONG-TERM AGREEMENTS

This account consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Liabilities under financial lease agreements				
(net from deferred interest)	74,750,362	116,894,872	59,693,513	96,718,185
Liabilities under hire-purchase agreements				
(net from deferred interest)	93,593,584	74,198,284	66,346,380	67,590,383
Total	168,343,946	191,093,156	126,039,893	164,308,568
Less Current portion within one year	(69,161,333)	(63,729,896)	(55,266,924)	(56,718,277)
Net	<u>99,182,613</u>	<u>127,363,260</u>	<u>70,772,969</u>	<u>107,590,291</u>

As at December 31, 2017 and 2016, the Company and its subsidiaries liabilities under long-term agreements, representing the hire-purchase agreement of cars and financial lease agreement of medical devices local leasing companies, total 83 contracts (59 contracts for separate financial statement) and 66 contracts (55 contracts for separate financial statement) for a period of 48-60 installments respectively. The payments of these contracts are as follows :

	Baht					
	Consolidated financial statements					
	2017			2016		
	Principal	Deferred	Total	Principal	Deferred	Total
	interest			interest		
Payment due within 1 year	69,161,333	6,250,375	75,411,708	63,729,896	7,004,364	70,734,260
Payment due over 1 year to 5 years	99,182,613	4,686,162	103,868,775	127,363,260	6,215,913	133,579,173
Total	<u>168,343,946</u>	<u>10,936,537</u>	<u>179,280,483</u>	<u>191,093,156</u>	<u>13,220,277</u>	<u>204,313,433</u>

	Baht					
	Separate financial statements					
	2017			2016		
	Principal	Deferred	Total	Principal	Deferred	Total
	interest			interest		
Payment due within 1 year	55,266,924	3,840,840	59,107,764	56,718,277	5,338,941	62,057,218
Payment due over 1 year to 5 years	70,772,969	2,848,579	73,621,548	107,590,291	4,560,333	112,150,624
Total	<u>126,039,893</u>	<u>6,689,419</u>	<u>132,729,312</u>	<u>164,308,568</u>	<u>9,899,274</u>	<u>174,207,842</u>

25. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position,

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Defined benefits obligation at January 1,	81,409,696	55,008,756	54,918,008	55,008,756
Transfer from acquisition business	-	25,659,457	-	-
Benefits paid by the plan	(889,800)	(2,134,370)	-	(2,134,370)
Current service and interest costs	8,583,973	7,274,034	5,758,113	6,441,803
Actuarial (gain) losses arising from post- employee	-	(4,398,181)	-	(4,398,181)
Defined benefits obligation at December 31,	<u>89,103,869</u>	<u>81,409,696</u>	<u>60,676,121</u>	<u>54,918,008</u>

Expenses recognised in statements of comprehensive income,

For the years ended December 31, 2017 and 2016

	Baht			
	Consolidated financial statement		Separate financial statements	
	2017	2016	2017	2016

Current service cost	6,042,601	5,014,286	4,045,792	4,182,055
Interest on obligation	2,541,372	2,259,748	1,712,321	2,259,748
Total	8,583,973	7,274,034	5,758,113	6,441,803

Principal actuarial assumptions at the reporting date

For the years ended December 31, 2017 and 2016

	%			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.88 - 3.91	2.88 - 3.91	2.88 - 4.71	2.88 - 4.71
Salary increase rate	6.19 - 7.82	6.19 - 7.82	6.20	6.20
Employee turnover rate	0 - 26	0 - 26	0 - 22	0 - 22
Mortality rate	100 of Thai Mortality Table 2008	100 of Thai Mortality Table 2008	100 of Thai Mortality Table 2008	100 of Thai Mortality Table 2008
Disability rate	10 of Thai Mortality Table 2008	10 of Thai Mortality Table 2008	10 of Thai Mortality Table 2008	10 of Thai Mortality Table 2008

Sensitivity analysis

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

	(Unit: Thousand Baht)			
	Consolidate financial statements		Separate financial statements	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	(4,727,596)	5,088,994	(3,259,868)	3,533,109
Salary increase rate	5,396,898	(5,017,525)	3,687,885	(3,431,103)
Turnover rate	(5,778,563)	5,656,255	(3,929,329)	3,641,815

26. SHARE CAPITAL

According to the minutes of Extraordinary Meeting of Shareholders of Company No.1/2016 held on October 19, 2016, the meeting has a resolution to cancel the ordinary share increase by General Mandate 20 million shares by extending the period, allocation of ordinary shares capital increase for another 1 year. At the shareholders meeting No.38 dated 20 April 2016 and it was approved to reduce the registered capital of the company from previously Baht 910 million to registered capital Baht 780 million to correspond with the resolution to terminate the allocation of ordinary shares capital increase by general mandate above.

And at the meeting, it was approved for the company to increase capital from previously Baht 780 million to registered capital of Baht 981,561,197.50 by issuing the ordinary shares capital increase 31,009,415 shares at the par value of Baht 6.50 per share to support the allocation of ordinary shares to the existing shareholders by the percentage of each holding (Rights Offering) and to allocate (Private Placement) by allocating to SHH to support entering into all business transfer SHH in accordance with the details as follows:

- (1) Consider ordinary shares not over 6,000,000 shares at the par value Baht 6.50 to the existing shareholders of the company (“Rights Offering”) in existing 20 shares: 1 new share by offering to sell at Baht 25.00 (“offering capital increase according to rights”). Former shareholders have the right to reserve the ordinary share capital increase that is over the ratio (Oversubscription) by the former shareholders that reserve shares over the right to receive the share allocation to reserve the right. The Company sets the date for shareholders entitled to receive the allocation of IPO shares (Record date) on October 26, 2016 and the gathered date a list of shareholders in book closing date on October 27, 2016 that will be the day before the shares allocation to the private placement according to No. (2). Therefore, SHH will have no rights for allocation and offering the ordinary shares increase according to the proportion of this existing shareholding.
- (2) Consider allocating the ordinary shares 25,009,415 shares at the par value Baht 6.50 to the person (Private Placement). SHH will transfer all business including all SHH shares held in SKHY in the amount of 41,170,499 shares representing 82.34% to pay the ordinary share increase of the company that is allocated to SHH instead of paying cash. The detail of the ordinary share capital increase that is issued in Private Placement to pay for the transfer of business of SHH follows the term and detail that are related to total business transfer SHH.

The Company has registered the capital decrease from Baht 910 million to Baht 780 million on October 25, 2016 and has registered the capital increase from Baht 780 million to Baht 981.56 million on October 26, 2016.

Premium on ordinary shares

The Company has the movement transactions of premium on ordinary shares for the year 2016 as follows:

	Number of shares	Par value	Selling price	Baht
Balance, at the beginning of the year				170,000,000
Capital increase under No. (1)	6,000,000	6.50	25.00	111,000,000
Capital increase under No. (2)	<u>25,009,415</u>	6.50	49.25	<u>1,069,152,491</u>
Balance, at the end of the year	<u><u>31,009,415</u></u>			<u><u>1,350,152,491</u></u>

27. APPROPRIATED STATUTORY RESERVE

Under the provision of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.

28. DIVIDEND

At the ordinary shareholders’ meeting for the year 2017 held on April 19, 2017, the shareholders approved appropriation of dividend from profit for year 2016 of Baht 0.55 per share to the Company’s shareholders’ of 151 million ordinary shares in total amount of Baht 83.06 million. The Company paid such dividend on May 4, 2017. Addition it also approved the allocation of legal reserves of Baht 8.94 million.

At the ordinary shareholders' meeting for the year 2016 held on April 20, 2016, the shareholders approved appropriation of dividend from profit for year 2015 of Baht 0.65 per share to the Company's shareholders' of 120 million ordinary shares in total amount of Baht 78 million. The Company paid such dividend on May 2016. Addition it also approved the allocation of legal reserves of Baht 5.78 million.

29. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 are as follow :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Medical supplies and supplies used	449,136,138	429,491,743	460,165,226	416,149,134
Cost of food and beverage	35,812,634	28,585,573	-	-
Depreciation and amortized leasehold right	310,995,981	242,007,328	237,627,966	233,367,274
Medical professional fee	639,129,140	498,904,793	514,357,770	483,400,504
Staff cost	1,020,280,650	664,288,693	660,541,456	611,075,448

30. LONG-TERM LEASES

As at December 31, 2017, the Company and its subsidiaries have long-term leases as follows :-

Type of lease	Period	Consolidated financial statements			
		Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land on beside of Sikarin hospital					
(one contract)	01/09/08 - 31/08/28	2,813,200	15,148,000	20,125,200	38,086,400
(one contract)	01/03/13 - 28/02/28	5,550,000	29,180,000	27,400,000	62,130,000
- Subsidiary (four contracts)	22/05/15 - 21/11/28	6,258,160	34,359,840	29,421,600	70,039,600
2. Land in front of Sikarin hospital					
- Subsidiary (one contract)	8/04/14 - 7/04/29	5,523,600	27,618,000	29,186,700	62,328,300
3. Land in black of Sikarin Hatyai hospital					
- Subsidiary (one contract)	10/02/17 - 10/02/19	301,337	-	-	301,337
- Subsidiary (one contract)	05/04/16 - 04/04/19	144,000	-	-	144,000
- Subsidiary (two contracts)	01/02/17 - 31/01/20	384,000	384,000	-	768,000
		<u>20,974,297</u>	<u>106,689,840</u>	<u>106,133,500</u>	<u>233,797,637</u>
		Separate financial statements			

Type of lease	Period	Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land on beside of Sikarin hospital					
(one contract)	01/09/08 - 31/08/28	2,813,200	15,148,000	20,125,200	38,086,400
(one contract)	01/03/13 - 28/02/28	5,550,000	29,180,000	27,400,000	62,130,000
2. Land in front of Sikarin hospital					
(sublease in subsidiary)					
(one contract)	01/01/16 - 31/12/18	10,200,000	-	-	10,200,000
		<u>18,563,200</u>	<u>44,328,000</u>	<u>47,525,200</u>	<u>110,416,400</u>

As at December 31, 2016, the Company and its subsidiaries have long-term leases as follows :-

Type of lease	Period	Consolidated financial statements			
		Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land in front of Rattarin hospital					
(two contracts)	01/01/16 - 31/12/17	2,280,960	-	-	2,280,960
2. Land on beside of Sikarin hospital					
(one contract)	01/09/08 - 31/08/28	2,596,800	15,797,200	22,289,200	40,683,200
(one contract)	01/03/13 - 28/02/28	3,900,000	28,270,000	34,860,000	67,030,000
- Subsidiary (four contracts)	22/05/15 - 21/11/28	4,019,040	37,073,200	35,966,400	77,058,640
3. Land in front of Sikarin hospital					
- Subsidiary (one contract)	28/03/14 - 28/03/29	5,523,600	27,618,000	35,422,500	68,564,100
4. Land in black of Sikarin Hadyai hospital					
- Subsidiary (one contract)	01/01/16 - 31/12/17	690,000	-	-	690,000
- Subsidiary (one contract)	01/04/16 - 04/04/19	144,000	144,000	-	288,000
		<u>19,154,400</u>	<u>108,902,400</u>	<u>128,538,100</u>	<u>256,594,900</u>

Type of lease	Period	Separate financial statements			
		Remaining rental expenses (Baht)			
		Within 1 year	1-5 years	Over 5 years	Total
1. Land in front of Rattarin hospital (two contracts)	01/01/16 - 31/12/17	2,280,960	-	-	2,280,960
2. Land on beside of Sikarin hospital (one contract)	01/09/08 - 31/08/28	2,596,800	15,797,200	22,289,200	40,683,200
(one contract)	01/03/13 - 28/02/28	3,900,000	28,270,000	34,860,000	67,030,000
3. Land in front of Sikarin hospital (sublease in subsidiary) (one contract)	01/01/16 - 31/12/18	10,200,000	10,200,000	-	20,400,000
		<u>18,977,760</u>	<u>54,267,200</u>	<u>57,149,200</u>	<u>130,394,160</u>

31. INCOME TAX EXPENSE

31.1 Major components of income tax expense for the years ended December 31, 2017 and 2016 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	40,870,024	32,455,867	33,699,794	29,094,876
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	223,966	13,750,939	(869,733)	13,438,935
Total	<u>41,093,990</u>	<u>46,206,806</u>	<u>32,830,061</u>	<u>42,533,811</u>
Income tax relating to components of other comprehensive income :				
Deferred tax relating to :				
Actuarial gains (losses) arising from post-employee benefit	-	879,636	-	879,636
	<u>-</u>	<u>879,636</u>	<u>-</u>	<u>879,636</u>

In addition, for the years ended December 31, 2017 and 2016, the Company has transferred the deferred tax at the amount of Baht 1.34 million and Baht 1.44 million, respectively, from retained earnings to revaluation reserve. This amount relates to the difference between the actual depreciation based on the fixed assets and equivalent depreciation based on the cost of the fixed assets.

31.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2017 and 2016 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit for the year	204,263,170	236,397,487	183,465,090	221,241,160
The applicable tax rate (%)	20	20	20	20
Tax expense at the applicable tax rate	40,852,634	47,279,497	36,693,018	44,248,232
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	4,535,703	851,104	120,258	209,374
Tax effect of income or profit that are not required in determining taxable profit:				
- Deductible expenses	(4,294,347)	(1,923,795)	(3,983,215)	(1,923,795)
Total reconciliation items	241,356	(1,072,691)	(3,862,957)	(1,714,421)
Total income tax expense	41,093,990	46,206,806	32,830,061	42,533,811

31.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2017 and 2016 are summarized as follows:

	Consolidated financial statements			
	2017		2016	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	204,263,170		236,397,487	
Income tax expense at the applicable tax rate	40,852,634	20	47,279,497	20
Reconciliation items	241,356	-	(1,072,691)	-
Income tax expense at the average effective tax rate	41,093,990	20	46,206,806	20
	Separate financial statements			
	2017		2016	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	183,465,090		221,241,160	
Income tax expense at the applicable tax rate	36,693,018	20	44,248,232	20
Reconciliation items	(3,862,957)	(2)	(1,714,421)	(1)
Income tax expense at the average effective tax rate	32,830,061	18	42,533,811	19

32. EARNINGS PER SHARE

32.1 Weighted average number of ordinary shares

Weighted average number of ordinary shares for the years ended December 31, 2017 and 2016, is calculated are as follows:-

	Number of shares			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Number of ordinary shares at the beginning of the year	151,009,415	120,000,000	151,009,415	120,000,000
Add Common stock sold during the year	-	4,013,512	-	4,013,512
Weighted average number of ordinary shares	151,009,415	124,013,512	151,009,415	124,013,512

32.2 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the year from ordinary activities (Baht)	162,708,646	189,710,969	150,635,029	178,707,349
Weighted average number of ordinary share (Shares)	151,009,415	124,013,512	151,009,415	124,013,512
Earnings per share (Baht per share)	1.08	1.53	1.00	1.44

33. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its performance to the company's operating segment.

The one main operating segment of the Company and its subsidiaries are to provide healthcare as private hospital and hospital under the affiliated of social security and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

34. COMMITMENTS AND CONTINGENT LIABILITIES

The Company and its subsidiaries have commitments and Contingent Liabilities as follow:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
34.1 Commitments				
Commitment under agreement to construction				
building and systems	11,506,928	19,494,921	11,506,928	-
	11,506,928	19,494,921	11,506,928	-
34.2 Contingent liabilities				

To banks for the letters of guarantees issued on
behalf of the company

37,947,928 35,741,925 37,947,928 35,741,925

35. DISCLOSURE OF FINANCIAL INSTRUMENTS

35.1 Financial risk management policies

The Company and its subsidiary are exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiary do not hold or issue derivative financial instruments for speculative or trading purposes.

35.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates, which may affect the interest earnings and expenses in the present and future years. The Company is primarily exposed to interest rate risk that relates primarily to deposit at Financial institution, short term investments, and loans from financial institutions from its variable rate borrowing due to changes in interest rates. The Company and its subsidiary have no policy to use any derivative financial instruments to reduce this risk.

As at December 31, 2017 and 2016, the financial assets and liabilities with the fixed interest rates classified by the remaining periods to earlier of reprising dated or maturity dates, commencing as from the statement of financial position date were as follows:

Baht								
Consolidated financial statement								
2017				2016				
Floating	Fixed	No interest	Total	Floating	Fixed	No interest	Total	
Interest rate	Interest rate			Interest rate	Interest rate			
<u>Financial assets</u>								
Cash and cash equivalents	54,866,856	-	12,015,175	66,882,031	44,517,025	-	12,342,683	56,859,708
Current investments in fixed deposit	-	471,053	-	471,053	-	810,155	-	810,155
Accounts receivable	-	-	230,195,564	230,195,564	-	-	208,476,054	208,476,054
<u>Financial liabilities</u>								
Bank overdrafts and short-term loan								
from institutions	115,092,180	-	-	115,092,180	54,416,680	-	-	54,416,680
Long-term loans from institutions	-	981,479,607	-	981,479,607	-	1,021,982,205	-	1,021,982,205
Liabilities under long-term agreement	-	168,343,946	-	168,343,946	-	191,093,156	-	191,093,156

Baht						
2017						
Consolidated financial statement						
Reprising or maturity date				No	Total	Interest rate
At call	Within 1 year	1 - 5 years	Over 5 years	maturity		(percent)
<u>Financial assets</u>						
Cash and cash						

equivalents	-	471,053	-	-	-	471,053	0.90 - 1.00
<u>Financial liabilities</u>							
Long-term loans from							
institutions	-	194,081,731	623,237,876	164,160,000	-	981,479,607	3.85 - 6.52
Liabilities under							
long-term agreement	-	69,161,333	99,182,613	-	-	168,343,946	5.40 - 8.38

Baht

2016

Consolidated financial statement

	Reprising or maturity date				No maturity	Total	Interest rate (percent)
	At call	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial assets</u>							
Cash and cash							
equivalents	-	810,155	-	-	-	810,155	0.50 - 0.62
<u>Financial liabilities</u>							
Long-term loans from							
institutions	-	256,497,896	757,704,309	7,780,000	-	1,021,982,205	5.25 - 6.52
Liabilities under							
long-term agreement	-	63,729,896	127,363,260	-	-	191,093,156	5.40 - 8.38

Baht

Separate financial statement

	2017				2016			
	Floating	Fixed	No interest	Total	Floating	Fixed	No interest	Total
	Interest rate	Interest rate			Interest rate	Interest rate		
<u>Financial assets</u>								
Cash and cash equivalents	38,588,278	-	9,826,915	48,415,193	22,708,701	-	10,005,869	32,714,570
Current investments in fixed deposit	-	471,053	-	471,053	-	810,155	-	810,155
Accounts receivable	-	-	175,286,922	175,286,922	-	-	158,333,642	158,333,642
<u>Financial liabilities</u>								
Bank overdrafts and short-term loan								
from institutions	79,286,359	-	-	79,286,359	46,561,573	-	-	46,561,573
Long-term loans from institutions	-	773,199,607	-	773,199,607	-	77,850,205	-	770,850,205
Liabilities under long-term agreement	-	126,039,893	-	126,039,893	-	164,308,568	-	164,308,568

Baht

2017

Separate financial statement

	Reprising or maturity date				No maturity	Total	Interest rate (percent)
	At call	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial assets</u>							
Cash and cash							
equivalents	-	471,053	-	-	-	471,053	0.90 - 1.00

Baht							
2016							
Separate financial statement							
	Reprising or maturity date				No maturity	Total	Interest rate (percent)
	At call	Within 1 year	1 - 5 years	Over 5 years			
<u>Financial liabilities</u>							
Long-term loans from							
institutions	-	151,229,731	457,809,876	164,160,000	-	773,199,607	3.85 - 6.52
Liabilities under							
long-term agreement	-	55,266,924	70,772,969	-	-	126,039,893	5.40 - 8.38
<u>Financial assets</u>							
Cash and cash							
equivalents	-	810,155	-	-	-	810,155	0.50 - 0.62
<u>Financial liabilities</u>							
Long-term loans from							
institutions	-	213,645,896	549,424,309	7,780,000	-	770,850,205	5.25 - 6.52
Liabilities under							
long-term agreement	-	56,718,277	107,590,291	-	-	164,308,568	5.40 - 8.38

35.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations of the financial condition of its counterparties, to provide a term of payment, and to require partial payment of deposit, or call for collateral as other security. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

35.4 Liquidity risk

The Company and its subsidiary monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in

35.5 Fair Value

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

36. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2017, the group of Company's debt-to-equity ratio was 0.51:1 (as at December 31, 2016 0.53 : 1) and the Company's debt-to-equity ratio was 0.41:1 (as at December 31, 2016 0.42 : 1)

37. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

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

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share

TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset,

	Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

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

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 21, 2018.