



โรงพยาบาลลานนา เชียงใหม่
www.lanna-hospital.com



ศูนย์โรคปวดหลัง



ศูนย์มะเร็งสตรี



ศูนย์บอลูน

ขยายหลอดเลือดหัวใจ

“โรงพยาบาลลานนา เป็นโรงพยาบาล
ที่มีความเสี่ยงต่ำที่สุด”



Contents

PREFACE

PAGE

<i>Report From The Audit Committee</i>	3-4
<i>Company Profile and Report of Board of Directors</i>	5-13
<i>Summary of the Company' s Financial Information</i>	14-17
<i>Operating Revenue</i>	18-18
<i>Summary of Economic Status and Competition in 2009</i>	19-22
<i>Key Success Factors</i>	23-23
<i>Risk Factors</i>	24-26
<i>Shareholders and Management</i>	27-29
<i>Analysis of The Company' s Financial Position and Results of Operations</i>	30-32
<i>Financial Statements and Auditors' Report</i>	33-77



STATEMENT OF THE AUDIT COMMITTEE FOR THE YEAR 2010

To The Shareholders

On 31st December 2010, the Board of Chiang Mai Ram Medical Business Public Co., Ltd., designated the Audit Committee comprising 3 independent directors as follows:

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

The Committee's areas of responsibilities are as follows:

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

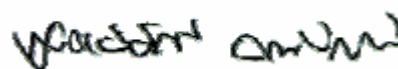
During 2010, the Audit Committee held 6 meetings to independently consider matters of importance. They also attended the meeting with an auditor and internal auditor and if necessary. The concerned directors would be invited to the meeting to provide additional information or to explain matters in question as follows:

1. Review 2010 trimester and annual financial statements of the company in order to ensure that the company's financial statements were in an accurate manner as specified in the matters of importance. The company information was sufficiently disclosed in accordance with the generally accepted accounting standards.



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

In conclusion, the Audit Committee agreed with the auditors that the company's financial statements were in a true and accurate manner and in compliance with generally accepted accounting standards and the Securities and Exchange Act. The company's operation in 2010 was considered satisfactory.



(Dr. Suthisak Kanaprach)

Chairman of the Audit Committee

December 31, 2010

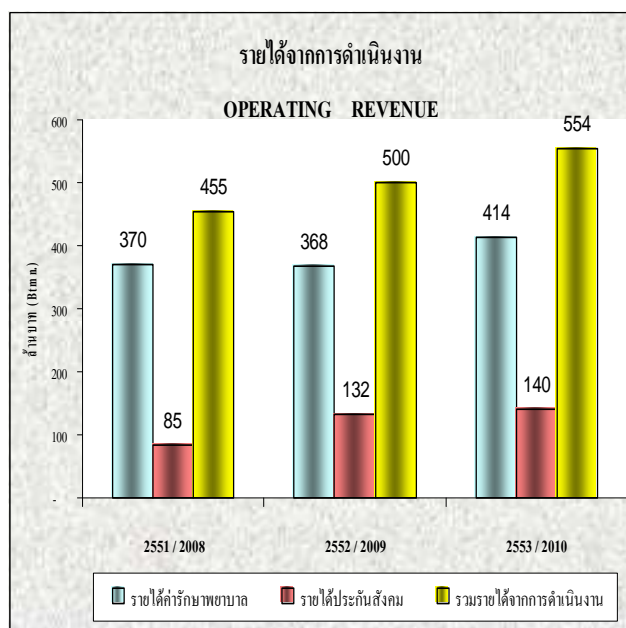
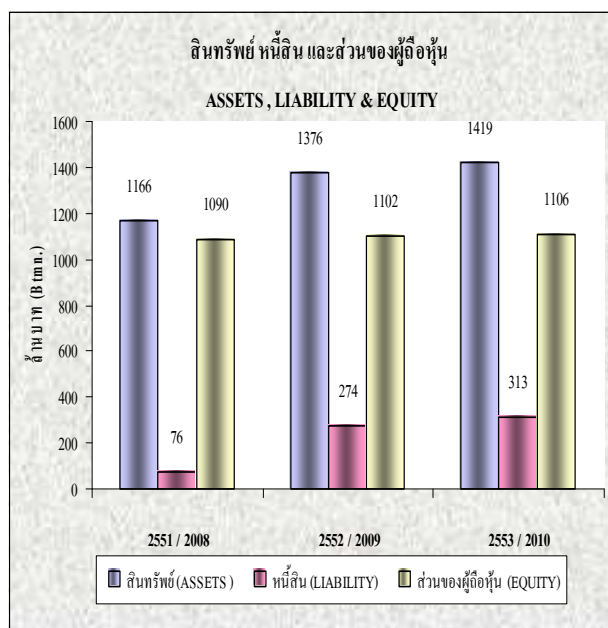


Financial Highlights

สรุปข้อมูลทางการเงิน

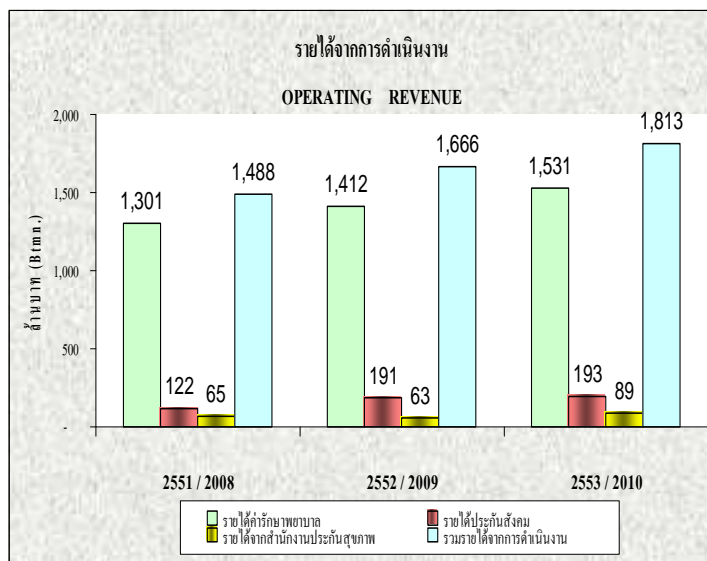
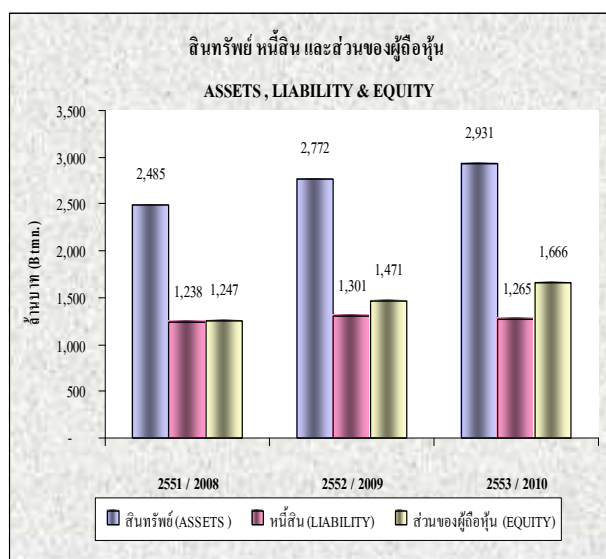
งบการเงินเฉพาะบริษัท

SEPARATE FINANCIAL STATEMENTS



งบการเงินรวม

CONSOLIDATED FINANCIAL STATEMENTS



COMPANY PROFILE

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

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

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

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

Type of Business : Health Care Services; "Lanna Hospital"

Status as at December 31, 2010 : Authorized registered capital 408,433,330.00 Baht
Paid-up capital 402,312,500.00 Baht
Number of Paid-up Ordinary Shares 40,231,250 Shares
Par Value Per Share 10.00 Baht

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

Identification : CMR

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



Auditor : Mr. Pichai Dachanapirom ; Registration No. 2421
 Mr. Pojana Asavasontichai ; Registration No. 4891
 Miss Chantra Wongsri-udomporn ; Registration No. 4996
 Miss Wannisa Ngambuathong ; Registration No. 6838
 Mr. Thanawut Piboonsawat ; Registration No. 6699

Dharmniti Auditing Company Limited
 267/1 Pracharaj Sai 1 Road
 Bangsue, Bangkok 10800
 Tel. 02-587-8080 Fax. 02-586-0301

Law Consultant : None

Financial Consultant : None

Principal Banker : Thai Farmers Bank Public Co., Ltd.
 Tha-Phae Branch
 169 Tha-Phae Road Amphur Muang
 Chiang Mai
 Thai Military Bank Public Co., Ltd.
 Siyak Kuang Sing-Chiang Mai Branch
 275/5 Chang Phuak Road
 Amphur Muang Chiang Mai

Investments in companies

	Name	Address	Type of Business	Number of Paid-up Ordinary Shares	Number of shares	% Share holding
1.	Chiangmai Ram Hospital Company Limited	8 Boonruangrit Road, Tumbon Sripoom, Amphur Muang, Chiang Mai Tel. 053-920300	Health Care Services	40,000,000 Shares Par value Bt. 10.00 per share	22,497,750	56.24%



CURRICULUM VITAE

BOARD OF DIRECTORS & EXECUTIVE COMMITTEE

CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS

		POSITION
1.	DR. RACHA SOMBOONRANASIN	Chairman
2.	DR. AMNUAY CHINGCHAYANURAK	Vice Chairman
3.	DR. VARAPHAN UNACHAK	Director/ Executive Committee Chairman
4.	DR. DUSIT SRISAKUL	Director/ Managing Director
5.	DR. TEERAYUTH NIYOMGOOL	Director
6.	DR. SUMETH HANDAGOON	Director
7.	DR. AURCHAT KANJANAPITAK	Director
8.	DR. CHAMNAN CHANAPAI	Director
9.	DR. SUTHISAK KANAPRACH	Independent Director
10.	MR. KRIRK JITTALAN	Independent Director
11.	MISS PAPAT SUPAOKIT	Independent Director

EXECUTIVE COMMITTEE

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

AUDIT COMMITTEE

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

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



ชื่อตำแหน่ง	การศึกษา	ความสัมพันธ์ ระหว่างผู้บริหารและส่วนงานอื่น	ประวัติการทำงาน 5 ปี ย้อนหลัง
 1.นพ.รัชช สมบูรณ์สิน ประธานกรรมการบริษัท DR.RACHA SOMBURANASIN Chairman	71 Diplomate American Board of Radiology Certificate in Neuroradiology	-	2531-ปัจจุบัน 2546-ปัจจุบัน 2548-ปัจจุบัน 2549-ปัจจุบัน 2551-ปัจจุบัน ประธานกรรมการ กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร ประธานกรรมการ บมจ.โรงพยาบาลรามคำแหง บจ.โรงพยาบาลสุวภิราม โรงพยาบาลสุขุมวิท โรงพยาบาลชัยภูมิราม บมจ.เชียงใหม่รามธุรกิจ การแพทย์
 2.นพ.อานวย ชิงชยานุรักษ์ รองประธานกรรมการบริษัท DR.AMUAY CHINGCHAYANURAK Vice Chairman	61 แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2550	-	2541-ปัจจุบัน 2544-ปัจจุบัน 2550-ปัจจุบัน อาจารย์พิเศษ ภาควิชาสูติศาสตร์ ประธานองค์กรแพทย์ รองประธานกรรมการ บริษัท ประธานชมรม มหาวิทยาลัยเชียงใหม่ โรงพยาบาลเชียงใหม่ราม บมจ.เชียงใหม่รามธุรกิจ การแพทย์ ชมรมโรงพยาบาลเอกชน เชียงใหม่
 3.นพ.วราพันธ์ อุณจักร กรรมการบริษัท และประธานกรรมการบริหาร DR.VARAPHAN UNACHAK Director/Executive Committee Chairman	60 แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2546	0.10	2536-ปัจจุบัน 2536-ปัจจุบัน 2538-ปัจจุบัน 2550-ปัจจุบัน 2550-ปัจจุบัน กรรมการบริหาร ผู้อำนวยการ ผู้อำนวยการ กรรมการบริษัท กรรมการบริษัท และประธาน กรรมการบริหาร บมจ.โรงพยาบาลรามคำแหง โรงพยาบาลเชียงใหม่ราม โรงพยาบาลเทพปัญญา โรงพยาบาลช้างเผือก บมจ.เชียงใหม่รามธุรกิจ การแพทย์
 4.นพ.ดุสิต ศรีสกุล กรรมการ,กรรมการบริหาร กรรมการผู้จัดการและ ผู้อำนวยการโรงพยาบาล DR.DUSIT SRISAKUL Managing Director/Executive Director/Hospital Director	50 แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2547	-	2534-ปัจจุบัน 2543-2547 2543-ปัจจุบัน 2544-ปัจจุบัน 2547-ปัจจุบัน คัลยแพทย์ออร์โธปิดิกส์ ผู้อำนวยการฝ่ายแพทย์ กรรมการบริหาร กรรมการบริหาร ผู้อำนวยการโรงพยาบาล กรรมการผู้จัดการ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บมจ.เชียงใหม่รามธุรกิจ การแพทย์
 5.นพ.ธีระยุทธ นิยมกุล กรรมการเลขานุการ, กรรมการบริหารและ รองผู้อำนวยการโรงพยาบาล DR.TEERAYUTH NIYOMGOOL Director/Executive Director /Vice Hospital Director	45 แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2550	-	2540-2543 2544-2545 2545-ปัจจุบัน 2547-ปัจจุบัน 2547-ปัจจุบัน 2550-ปัจจุบัน ผู้อำนวยการฝ่ายแพทย์ คัลยแพทย์ คัลยแพทย์ รองผู้อำนวยการ โรงพยาบาล กรรมการบริหาร กรรมการเลขานุการ รพ.มุกดาหารอินเตอร์เนชั่นแนล โรงพยาบาลอินดอร์เวชการ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บริษัทเชียงใหม่ธุรกิจการแพทย์ บมจ.เชียงใหม่รามธุรกิจ การแพทย์

ประวัติกรรมการและผู้บริหาร บริษัท เชียงใหม่รามธุรกิจการแพทย์ จำกัด (มหาชน)							
ชื่อตำแหน่ง	การศึกษา	ตามสัมพันธ ระหว่างผู้บริหารดำเนินการถือหุ้น	ประวัติการทำงาน 5 ปี ย้อนหลัง				
 6.นพ.สุเมธ ฮันตระกูล กรรมการบริษัท, กรรมการบริหาร DR.SUMETH HANDAGOON Director/Executive Director	63 แพทยศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2550	0.01	2.62	2536-ปัจจุบัน 2538-ปัจจุบัน 2538-2548 2550-ปัจจุบัน 2550-ปัจจุบัน	ผู้อำนวยการ ผู้อำนวยการ กรรมการบริหาร กรรมการบริษัท กรรมการบริษัท กรรมการบริหาร	โรงพยาบาลเชียงใหม่ราม โรงพยาบาลเทพปัญญา โรงพยาบาลพะเยา ราม โรงพยาบาลช้างเผือก บมจ.เชียงใหม่รามธุรกิจ การแพทย์	
 7.นพ.เอื้อชาติ กาญจนพิทักษ์ กรรมการบริษัท DR.AURCHAT KANJANAPITAK Director	66 - Facharzt Fuer Hals-Nasen Ohren Heikunde (Germany) - Doctor of Medicine.Essen University (Germany)	3.58	1.17	2531-ปัจจุบัน 2540-ปัจจุบัน 2544-ปัจจุบัน 2548-ปัจจุบัน 2549-ปัจจุบัน 2550-ปัจจุบัน 2551-ปัจจุบัน	กรรมการผู้จัดการ กรรมการบริหาร ประธานกรรมการ ผู้จัดการ กรรมการผู้จัดการ กรรมการบริหาร กรรมการบริหาร นายกสมาคม โรงพยาบาลเอกชน กรรมการ	บมจ.โรงพยาบาลรามคำแหง บริษัท เอฟ แอนด์ เอส 79 จำกัด บริษัท โรงพยาบาลสินแพทย์ จำกัด มูลนิธิ หู คอ จมูก ชนบท บริษัท โรงพยาบาลวิกราม จำกัด บริษัท โรงพยาบาลสุภูมิวิทย์ จำกัด แพทย์สภา โรงพยาบาลชัยภูมิ ราม สมาคมโรงพยาบาลเอก บมจ.เชียงใหม่รามธุรกิจการแพทย์	
 8.ทพ.ชำนาญ ชนะภัย กรรมการบริษัท DR.CHAMNAN CHANAPAI Director	66 ทันตแพทยศาสตรบัณฑิต มหาวิทยาลัยมหิดล Cosmetic Restoration N.Y	-	0.88	2534-ปัจจุบัน 2543-2547 2543-ปัจจุบัน 2544-ปัจจุบัน 2547-ปัจจุบัน 2551-ปัจจุบัน	กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร กรรมการบริหาร	บมจ.โรงพยาบาลรามคำแหง บริษัท เอฟ แอนด์ เอส 79 จำกัด บริษัท โรงพยาบาลสินแพทย์ จำกัด บริษัท โรงพยาบาลวิกราม จำกัด โรงพยาบาลสุภูมิวิทย์ โรงพยาบาลชัยภูมิ ราม บมจ.เชียงใหม่รามธุรกิจการแพทย์	
 9.นพ.สุทธิศักดิ์ ดณาปราชญ์ กรรมการอิสระ และ ประธานกรรมการตรวจสอบ DR.SUTHISAK KANAPRACH Independent Director/ Audit Committee Chairman	46 แพทยศาสตรบัณฑิต มหาวิทยาลัยมหิดล บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์ เศรษฐศาสตรมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์ จิตวิทยาอุตสาหกรรมและองค์การ	-	0.02	2539-ปัจจุบัน 2551-ปัจจุบัน	กรรมการบริหาร กรรมการอิสระ และประธานกรรมการ ตรวจสอบ	บริษัท โรงพยาบาล สนามจันทร์ จำกัด บมจ.เชียงใหม่รามธุรกิจ การแพทย์	
 10.นาย เกริก จิตดาลาน กรรมการอิสระ และ กรรมการตรวจสอบ DR.KRIIAK JITTALAN Independent Director/ Audit Director	62 เกษตรศาสตรบัณฑิต มหาวิทยาลัยเชียงใหม่ ผ่านการอบรมหลักสูตร Director Accreditation Program จากสมาคมส่งเสริมสถาบัน กรรมการ บริษัทไทย เมื่อปี2550	0.32	0.15	ปัจจุบัน 2552-ปัจจุบัน	กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการผู้จัดการ กรรมการอิสระ และกรรมการตรวจสอบ	บริษัท สมศรี จำกัด บริษัท ซีเอ็นแอล จำกัด บริษัท ไทยเอสป้า จำกัด หลวงทุ่งหลวง บมจ.เชียงใหม่รามธุรกิจ การแพทย์	
 11.นางสาว พาทิร สุภากิจ กรรมการอิสระ และ กรรมการตรวจสอบ MISS PAPAT SUPAKIT Independent Director/ Audit Director	26 ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย	-	-	2549-ปัจจุบัน 2551-ปัจจุบัน	Treasury Officer กรรมการอิสระ และกรรมการตรวจสอบ	ธนาคาร HSBC บมจ.เชียงใหม่รามธุรกิจ การแพทย์	

COMPANY BACKGROUND

1976	A group of investors from the Faculty of Medicine, Chiang Mai University, Lawyers and Businessmen in Chiang Mai founded the “Lanna Hospital” with a registered capital of 20 million baht and operations began on 1 July.
1981	The company annexed an additional 4.5 storey wing with 65 beds the existing wing to enable the hospital to accommodate more patients. Combined with the original 60-bed wing, the hospital was now had 125 beds.
1983	The company began to extend the existing out-patients building were increased to 4 and a post-operation room was added. In addition, the operating theatre supplies and preparation room were also expanded. The extensions were completed and the building was ready for use in 1984.
1992	The hospital was expanded to a 180-bed hospital. A new 6-storey wing was constructed (including basement floor). The number of beds was increased by 42. Construction was completed in 1994 and the registered capital was increased to 40 million baht.
1993	At an extraordinary meeting of shareholders, a resolution was passed authorising the Board of Directors to alter the status of the company from a company limited to a public company. Registration was made with the Ministry of Commerce on 26 December, 1993 and the name of the company was changed to Chiang Mai Medical Services Public Co., Ltd. (LNH). - The value of shares was changed from 100 baht per share to 10 baht per share and the registered capital increased to 120 million baht.
1994	On 17 October, the company received permission to register on the Securities Exchange of Thailand.
1995	The hospital became part of the Thonburi Hospital network.
1996	On March 25, 1996 The Thonburi Hospital Public Company Limited invested in LNH and becoming a major share holder of LNH with the ownership of 6.35 million shares or 52.91% of the Company's paid up capital.
1999	We received the ISO 9002 certification.
2003	- We received the ISO 9001 : 2000 certification from UKAS Quality Management. - Construction began on an additional 2-storey building to extend the existing Out- patients and opening the Health Check Up Centre. The building was ready for use in 2004.
2005	Renovation of the 1 st Floor of B Building to expand the existing Out-patients Service Area. The building would be ready for utilization early in 2006.



2007

- In March, Thonburi Hospital Public Company Limited sold 4.60 shares or 38.33% of LNH's ownership to a group of persons V.R. & S.C. and Police Colonel Wittaya Wongpaiboon resulting in a change of major shareholder/ management structure (more details in major shareholders)
- On March 4, 2007, LNH issued 6 million new registered common shares and offered these new shares to existing shareholders at the ratio of 2 existing shares for 1 newly issued share at the price of THB 20 per share. The capital increase will be used to improve the quality of LNH' s services and to finance the construction of its New-Patient Building which is currently re-plan to be the Cancer and the Geriatric Centers. The issue has been informed to the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on 2 November 2007.
- Board of Directors/ Management: During April 2007, there were changes in the BOD structure which composes of 9 members including 2 existing members from LHN' s board, 3 members from CMR, 3 independent audit committees (one specializes in Accounting and Finance and appointed on 10 August 2007) and 1 member from outside. Moreover, some improvement was made to the internal operation. However, there was no significant change in management policy and every hospital still has CEO (full-time) to manage and control the daily operation to conform with the company's management policy.
- The resolution of the LNH' s Extraordinary General Meeting of shareholders, No. 2/2007 on November 2, 2007 approved the issuance of new common shares of not exceeding 22,843,333 shares or 55.93% of the company' s paid up capital to purchased shares, via share swap, from the all CMR' s shareholders excluding Ramkhamhaeng Hospital Public Company Limited (RAM). LNH' s BOD will consider the allotment of remaining shares from the swap transaction to public or specific investor or other proper arrangement.

2008

- The company registered paid-in capital with the Ministry of Commerce Thailand on February 25, 2008 which would be traded on Stock Exchange since March 4, 2008.
- Regarding to a meeting of shareholders, the company' s name had been changed to "Borisat Chiang Mai Ram Turakit Karnpad Chamkad (Mahachon)" in Thai and the name in Roman alphabets is "Chiang Mai Ram Medical Business Public Company Limited" as already registered on June 23, 2008.



Type of Business and Nature of Operation

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

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

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

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

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

CMR's BOD will consider the allotment of remaining shares from the swap transaction to public or specific investor or other proper arrangement.



SUMMARY OF THE COMPANY' S FINANCIAL INFORMATION

1. THE COMPANY' S FINANCIAL POSITION DURING 2008-2010

SEPARATE FINANCIAL STATEMENTS

Thousand Baht

	2010	%	2009	%	2008	%
Current Assets	144,760	10.26	102,008	7.41	70,980	6.08
Total Assets	1,419,459	100.00	1,375,949	100.00	1,166,079	100.00
Current Liabilities	192,603	13.57	117,467	8.54	75,774	6.49
Total Liabilities	312,929	22.05	274,067	19.92	75,774	6.49
Total Shareholders' Equity	1,106,530	77.95	1,101,882	80.08	1,090,305	93.50
Number of Share Capital	40,231,250		40,231,250		40,231,250	
Book Value per Share	27.50		27.39		27.10	
Par Value per Share	10		10		10	

In 2010, the Company' s total assets increased from 2009 amounting to Baht 43.51 million due to cash and cash equivalents amounting to Baht 30.35 million and the Company' s total liabilities in 2010 increased from 2009 amounting to Baht 38.86 million due to increasing in long-term loan from financial instructions amount to Baht 50 million.

In the total shareholder' s equity increased from 2009 amounting to Baht 4.65 million, the profit for the year 2010 amount of Baht 85.11 million and paid dividend of Baht 80.46 million.

CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht

	2010	%	2009	%	2008	%
Current Assets	402,158	13.72	335,970	12.12	227,267	9.15
Total Assets	2,931,211	100.00	2,772,523	100.00	2,484,753	100.00
Current Liabilities	1,090,138	37.19	1,026,008	37.01	467,237	19.29
Total Liabilities	1,265,355	43.17	1,301,579	46.95	1,238,233	49.83
Shareholders' Equity of parent company	1,245,099	42.48	1,091,748	39.38	958,965	38.59
Minority Shareholders' interest	420,757	14.35	379,196	13.68	287,555	11.57
Number of Share Capital	40,231,250		40,231,250		40,231,250	
Book Value per Share	30.95		27.14		23.84	
Par Value per Share	10		10		10	

In 2010 the company had the increasing of asset from 2009 in the amounting to Baht 158.69 million, the decreasing of total liabilities in the amounting of Baht 36.22 million to the shareholders' equity decreased.



2. THE RESULTS OF THE COMPANY' S OPERATIONS DURING 2008-2010

SEPARATE FINANCIAL STATEMENTS

Thousand Baht

AUDITED

	2010	%	2009	%	2008	%
Medical Service Income	554,415	93.74	500,130	99.12	455,284	98.80
Dividend Income	33,709	5.70	-	-	-	-
Other Income	3,334	0.56	4,428	0.88	5,517	1.20
Total Revenues	591,458	100.00	504,558	100.00	460,801	100.00
Cost of Medical Services	384,717	65.05	342,500	67.88	332,244	72.10
Administrative Expenses	90,712	15.34	85,967	17.04	82,250	17.85
Finance costs	8,891	1.50	6,488	1.29	868	0.19
Corporate Income Tax	22,027	3.72	17,796	3.53	14,529	3.15
Total Expenses	506,347	85.61	452,751	89.73	429,891	93.29
Net Profit (Loss)	85,111	14.39	51,807	10.27	30,910	6.71
Basic earnings (loss) per share (Baht)	2.12		1.29		0.84	

In 2010 the company has the net profit amounting to Baht 85.11 million compare to 2009 which has profit of Baht 51.81 million it has the profit increase as Baht 33.30 million or 64.28% due to 2010 the company has dividend income amount to Baht 33.71 million, the increasing of revenue from medical treatment amount to Baht 54.28 million and the increasing of expenses in the amount to Baht 53.60 million.



CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht

AUDITED

	2010	%	2009	%	2008	%
Medical Service Income	1,813,006	97.35	1,666,219	93.10	1,487,888	97.64
Dividend Income	16,177	0.87	15,061	0.84	14,211	0.93
Gain from debt restructuring	-	-	73,385	3.16	-	-
Reversal of doubtful debts loans	-	-	18,000	1.01	-	-
Reversal of loss from Impairment of Investment in related Company	-	-	-	-	-	-
Other Income	13,329	0.72	14,651	1.76	13,726	0.90
Participating Profit in Associated company	19,913	1.07	2,419	0.14	7,959	0.52
Total revenue	1,862,425	100.00	1,789,735	100.00	1,523,784	100.00
Cost of Services	1,267,202	68.04	1,162,715	64.97	1,074,818	70.54
Administrative Expenses	257,233	13.81	245,546	13.72	241,171	15.83
Lose from Impairment in Goodwill	-	-	-	-	85,862	5.63
Interest Expenses	51,533	2.77	50,034	2.80	52,739	3.46
Corporate Income Tax	81,959	4.40	72,969	4.08	54,177	3.56
Total Expenses	1,657,927	89.02	1,531,264	85.56	1,508,767	99.01
Net Profit (Loss)	204,498	10.87	258,471	14.44	15,017	0.99
ATTRIBUTABLE TO						
Equity Holder of the CHIANG MAI RAM HOSPITAL CO., LTD.	136,646		166,831		(8,412)	
Minority Shareholders' Interest of CHIANG MAI RAM HOSPITAL CO., LTD.	67,852		91,641		23,429	

In 2010 the operation of the company and subsidiary companies have the net profit in the amounting of Baht 204.50 million compare with 2009 that had net profit in the amounting of Baht 258.47 million. The net profit decrease in the amounting of Baht 53.97 million due to in 2009 the company and subsidiary company had gain from debt restructuring in the amount Baht 73.38 million and reversal of doubtful debts of loan in the amounting of Baht 18 million. The increasing of revenue from medical treatment in the amounting of Baht 146.79 million and participating profit in associated increase in the amounting of Baht 17.49 million.



FINANCIAL RATIO

MANUFACTURING AND SERVICE

LIQUIDITY RATIO

Current Ratio	Current Assets / Current Liabilities	=	0.75	time
Acid-Test Ratio	(Current Assets - Inventory) / Current Liabilities	=	0.67	time
Cash-Flow Coverage Ratio	Cash from operating / Current Liabilities (Average)	=	0.61	time
Receivable Turnover	Sales / Account Receivable (Average)	=	10.96	time
Number of day' s Sales in Receivables	360 / Receivable Turnover	=	33	days
Inventory Turnover	Sales / Inventory (Average)	=	31.18	time
Number of day's Sales in Inventory	360 / Inventory Turnover	=	12	days
Account Payable Turnover	Purchases or Cost of Sales / Account Payable (Average)	=	14.11	time
Number of day' s Payment	360 / Account Payable Turnover	=	25	days
Cash Cycle	Number of day' s Sales in Receivable + Number of day' s Sales in Inventory – Number of day' s Payment	=	20	days

PROFITABILITY RATIO

Gross Profit Ratio	Profit before tax / Sales	=	30.61	%
Net Profit Ratio	Net Profit / Total Revenue	=	14.39	%
Rate of Return on Common Stock Equity	Net Profit / Equity	=	7.71	%

EFFICIENCY RATIO

Rate of Return on Assets	Net Profit / Total Assets (Average)	=	6.09	%
Rate of Return on Fixed Asset	Net Profit + Depreciation / Fixed Asset (Average)	=	23.91	%
Assets Turnover	Total Revenue / Total Assets (Average)	=	0.42	time

FINANCIAL POLICY RATIO

Debt to Stockholders Equity	Total Liabilities / Equity	=	0.28	time
Times Interest Earned	Profit before Interest and Tax / Interest Expense	=	13.05	time

INVESTMENT INFORMATION

Book Value Per Share	Equity / Share fully paid on year-end	=	27.50	Baht
Earning Per Share	Net Profit / Share fully paid on year-end	=	2.12	Baht

Growth Rate

Total Assets (Increase)	=	3.16	%
Total Liabilities (Increase)	=	14.18	%
Operating Revenue (Increase)	=	10.85	%
Operating Expenses (Increase)	=	5.52	%
Net Profit (Increase)	=	64.28	%



Operating Revenue

Chiang Mai Ram Medical Business Public Company Limited operates Lanna Hospital which is a 180-bed private hospital. At present the hospital has 36 examination rooms with the capacity for servicing 950 out-patients daily. The average daily numbers of patients are 790 for OPD and 103 for IPD.

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

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

- SEPARATE FINANCIAL STATEMENTS

Thousand Baht	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
General Patient	413,818	69.97	368,458	73.03	370,372	80.38
OPD Patient	152,272	25.75	136,538	27.06	141,258	30.65
IPD Patient	261,546	44.22	231,920	45.96	229,114	49.72
SOCIAL INSURANCE	140,597	23.77	131,672	26.10	84,912	18.43
OTHER REVENUE ⁽¹⁾	37,043	6.26	4,428	0.88	5,517	1.20
TOTAL REVENUE	591,458	100.00	504,558	100.00	460,801	100.00

Note : (1) Other Income includes interest income, dividend income, financial support from creditors/ business partners, salvage sales.

- CONSOLIDATED FINANCIAL STATEMENTS

Thousand Baht	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
General Patient						
OPD Patient	609,248	33.07	567,981	31.78	501,109	33.06
IPD Patient	921,718	50.03	843,998	47.22	800,325	52.80
SOCIAL INSURANCE	192,528	10.45	191,172	10.70	121,832	8.04
REVENUE NATION HEALTH SECURITY OFFICE	89,512	4.86	63,068	3.53	64,622	4.26
OTHER REVENUE	29,506	1.60	121,097	6.78	27,937	1.84
TOTAL REVENUE	1,842,512	100.00	1,787,316	100.00	1,515,825	100.00



SUMMARY OF ECONOMIC STATUS IN 2010

The Industrial Condition

Nowadays, Thai economy is decreasing due to the political problem in the country in the end of 2006. It effected to the unobvious policy formulation and the direction of the country as well as the appreciation of Thai baht in 2010. These factors affected to the export industry, the economic condition and the investment of private sector. Moreover, the domestic consumption was declining also. Thus, the government had to issue the measurement to stimulate and push the economic growth forward to flow the money back to the economic system faster.

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

(1) Government Policy

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

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

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



(2) Decreasing Purchasing Power

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

(3) Growth of Private Hospitals

Most of private hospitals face a problem about growth and have to postpone many projects. It is observable that the number of private hospitals and hospital beds remains the same as 2009. This is the result from the government policy concerning with the medical treatment and the declining purchasing power. It effects to the amount of patients in the private hospitals and the income meanwhile the cost (which are medicine and medical supplies, the doctor fee etc.) is subject to increase. Hence, many hospitals have to adjust the marketing strategies to be concordant with the present situation, for example, the patients from the insurance companies, the medical treatment program (annual health check-up program or childbearing) etc. These factors enlarge the higher rivalry compared with the last year.

(4) Service Improvement of Public Hospitals

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

Rivalry Condition

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

- (1) **Entry Barrier:** The entry of new competitors in the hospital business is rarely founded because of the high capital incentive and the insufficient staffs especially the limited amount of qualified and specific medical personnel.



- (2) **Power of Buyer:** According to the diminishing economy, the purchasing power of general consumer is decreasing too. The partial patients turn to use the service of public hospitals, the social security project and the health for all project. The rivalry between private hospitals seems to be intensifying and the strategies are changed to be suitable for the type and needs of present patients. Nevertheless, the target group of both Lanna Hospital and Chiang Mai Ram Hospital are general patients in the middle and top level who prefer the quality of service and/or the quality of doctor than the medical fee.
- (3) **Power of Supplier:** The power of supplier in the hospital business is quite low because there are a lot of domestic and foreign manufacturers. Most of them offer the products to the doctors or the concerning people for purchase consideration. Besides, the incorporation between Lanna Hospital and other hospitals in Chiang Mai Ram group including the rights to use the purchasing system of Ramkhamheang network is the way to increase the bargaining power to the organization.
- (4) **Substitute Products:** At present, the public hospitals starts to develop the service to compete with the private hospitals such as there are some special clinics opening after working hour in the public hospitals. However, compared with the private hospitals, the quality of service of the private hospitals is more flexible and able to maintain the better service. Additional, other substitute products such as the drugstores or clinics might affect the private hospitals having the target patients in the middle and low level.
- (5) **Competitor :** Regarding the 2010 statistic prepared by the Public Healthcare at Chiang Mai, there are 42 hospitals providing service for IPD patient. 11 hospitals out of those are private hospitals providing general healthcare service, and 8 hospitals out of them have more than 100 beds, being the same size as LNH. Meccomic Hospital, presently, is the biggest private hospital in Chiang Mai providing 400 beds or equivalent to 25.91%. Chiang Mai Ram Hospital provides 220 beds or equivalent to 14.25% and Lanna Hospital 180 beds or equivalent to 11.66%. After the merger between LNH and the CMR group, they will become the biggest hospital in Chiang Mai or providing up to 609 beds or equivalent to 39.44%. This merger transaction, also, means the reduction of competitors.



Competition among hospitals mostly focuses on the service, quality of doctors, and modern medical equipments. If compared medical equipments among hospitals in Chiang Mai, CMR may considered CMR providing the latest new technology of medical equipment, such as CT 64 Slices. The following table shows comparison of registered beds and the beds in services.

Name of Hospital	Beds of Registered	%
LANNA HOSPITAL	180	11.66
CHIANG MAI RAM HOSPITAL	220	14.25
THAPPANYA HOSPITAL	109	7.06
CHANG PEUAK HOSPITAL	100	6.47
LANNA HOSPITAL AND CHIANG MAI RAM HOSPITAL GROUP	609	39.44
McCORMICK HOSPITAL	400	25.91
CENTRAL MEMORIAL HOSPITAL	120	7.77
RUAM PAT HOSPITAL	100	6.47
RAJAVEJ HOSPITAL	100	6.47
KLAIMOR HOSPITAL	56	3.63
SIAMRAD HOSPITAL	50	3.24
OTHERS	109	7.07
TOTAL	1,544	100.00%



Key Success Factors

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

1. **Personnel Development Policy**

Lanna Hospital has focused on personnel development policy for over 35 years.

2. **Marketing Policy**

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

3. **Administration Policy**

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

4. **Quality Policy**

Lanna Hospital has implemented personnel development for our employees to provide the best services to our clients. The hospital received the ISO 9001 : 2008 certification, received the ISO 15189 certification and now is in the process of obtaining Hospital Accreditation (HA) certification.



RISK FACTORS

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

1. External Factor

1.1 Economic Situation of the Country

Slow economics' growth rate in Thailand has been caused by political issue, bird flue, problem in southern of Thailand, the fluctuation of gas price, etc. This economics has impacted industry, capital investment and also expenditures as corporate or individual. As the sickness of people being uncontrollable factor and need to be cured by doctor, healthcare industry has moderate impact by the slow economics.

1.2 Competition in Medical Services Business

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

2. Business Operation

2.1 Risk from Personnel Shortage

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

2.2 Risk from Sued by patient

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



3 *Investment and Finance*

3.1 *Investment on medical equipment*

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

3.2 *Investment in Chiangmai Ram Hospital Company Limited*

After an investment in Chiangmai Ram Hospital, CMR will has sub-companies; Theppanya Business Company Limited and the co-operative company is Khelangnakorn Hospital. Furthermore, there are 4 concerning hospitals which are Phayao Ram Hospital Company Limited, Bhum Panya International Company Limited, Chaiyaphum Ram Company Limited and Khonkaen Ram Company Limited. The turnover of these companies will effect the investment capital of CMR in the future and some companies had better business profits on 31 December 2010, while Bhum Panya International Company Limited still lost due to interest from loaning money and not available service. On the contrary, CMR already prepared an allowance of full amount of capital impairment.

4 *Other*

4.1 *Long Term Loan To Related Companies*

As at 31 December 2010, the movement of long-term loans to related companies were as follow;

1. Long-term loans to Bhumpanya International Company Limited since the year 1996 was in the form of contract at the amount of THB 29.23 million and with interest at the rate of 5.50% per annum. This loan had no any guarantee. On the contrary, CMR already prepared an allowance of full amount of capital impairment.
2. Long-term loans to Phayao Ram Hospital Company Limited was in the form of bill of exchange at the amount of THB 5.63 million and with interest at the rate of 8.00% per annum and loan period of 10 years. This loan had no any guarantee.

5 *Other factors which may affect investment*

5.1 *Lawsuit*

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



5.2 Future Commitment for share issuance ;

- None

5.3 Resolution to issue share ;

- None

5.4 Contingencies and Commitments

Bank guarantee for electricity and the Office of Social Security at the amount of THB 1.36 million and THB 8.92 million respectively.

5.5 BOI Privilege ;

- None

Dividend Policy

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

In 2010, the company has dividend payment for the operation from January 1, 2009 to December 31, 2009 has been Baht 1.25 per share or 97.06% of the net profit after tax and has been paid to shareholders on May 21, 2010.

And the interim dividend payment of the 9 months operation of the year 2010 from January 1, 2010 to September 30, 2010 at the rate of 0.75 Baht per share or 40.97% of the net profit after tax and has been paid to shareholders on November 3, 2010.

YEAR	NOBER OF SHARE	DIVIDEND PER SHARE (BAHT)	AMOUNT (BAHT)	PAID DATE
January – September 2010	40,231,250	0.75	30,173,437	Nov. 3, 2010
January – December 2009	40,231,250	1.25	50,289,062	MAY 21, 2010
January – December 2008	40,231,250	1.00	40,231,250	MAY 26, 2009
January – December 2007	40,231,250	1.50	60,346,875	MAY 27, 2008
January – December 2006	12,000,000	2.00	24,000,000	MAY 22, 2007



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

Issued Share = 40,231,250 shares	As at Dec. 31, 2010 No. of Share holders				As at Dec. 31, 2009 No. of Share holders			
	Juristic Person		Ordinary person		Juristic person		Ordinary person	
	(person)	(share)	(person)	(share)	(person)	(share)	(person)	(share)
Nationality								
Thai Shareholders	10	18,222,732	764	22,005,518	11	19,319,155	802	20,910,895
Foreign Shareholders	1	1,700	1	1,300	1	1,200	0	0
Total Shareholders	11	18,224,432	765	22,006,818	12	19,320,355	802	20,910,895
Distribution of Share Holding***								
Shareholders holding Over 0.5 %	3	18,135,614	12	8,866,338	3	19,231,837	11	6,548,165
Shareholders holding Under 0.5 %	8	88,818	753	13,140,480	9	88,518	791	14,362,730
Total number of share Holdings	11	18,224,432	765	22,006,818	12	19,320,355	802	20,910,895

STRUCTURE OF SHAREHOLDERS

The structure of shareholders in 2010 was as follows:

Thai Shareholders	774 holding	40,228,250 shares	representing 99.99 %
Foreign Shareholders	2 holding	3,000 shares	representing 0.01 %

Dispersion of Shareholders

- (A) Shareholders holding more than 0.5 % more than 201,100 shares per shareholder totalling 15 shareholders holding 27,001,952 shares representing 67.12 % shares released on the market.
- (B) Shareholders holding less than 0.5 % or less than 201,100 shares per shareholder totalling 761 shareholders holding 13,229,298 shares representing 32.88 % shares released on the market.



MAJOR SHAREHOLDERS AS AT DECEMBER 31, 2010

Major Shareholders	No. of shares	Percentage
1. Thailand Securities Depository Co.Ltd., for Depositors *	15,620,004	38.83
2. DR. VARAPHAN UNACHAK	2,690,000	6.69
3. Pol. Col. Wittaya Wongpaiboon	2,232,723	5.55
4. The Thonburi Hospital Public Company Limited	1,403,610	3.49
5. The Ramkhamhaeng Hospital Public Company Limited	1,112,000	2.76
6. DR. SUMETH HANDAGOON	1,050,000	2.61
7. V. R. & S. C. PARTNERSHIP	767,811	1.91
8. RUECHIT- ANNOP PARTNERSHIP BY MR. RUECHIT KANCHANAPITAK	433,304	1.08
9. DR. CHAMNAN CHANAPAI	353,100	0.88
10. DR. NAOWARAT THONGTHAI	321,850	0.80
11. MISS SASATHON CHOTIBUTR	296,800	0.74
12. DR. AURCHAT KANJANAPITAK PARTNERSHIP	295,450	0.73
13. DR. SAKAOWRAT KUNAVISARUT	255,300	0.63
14. MISS KANJANA SUWANTHAVIT	220,000	0.54
15. OTHERS	13,179,298	32.76
TOTAL	40,231,250	100.00



DIRECTOR' S SHAREHOLDING IN THE COMPANY

Name of Directors	Amount Change during the year (shares)	Amount Remaining as at Dec. 31, 2010 (shares)
DR. RACHA SOMBURANASIN	-	-
DR. AMNUAY CHINGCHAYANURAK	7,200	55,814
DR. VARAPHAN UNACHAK	-	2,690,000
DR. DUSIT SRISAKUL	-	-
DR. TEERAYUTH NIYOMGOOL	6,000	26,000
DR. SUMETH HANDAGOON	-	1,052,400
DR. AURCHAT KANJANAPITAK	-	470,760
DR. CHAMNAN CHANAPAI	-	353,100
DR. SUTHISAK KANAPRACH	-	10,000
DR. KRIRK JITTALAN	-	60,000
MISS PAPAT SUPAOKIT	-	-



ANALYSIS OF THE COMPANY' S FINANCIAL POSITION AND RESULTS OF OPERATIONS

1. OPERATING PERFORMANCE AND FINANCIAL STATUS

- (a) Appropriation of financial structure, sufficiency of liquidity, quality of assets, profitability, efficiency :

Authorized Share Capital	(Baht)	408,333,330.00
Issue and Paid-up Share Capital	(Baht)	402,312,500.00
Total Assets	(Baht)	1,419,459,251.25
Total Liabilities	(Baht)	312,928,894.91
Shareholders' Equity	(Baht)	1,106,530,356.34
Net Profit	(Baht)	85,111,055.54

Financial Structure of 2010

	Financial Structure		Capital Structure	
	Thousand Baht	%	Thousand Baht	%
Total Current Liabilities	192,603	13.57		
Long-Term Loans	120,326	8.48	120,326	9.81
Total Liabilities	312,929	22.05	120,326	9.81
SHAREHOLDERS' EQUITY				
Authorized 40,231,250 shares	402,312	28.34	402,312	32.79
Premium on share capital	629,437	44.34	629,437	51.30
Legal reserve	12,285	0.87	12,285	1.00
Retained earnings (deficit)	62,496	4.40	62,496	5.09
Total Shareholders' Equity	1,106,530	77.95	1,106,530	90.19
Total Liabilities and Shareholders' Equity	1,419,459	100.00	1,226,856	100.00



Appropriation of Financial Structure

Debt to total assets	22.05%
Equity to total assets	77.95%
Long-term debt to long-term funds	10.87%
Equity to long-term funds	100.00%

The above analysis indicates that total debt in financial structure was 22.05% it is the short-term of 13.57% and long-term load of 8.48%. In other word, the company had shareholders' equity of 77.95 percent. Regarding short-term debts were covered by shareholders' equity.

Appropriation of Capital Structure

Debt to total assets ratio	0.22	time
Debt to Equity	0.28	time
Profit to interest payable (Interest coverage ratio)	13.05	time
Book value per share	27.50	Baht

From the above data, the shareholders' equity to total debt ratio was 3.50 : 1 indicates that debtors had high collateral. The book value per share of Baht 27.50 indicated the ownership on the Company's assets.

Sufficiency of Liquidity

Liquidity ratio	0.75	time
Quick ratio	0.67	time
Cash liquidity ratio	0.61	time
Interest coverage ratio	13.05	time

The above ratios indicate that the Company's liquidity was decreased from the previous year due to the investment of medical equipment.

Assets Quality

Accounts receivable turnover	10.96	time
Collection period	33	days
Inventory turnover	31.18	time
Day sales of inventory	12	days
Accounts payable turnover	14.11	time
A/P settlement period	25	days
Fixed assets turnover	1.19	time
Total assets turnover	0.42	time



The correction period was 23 days because the company has sell on cash of 62.33% while sell on credit only 37.67%. The day sales of inventory was 12 days because the efficiency of manage the inventory.

The efficiency of assets utilization was 1 Baht of fixed assets generated revenue of approximately 1.19 Baht while the 1 Baht of total assets generated revenue of approximately 0.42 Baht.

Profitability

Gross profit	30.61 %
Return on net profit	14.39 %

The gross profit was 30.61 percent decreased from the previous year 0.91% due to the increased of revenue was more than the increasing of expenses. The return of net profit was 14.39% increased from the previous year 4.12% the maid reason from dividend income.

Efficiency

Return on sales	14.39 %
Return on total assets	6.09 %
Return on equity	7.71 %

(b) Causes of Significant Changes in Transaction or Ratio

- None

(c) Extraordinary transactions which significantly affect the Company's financial position and result of operation

The company has dividend income amount to Baht 33,709,125.

(d) Major Subsequent Events

- None



FINANCIAL STATEMENTS AND AUDITORS' REPORT
CHIANG MAI RAM MEDICAL BUSINESS PUBLIC COMPANY LIMITED
DECEMBER 31, 2010 AND 2009

