

Opinion of the Independent Financial Advisor  
Regarding the Disposition of Assets to Connected Person  
Of  
Chiang Mai Ram Medical Business Public Company Limited

Submitted  
Shareholders



โรงพยาบาลลานนา เชียงใหม่  
LANNA HOSPITAL CHIANGMAI

Chiang Mai Ram Medical Business Public Company Limited

Prepared by



Asset Pro Management Company Limited

March 21<sup>st</sup>, 2016

## Table of Contents

	Page
Executive Summary	
Summary of the Opinion of IFA Regarding the Deposition of Assets to Connected Person	1
<b><u>The Deposition of the Land the Polyclinic Project Located</u></b>	
<b>Part 1: Transaction Overview</b>	
1.1 Objective and Background of Transaction	6
1.2 Transaction Date	9
1.3 Related Parties - Summary of Purchase and Sale Agreement of Land, Lease Agreement of Land and other Information about the Buyer	9
1.4 Summary about Asset and the Polyclinic Project	17
1.5 Class and Size of Transaction	32
1.6 Value of Consideration	35
1.7 Value of the Disposed Asset	35
1.8 Criteria in Calculating the Value of Consideration	35
1.9 Source of Capital	35
1.10 Plan of using Cash Received from Disposal of Asset	36
1.11 Expected Benefits	36
1.12 Opinion from the Board of Directors	36
1.13 The Opinion of Audit Committee and/or Directors differed from the Opinion from the Board of Directors	36
<b>Part 2: Reasonableness and Benefits of the Transaction</b>	
2.1 Objective and Necessity of the Transaction	37
2.2 Advantages and Disadvantages of Performing and Not performing the Transaction	37
2.3 Advantages and Disadvantages of Performing the Transaction with Connected Person or Outsider	40
2.4 Risks of Performing the Transaction	41
<b>Part 3: Reasonability of the Price and Appropriateness of the Conditions in the Transaction</b>	
3.1 The Reasonability of the Price in the Transaction	42
3.2 The Appropriateness of the Conditions in the Transaction	47
<b>Part 4: Summary of the Opinion of IFA</b>	49



Appendix

Appendix Page

Summary of Chiang Mai Ram Medical Business Public Company Limited

1.1	Company Overview	1
1.2	Business Overview	1
1.3	Company Structure	2
1.4	List of Shareholders	4
1.5	Organizational Structure, Directors and Executives	5
1.6	Performance and Financial Position	7

IFA has provided the definitions of abbreviations used in this report as follows.

Abbreviation	Definition
The company of CMR	Chiang Mai Ram Medical Business Public Company Limited
CMH	Chiang Mai Ram Hospital Company Limited
RAM	Ramkhamhaeng Hospital Public Company Limited
Polyclinic Project	Chiang Mai Ram Polyclinic Project
Stock Exchange or SET	Stock Exchange of Thailand
Office of SEC	Office of the Securities and Exchange Commission
TorJor. 20/2551	Notification of Capital Market Supervisory Board No. Torjor 20/2551 titled Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets
Torjor. 21/2551	Notification of Capital Market Supervisory Board No. Torjor 21/2551 titled Rules on Related Transactions
Independent Financial Advisor or IFA	Asset Pro Management Co., Ltd. (APM)
Aor 1	Building Permits
OPD	Out-Patient Department

Ref. No. APM 48 / 2559

March 21, 2016

Subject The Opinion of the Independent Financial Advisor on Disposal of Asset to Connected Person of  
Chiang Mai Ram Medical Business Public Company Limited

Attention Shareholders of Chiang Mai Ram Medical Business Public Company Limited

The Board of Director of Chiang Mai Ram Medical Business Public Company Limited (“CMR” or “the Company”) has resolved at its meeting No. 1/2016 held on February 24, 2016 to approve the sale of land of the Company according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to Chiangmai Ram Hospital Co., Ltd. (“CMH”) that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of changing the investment format from leasing for Chiangmai Ram Polyclinic Project (“Polyclinic Project”) to purchasing the land from the Company to do Polyclinic Project. The construction of buildings in the project has been already started for some period of time. The building for medical service is expected to open for service in August 2016. Dr. Racha Somburanasin and Dr. Chamnan Chanapai are the directors of the Company and Ramkhamhaeng Hospital Public Company Limited (“RAM”) that is the major shareholder of CMH with the ownership proportion of 42.89%. This is considered to be the connected person according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Therefore, this transaction is considered to be the connected transaction.

This transaction is the connected transaction that is subject to Notification of Capital Market Supervisory Board No. TorChor. 21/2551 about Ruled on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Moreover, the transaction is the disposal of asset according to Notification of Capital Market Supervisory Board No. TorChor. 20/2551. After calculating the size of transaction according to the ruled on connected transaction, the value of consideration is THB 386.90 million. As of December 31, 2015, the value of net tangible assets according to the audited financial statement was THB 2,418.85 million. The size of transaction is 16.00% of the value of net tangible assets of the Company. Moreover, the size of transaction is more than or equal to THB 20.00 million and higher than or equal to 3.00% of the value of net tangible assets of the Company.

The Company needs to disclose information to the Stock Exchange of Thailand and get the approval from the Board of Directors as well as get the approval from the shareholders’ meeting with supporting votes of at least three-fourths of total votes of shareholders and proxies (if any) attending the meeting and having the

voting rights excluding interest shareholders according to Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJor/Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546.

The investment in Polyclinic Project of CMH was approved by the Board of Directors Meeting No. 7/2015 held on July 16, 2015. Total investment value is THB 366.94 million or the size of acquisition of asset is 6.24% of total assets according the financial statement of the Company at that time (according to the consolidated financial statement as of June 30, 2015 because it is when CMH approved the investment in Polyclinic Project). The size of transaction of this investment is less than 15.00%. Therefore, the acquisition of asset in investment in Polyclinic Project is not considered to be the materialized transaction. The Company can do without disclosing information to the Stock Exchange of Thailand and it is not necessary to get the approval from the shareholders' meeting of the Company. Currently, the project is under construction and is expected to finish and open for services in August 2016.

The Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJor/Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 determined that the Company needs to have the Independent Financial Advisor. Therefore, the Company has appointed Asset Pro Management Co., Ltd. ("the Independent Financial Advisor") as the Independent Financial Advisor who provides the opinion to shareholders about disposal of asset to connected person in this transaction.

For this transaction, there are advantages and disadvantages of entering into the transaction, advantages and disadvantages of not entering into the transaction, advantages and disadvantages of doing the transaction with connected person, advantages and disadvantages of doing the transaction with other parties, and risks of entering into the transaction that can be summarized as follows.

Advantages and Disadvantages of Entering into the Transaction	
Advantages of Entering into the Transaction	Disadvantages of Entering into the Transaction
1) Appropriate rearrangement of asset structure of the Company 2) The Company can use the cash from selling the land to payback the debts or to invest to earn better returns 3) Managing assets for achieving highest benefits	- None -
Advantages and Disadvantages of Not Entering into the Transaction	
Advantages of Not Entering into the Transaction	Disadvantages of Not Entering into the Transaction
- None -	1) The asset structure of the Company is not rearranged appropriately 2) Loss the opportunity in using cash from selling the land to payback the debts or to invest to earn better returns 3) Loss the opportunity in managing assets for achieving highest benefit
Advantages and Disadvantages of Doing the Transaction with Connected Person	
Advantages of Doing the Transaction with Connected Person	Disadvantages of Doing the Transaction with Connected Person
1) Appropriate rearrangement of asset structure of the Company	- None -
Advantages and Disadvantages of Doing the Transaction with Other Parties	
Advantages of Doing the Transaction with Other Parties	Disadvantages of Doing the Transaction with Other Parties
- None -	1) The Company will lose the ownership on land used for Polyclinic Project
Risks of Entering into the Transaction and Not Entering into the Transaction	
Risks of Entering into the Transaction	Risks of Not Entering into the Transaction
1) Risk that CMH cannot pay for the price of land	- None -

Independent Financial Advisor has performed the valuation of asset using many approaches with different advantages and disadvantages. The value of asset from valuation can be summarized as follows.

Valuation Approach	Value (THB million)	Compared to the value of the Transaction of THB 386.90 million
Book Value Approach	250.00	Higher than THB 136.90 million or higher by 35.38%
Adjusted Book Value Approach	386.90	Equal to the value of the Transaction

The Independent Financial Advisor has considered for many valuation approached and opined that the appropriate value approach for this transaction is Adjusted Book Value Approach that considers the cost in acquiring the asset (based on the Company's financial statement) adjusted to the market value according to the current conditions based on the property appraisal report from the Independent Appraiser. The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the adjusted book value approach, the price in the transaction is equal to the book value of asset after adjustment.

Based on the above reasons, the Independent Financial Advisor has opined that the price in disposal of asset to connected person with the Company of 386.90 million baht is fair and reasonable.

#### Summary of the Opinion of the Independent Financial Advisor

Based on all above information, the Independent Financial Advisor has opined that the transaction about disposal of land according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575 for 7 parcels with total area of 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be disposed to Chiangmai Ram Hospital Co., Ltd. ("CMH") that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of changing the investment format from leasing for the Polyclinic Project to purchasing the land from the Company to do the project. The construction of buildings in the project has been already started for some period of time. The buildings for medical services are expected to open for service in August 2016. Dr. Racha Somburanasin and Dr. Chamnan Chanapai are the directors of the Company and Ramkhamhaeng Hospital Public Company Limited ("RAM") that is the major shareholder of CMH with the ownership proportion of 42.89%. This is considered to be the connected person according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Therefore, this transaction is considered to be the connected transaction.





The objective of this transaction to rearrange the asset structure of the Company and the Company can use the cash from selling the land to payback the debts or to invest to earn better returns. Moreover, the Company can manage assets for achieving highest benefits. The Independent Financial Advisor has considered risk factors and conditions of the transaction including advantages and disadvantages of entering or not entering into the transaction. The Independent Financial Advisor has opined that it is benefit for the Company to enter into the transaction. Therefore, the Independent Financial Advisor has opined that the shareholders should vote for this transaction.

Asset Pro Management Co., Ltd. as the Independent Financial Advisor has performed the due diligence and analysis of various information with prudence under the professional standards. The opinion is based on the information and documents received from various sources including from executives of the Company are completely accurate based on the current condition and situation. If some information is inaccurate or there is any significant change from the current condition, it may significantly affect the opinion in this report.

The shareholders should study the information in this IFA report and related documents in order to come up with own justification for making appropriate decision. The decision to vote for or against the transactions rests primarily with the shareholders.

Disposal of Land used for Chiangmai Ram Polyclinic Project to Connected Person

Part 1 : Transaction Overview about Disposal of Asset to Connected Person

1.1 Objective and Background

The Board of Director of Chiang Mai Ram Medical Business Public Company Limited (“CMR” or “the Company”) has resolved at its meeting No. 1/2016 held on February 24, 2016 to approve the sale of land of the Company according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to Chiangmai Ram Hospital Co., Ltd. (“CMH”) that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of changing the investment format from leasing for Chiangmai Ram Polyclinic Project (“Polyclinic Project”) to purchasing the land from the Company to do Polyclinic Project. The construction of buildings in the project has been already started for some period of time. The building for medical service is expected to open for service in August 2016. Dr. Racha Somburanasin and Dr. Chamnan Chanapai are the directors of the Company and Ramkhamhaeng Hospital Public Company Limited (“RAM”) that is the major shareholder of CMH with the ownership proportion of 42.89%. This is considered to be the connected person according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Therefore, this transaction is considered to be the connected transaction.

This transaction is the connected transaction that is subject to Notification of Capital Market Supervisory Board No. TorChor. 21/2551 about Ruled on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Moreover, the transaction is the disposal of asset according to Notification of Capital Market Supervisory Board No. TorChor. 20/2551. After calculating the size of transaction according to the ruled on connected transaction, the value of consideration is THB 386.90 million. As of December 31, 2015, the value of net tangible assets according to the audited financial statement was THB 2,418.85 million. The size of transaction is 16.00% of the value of net tangible assets of the Company. Moreover, the size of transaction is more than or equal to THB 20.00 million and higher than or equal to 3.00% of the value of net tangible assets of the Company.

The Company needs to disclose information to the Stock Exchange of Thailand and get the approval from the Board of Directors as well as get the approval from the shareholders’ meeting with supporting votes of at least three-fourths of total votes of shareholders and proxies (if any) attending the meeting and having the voting rights excluding interest shareholders according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546.

The investment in Polyclinic Project of CMH was approved by the Board of Directors Meeting No. 7/2015 held on July 16, 2015. Total investment value is THB 366.94 million or the size of acquisition of asset is 6.24% of total assets according the financial statement of the Company at that time (according to the consolidated financial statement as of June 30, 2015 because it is when CMH approved the investment in Polyclinic Project). The size of transaction of this investment is less than 15.00%. Therefore, the acquisition of asset in investment in Polyclinic Project is not considered to be the materialized transaction. The Company can do without disclosing information to the Stock Exchange of Thailand and it is not necessary to get the approval from the shareholders' meeting of the Company. Currently, the project is under construction and is expected to finish and open for services in August 2016.

The Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJor/Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 determined that the Company needs to have the Independent Financial Advisor. Therefore, the Company has appointed Asset Pro Management Co., Ltd. ("the Independent Financial Advisor") as the Independent Financial Advisor who provides the opinion to shareholders about disposal of asset to connected person in this transaction.

The Company and CMH have done many activities related to the purchase and sale of land used for Polyclinic Project as follows.

- The Board of Directors of CMH has resolving in its meeting no. 7/2015 held on July 16, 2015 to approve the development of Polyclinic Project on the land leased from the Company according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The land was used to be the parking lot. Total investment in this land is THB 366.94 million.
- On August 1, 2015, the Company and CMH have done the lease agreement of land for those 7 parcels for 2 years starting from October 1, 2015 to September 30, 2017. The leased fee is THB 110,000 (this is the extension of former lease agreement from October 1, 2013 to September 30, 2015).
- On October 15, 2015, CMH has hired the construction contractor to start the construction of buildings for Polyclinic Project as follows.

Contractor	Job	Amount (THB million)
P.T.Pro Engineering Co., Ltd.	Structure construction, architecture, and water supply and sanitation system of Dentistry Building, Dermatology Building, and Physical Check-up Building	63.87

Contractor	Job	Amount (THB million)
Gear Sao Kao Construction Co., Ltd	Structure construction, architecture, and water supply and sanitation system of Physical Therapy Building	18.00
Natthaphak Conctruction Ltd. Part.	Structure construction, architecture, and water supply and sanitation system of Office Building and Maintenance Building	18.30
Gear Sao Kao Construction Co., Ltd.	Structure construction, architecture, and water supply and sanitation system of Office for Rent Building No. 3-4 and Waste Management Building	30.83
Thanapol Business Ltd. Part.	Foundation piles	4.80
<b>Total amount in the contract</b>		<b>135.80<sup>1/</sup></b>

<sup>1/</sup> This amount is based on the construction agreement with contractors of Polyclinic Project. Currently, the company makes the agreement with the contractors for the construction of 7 buildings from the total of 10 buildings. Total value of those agreements is THB 135.80 million, which is a part of total investment in construction around THB 194.14 million (More details in the topic of 1.4.6)

- On November 27, 2015, CMR has hired the independent adviser who is approved by the Office of Securities and Exchange Commission (“Office of SEC”), which is Ktac Appraisal And Sevice Co.,Ltd. to do the appraisal for the land used for Polyclinic Project according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The appraisal is done using Market Approach and the value of land from this appraisal is THB 386.90 million.
- The Board of Directors of the Company has resolving in its meeting no. 1/2016 held on February 24, 2016 to approve the sale of land used for Polyclinic Project according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to CMH. The transaction is considered to be the disposal of asset to connected person. The Company needs to propose to the 2016 Annual General Meeting of Shareholders held on April 26, 2016 to approve this transaction.

- On February 26, 2016, the Company and CMH has done the sale and purchase agreement for land used for Polyclinic Project according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million.

The disposal of asset to the connected person in this transaction is the asset that is not under the current business plan of the Company. CMH is the subsidiary of the Company. The land is only 150 meter away from CMH and is the location for Polyclinic Project. Moreover, the land is on the commercial and high-density residential zone (Red Zone) with the limitation in land utilization (More details in the topic of 1.4.1). This disposal of land is the appropriate arrangement of asset structure of the Company and the Company still earns the return from Polyclinic Project as the parent company of CMH that is the owner of the project. The performance of the project will be included in the consolidated financial statement of the Company and the Company will earn the dividend from CMH because CMH is the subsidiary of the Company with ownership proportion of 56.37%.

## 1.2 Transaction Date

The Board of Director of the Company has resolved at its meeting No. 1/2016 held on February 24, 2016 to approve the sale of land of the Company according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to CMH that is the subsidiary of the Company. On February 26, 2016, the Company has done the Purchase and Sale Agreement of land and the ownership transfer will be done within April 30, 2016 under the condition that the Company needs to get the approval from the 2016 Annual General Meeting of Shareholders held on April 26, 2016.

## 1.3 Related Parties - Summary of Purchase and Sale Agreement of Land, Lease Agreement of Land and other Information about the Buyer

### 1.3.1 Related Parties

Related Parties	:	Purchase and Sale Agreement of Land used for Polyclinic Project
Seller	:	Chiang Mai Ram Medical Business Public Company Limited (“CMR”) (“the Company”)
Buyer	:	Chiangmai Ram Hospital Co., Ltd. (CMH)
Relationship	:	CMH is the subsidiary of CMR with ownership proportion of 56.37% and RAM is the major shareholder of CMH with ownership proportion of



42.89%. Dr. Racha Somburanasin and Dr. Chamnan Chanapai are the directors of both CMR and RAM, which is considered to be connected person according to “Notification of the Board of Governors of the Stock Exchange of Thailand” Re. “Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (Completed version) and (No. 2) B.E. 2547”.

### 1.3.2 Summary of Purchase and Sale Agreement of Land

Date	:	February 26, 2016
Seller	:	Chiang Mai Ram Medical Business Public Company Limited (“CMR”) (“the Company”)
Buyer	:	Chiangmai Ram Hospital Co., Ltd. (CMH)
Land	:	Title Deeds No. 3231, 3239, 3240, 3241, 3242, 8574 และ 8575 Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Location	:	Bunrueang Rit Road with 150 meter away from CMH
Price	:	THB 386.90 million
Payment	:	The buyer will make payment THB 386.90 million to the seller by cheque/cashier cheque payable to the seller on the ownership transfer date. The registration of ownership transfer and the payment will be made on that day at the Land Office.
Tax and fees in ownership transfer	:	The buyer and the seller will share the payment for ownership transfer fee, stamp duty, and other expenses in ownership transfer equally. The seller will be responsible for the withholding tax.
Conditions	:	The seller will transfer the ownership on April 30, 2016 under the condition that the seller gets the approval from the 2016 Annual General Meeting of Shareholders held on April 26, 2016. If it is disapproved, this agreement will be terminated immediately without any notification.
Confirmation by the Seller	:	The seller has confirmed that there is no obligation <sup>1</sup> . After making the purchase and sale agreement, the seller will not create any obligation on the land. Moreover, the seller has confirmed that the land is not under eviction. If there is any eviction, the seller will be responsibility to clear such eviction before the ownership transfer.
Default	:	If the buyer does not go for ownership transfer and making payment on the date specified in the agreement, this agreement will be terminated



immediately without any notification.

Meanwhile, If the seller does not go for ownership transfer according to the term and conditions in the agreement, this agreement will be terminated immediately without any notification.

Note: <sup>1</sup> Currently, the land is under the mortgage with Bangkok Bank Public Company Limited with the amount of THB 500.00

### 1.3.3 Summary of Lease Agreement that is currently effective

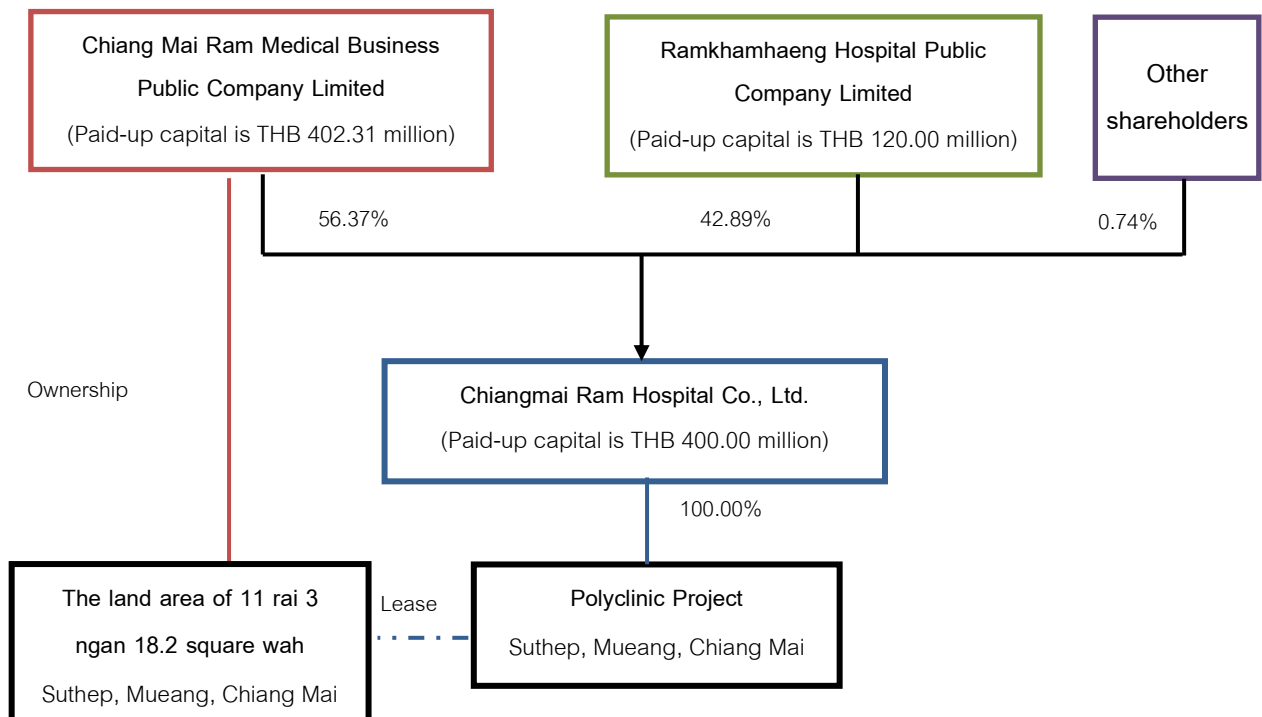
Date	:	August 1, 2015
Lessor	:	Chiang Mai Ram Medical Business Public Company Limited (“CMR”) (“the Company”)
Lessee	:	Chiangmai Ram Hospital Co., Ltd. (“CMH”)
Land	:	Title Deeds No. 3231, 3239, 3240, 3241, 3242, 8574 และ 8575 Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Location	:	Bunrueang Rit Road with 150 meter away from CMH
Purpose	:	Parking lots for customers and employees of CMH
Leased fees	:	THB 110,000 per month
Leased Term	:	2 years starting from October 1, 2015 to September 2017
Tax payment	:	The lessor is responsible for local maintenance tax and other taxes in the future.
Usage	:	<ul style="list-style-type: none"> <li>- The lessor allows the lessee to adjust the land are by fencing the border of the land as in the title deeds.</li> <li>- The lessee shall look over the land and shall not allow anyone to encroach of take possession of the land and shall allow the lessor or the representative of lessor to inspect the property as appropriate.</li> </ul>
Right transfer	:	The lessee cannot transfer the right to lease or cannot sub-lease the property totally or partially to others without the written consent from the lessor.
Return of Property	:	At the expiration or termination of the agreement for any reason, the lessee will move all properties from the land immediately. If the lessee does not move all properties from the land, the lessee agrees to allow the lessor to take over all properties remaining on the land. All properties or buildings on the land belong to the ownership of the lessor once.

### 1.3.4 Information about the Buyer

#### Chiangmai Ram Hospital Co., Ltd. ("CMH")

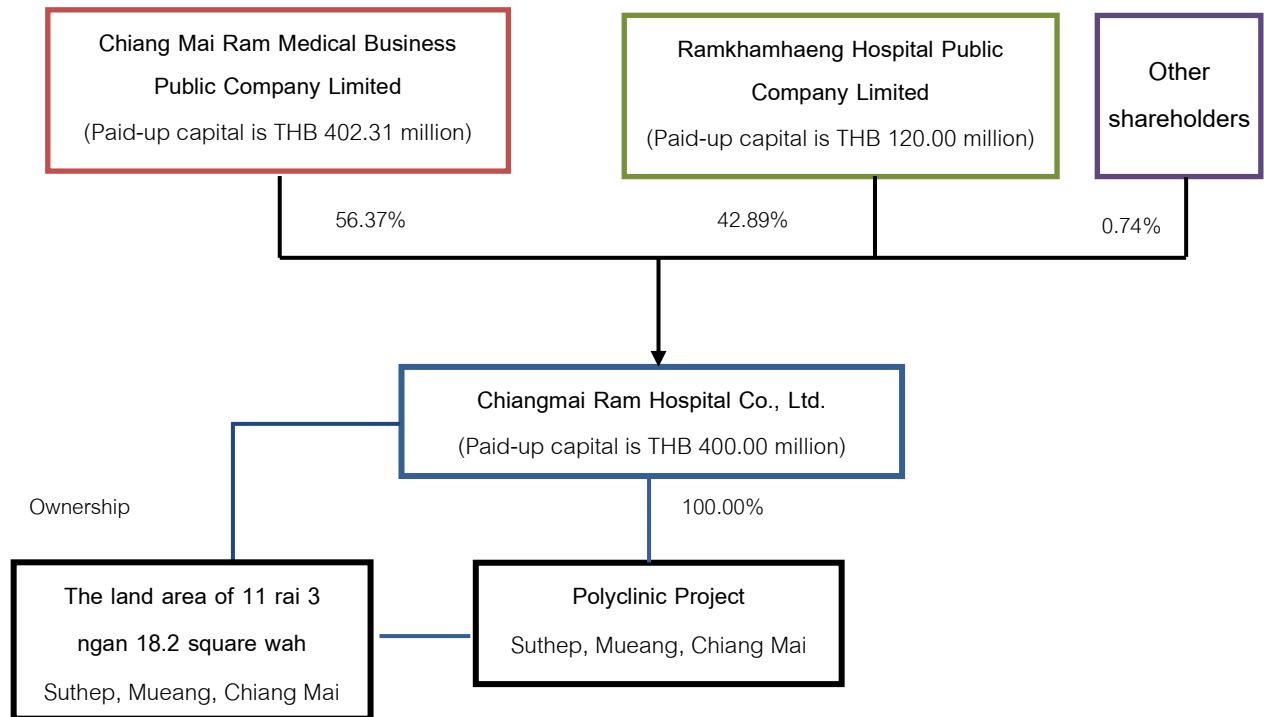
CMH was established on December 26, 1990 with the company registration no. 0505533004012. The authorized and paid-up capital is THB 400.00 million. CMH is from the joint investment between the group of doctors in Chiang Mai and the group of doctors in Ramkamhaeng Hospital in Bangkok. The Company has the ownership proportion of 56.37% while RAM has the ownership proportion of 42.89%. CMH has operated the hospital, which is the private hospital with the size of 350 beds. Currently, there are 220 beds that are opened for use. The hospital can support more than 1,000 patients per day. Currently, there are more than 700 people working in the hospital and 50 specialized doctors in all areas, as well as the staffs providing services for 24 hours.

#### Company Structure and Asset Holding (Before the Transaction)





### Company Structure and Asset Holding (After the Transaction)



### Board of Directors of CMH

As of December 26, 2015, there are 8 directors as follows.

Name	Authorized directors
1. Dr. Racha Somburanasin <sup>1/</sup>	<b>Divided into 2 groups, which are (a) and (b)</b> (a) Dr. Racha Somburanasin, Dr. Thawatchai Tansathit, Dr. Virat Chuenim, Dr. Aurchart Kanjanapitak, Dr. Chamnan Chanapai (b) Dr. Varaphan Unachak, Dr. Sumeth Handagoon, Dr. Pramuk Unachak In doing any juristic act, any director from (a) signs together with any director from (b) signs, together with the company's seal
2. Dr. Thawatchai Tansathit <sup>2/</sup>	
3. Dr. Virat Chuenim <sup>1/</sup>	
4. Dr. Aurchart Kanjanapitak <sup>1/</sup>	
5. Dr. Varaphan Unachak <sup>2/</sup>	
6. Dr. Chamnan Chanapai <sup>1/</sup>	
7. Dr. Sumeth Handagoon <sup>2/</sup>	
8. Dr. Pramuk Unachak <sup>2/</sup>	

Note: information from the Company

<sup>1/</sup> Representatives from RAM

<sup>2/</sup> Representatives from the Company



#### List of Shareholders

CMH has authorized capital of THB 400.00 million in form of 40.00 million ordinary shares with par value of 10.00. The list of 10 major shareholders of the company as of December 18, 2015 that is the latest book closing date is as follows.

No.	Shareholders	Number of Share	%
1	Chiang Mai Ram Medical Business Public Company Limited	22,546,250	56.37
2	Ramkhamhaeng Hospital Public Company Limited	17,156,667	42.89
3	Mr. Chotipong Udondetudom	45,000	0.11
4	Ms. Somluck Peuapoangam	20,000	0.05
5	Ms. Sangwon Pitchayentarayothin	16,667	0.04
6	Ms. Chawala Pitchayentarayothin	16,666	0.04
7	Mr. Sophon Wattanachai	10,000	0.03
8	Mr. Serm Phianthaweerat	10,000	0.03
9	Ms. Jiamjai Panjayajaphokakij	10,000	0.03
10	Ms. Uraiwan Intarasoti	10,000	0.03
11	Other shareholders	158,750	0.38
	<b>Total</b>	<b>40,000,000</b>	<b>100.00</b>

**Performance and Financial Position**
**Statement of Financial Position**

Assets	(Unit: THB million)					
	2013	%	2014	%	2015	%
Cash and Cash Equivalents	87.52	2.56	95.82	2.58	128.09	3.24
Short-term Investments	1.26	0.04	1.29	0.03	1.31	0.03
Trade Accounts	128.62	3.76	156.26	4.21	130.61	3.31
Trade Accounts with Related Parties	0.72	0.02	2.08	0.06	3.22	0.08
Short-term Loans to Parent Company	100.00	2.93	80.00	2.16	-	-
Short-term Loans to Subsidiaries	-	-	-	-	-	-
Short-term Loans to Related Parties	313.00	9.16	253.00	6.82	253.00	6.40
Inventories	71.73	2.10	73.35	1.98	65.93	1.67
Other Current Assets	5.70	0.17	6.72	0.18	23.30	0.59
<b>Total Current Assets</b>	<b>708.55</b>	<b>20.73</b>	<b>668.51</b>	<b>18.02</b>	<b>605.46</b>	<b>15.33</b>
Available-for-Sale Investments	1,566.85	45.84	1,667.36	44.95	1,766.17	44.71
Investment in Associates	71.14	2.08	88.63	2.39	96.78	2.45
Investment in Subsidiaries	-	-	-	-	-	-
Other Long-term Investments	15.30	0.45	65.24	1.76	185.19	4.69
Long-term Loans to Related Parties	5.63	0.16	5.63	0.15	5.63	0.14
Property, Plant And Equipment	1,022.94	29.92	1,181.55	31.85	1,266.29	32.06
Intangible Assets	8.81	0.26	8.52	0.23	7.40	0.19
Bank Deposits Pledged as Collateral	11.92	0.35	13.05	0.35	13.31	0.34
Deferred Tax Assets	2.76	0.08	2.10	0.06	2.25	0.06
Other Non-Current Assets	4.46	0.13	9.01	0.24	1.58	0.04
<b>Total Non-Current Assets</b>	<b>2,709.81</b>	<b>79.27</b>	<b>3,041.08</b>	<b>81.98</b>	<b>3,344.61</b>	<b>84.67</b>
<b>Total Assets</b>	<b>3,418.35</b>	<b>100.00</b>	<b>3,709.60</b>	<b>100.00</b>	<b>3,950.07</b>	<b>100.00</b>

Liabilities and Equity	(Unit: THB million)					
	2013	%	2014	%	2015	%
<b>Current Liabilities</b>						
Bank Overdraft and Short-term Loans from Financial Institutions	105.05	3.07	78.01	2.10	67.48	1.71
Trade Accounts	101.63	2.97	115.90	3.12	109.48	2.77
<b>Current Portion Of Long-Term Liabilities</b>						
Long-term Loans from Financial Institutions	77.40	2.26	77.40	2.09	105.82	2.68
Lease Obligations	0.35	0.01	0.96	0.03	0.97	0.02

Liabilities and Equity	(Unit: THB million)					
	2013	%	2014	%	2015	%
<b>Current Liabilities</b>						
Short-term Loans from related parties	131.20	3.84	231.20	6.23	232.20	5.88
Short-term Loans from other parties	237.65	6.95	252.00	6.79	252.50	6.39
Other Payable	8.71	0.25	8.96	0.24	8.04	0.20
Deferred Tax Asset	27.59	0.81	22.77	0.61	26.31	0.67
Accrued Medical Remuneration	70.19	2.05	60.74	1.64	52.62	1.33
Accrued Expenses	11.66	0.34	14.55	0.39	14.70	0.37
Asset Payable	16.07	0.47	6.55	0.18	15.28	0.39
Advance Received	13.60	0.40	40.48	1.09	-	-
Dividend Payable	40.00	1.17	-	-	-	-
Other Current Liabilities	11.36	0.33	10.24	0.28	16.12	0.41
<b>Total Current Liabilities</b>	<b>852.44</b>	<b>24.94</b>	<b>919.77</b>	<b>24.79</b>	<b>901.53</b>	<b>22.82</b>
<b>Non-Current Liabilities</b>						
Long-term Loans from Financial Institutions	174.53	5.11	97.14	2.62	108.82	2.75
Lease Obligations	0.79	0.02	3.13	0.08	2.16	0.05
Deferred Tax Liabilities	279.85	8.19	297.70	8.03	316.18	8.00
Post Employee Benefit Obligations	34.98	1.02	30.54	0.82	35.81	0.91
Other Non-current Liabilities	-	-	1.69	0.05	1.30	0.03
<b>Total Non-Current Liabilities</b>	<b>490.15</b>	<b>14.34</b>	<b>430.20</b>	<b>11.60</b>	<b>464.27</b>	<b>11.75</b>
<b>Total Liabilities</b>	<b>1,342.59</b>	<b>39.28</b>	<b>1,349.97</b>	<b>36.39</b>	<b>1,365.80</b>	<b>34.58</b>
<b>Equity</b>						
Authorized Share Capital						
40,000,000 Ordinary Shares with the Par Value of THB 10.00	400.00		400.00		400.00	
Issued and Paid-Up Share Capital						
40,000,000 Ordinary Shares with the Par Value of THB 10.00	400.00	11.70	400.00	10.78	400.00	10.13
<b>Retained Earnings</b>						
Appropriated						
Legal and Statutory Reserves	21.17	0.62	24.32	0.66	30.64	0.78
Unappropriated	476.18	13.93	676.46	18.24	820.22	20.76
Other Components of Equity	1,178.41	34.47	1,258.84	33.93	1,333.41	33.76
<b>Total Equity</b>	<b>2,075.76</b>	<b>60.72</b>	<b>2,359.62</b>	<b>63.61</b>	<b>2,584.27</b>	<b>65.42</b>
<b>Total Liabilities and Equity</b>	<b>3,418.35</b>	<b>100.00</b>	<b>3,709.60</b>	<b>100.00</b>	<b>3,950.07</b>	<b>100.00</b>

**Statement of Comprehensive Income**

Items	(Unit: THB million)					
	2013	%	2014	%	2015	%
<b>Revenue</b>						
Revenue from Medical Services	1,648.97	97.74	1,707.09	97.17	1,796.97	97.27
<b>Other Revenue</b>						
Interest Income	15.16	0.90	18.12	1.03	16.01	0.87
Dividends Income	15.75	0.93	16.56	0.94	15.41	0.83
Other Revenue	7.18	0.43	15.10	0.86	18.96	1.03
<b>Total Revenue</b>	<b>1,687.06</b>	<b>100.00</b>	<b>1,756.86</b>	<b>100.00</b>	<b>1,847.36</b>	<b>100.00</b>
Cost of Medical Services	1,172.71	69.51	1,240.33	70.60	1,294.06	70.05
Administrative Expenses	168.90	10.01	192.57	10.96	202.86	10.98
Finance Costs	31.07	1.84	29.69	1.69	30.84	1.67
<b>Total Expenses</b>	<b>1,372.68</b>	<b>81.37</b>	<b>1,462.58</b>	<b>83.25</b>	<b>1,527.77</b>	<b>82.70</b>
Profit Sharing from Associates	10.76	0.64	19.85	1.13	13.21	0.72
Profit before Income Tax	325.15	19.27	314.13	17.88	332.81	18.02
Income Tax Expenses	61.33	3.64	57.88	3.29	62.72	3.40
<b>Net Profit</b>	<b>263.81</b>	<b>15.64</b>	<b>256.25</b>	<b>14.59</b>	<b>270.08</b>	<b>14.62</b>
Other Comprehensive Incomes – Net of Tax	194.75	11.54	87.62	4.99	74.56	4.04
<b>Total Comprehensive Income</b>	<b>458.56</b>	<b>27.18</b>	<b>343.86</b>	<b>19.57</b>	<b>344.65</b>	<b>18.66</b>

**1.4 Summary about Asset and Polyclinic Project**

The Company will dispose the asset to the connected person and that asset is the location of Polyclinic Project of CMH. The transaction has the objective to change the investment format that CMH used to lease from the Company for Polyclinic Project to purchasing the land instead so that CMH will be the owner of Polyclinic Project. Currently, the project is under construction. The information about land used for the project and other project information are as follows.

**1.4.1 Information of Land used for Polyclinic Project**

Characteristics	:	Land includes 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The shape land is polygon.
Land Title	:	Title Deed no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575 Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Location	:	Bunrueang Rit Road with 150 meter away from CMH
Condition	:	Plain area that was filled to the same level of road
Current Usage	:	Under construction of Dentistry Building, Dermatology Building, and Physical Check-up Building under the name of Chiangmai Ram Hospital



	Polyclinic
Owner	: Chiang Mai Ram Medical Business Public Company Limited
Obligation	: Under the mortgage with Bangkok Bank Public Company Limited for the amount of THB 500.00 million.
Value based on the Independent Appraiser	: THB 386.90 million
Report Date	: December 9, 2015
Appraisal Date	: November 27, 2015
Objective	: Public use
Valuation	: Market Approach
Appraiser	: Ktac Appraisal And Service Co.,Ltd.
Transaction Price	: THB 386.90 million
Related regulations	: According to the zoning, the land is located in commercial and high-density residential zone (Red Zone). The restriction of land utilization for the building with usable area of 1,000 square meters and the height of 12 meter is to leave the blank space of at least 40% of total land area.

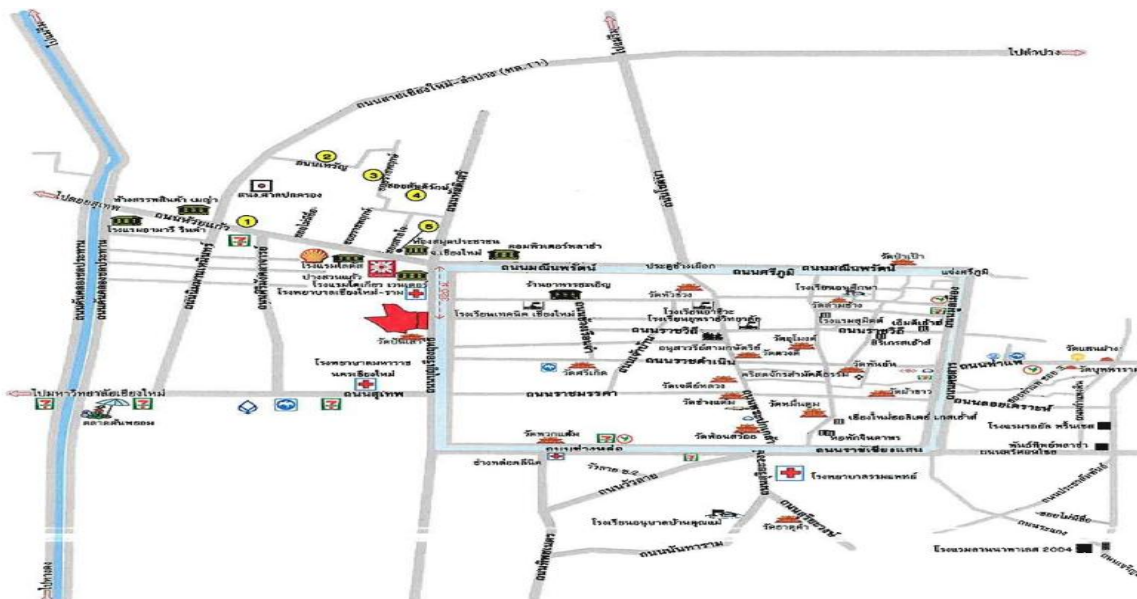
Source: The property appraisal report done by Ktac Appraisal And Service Co.,Ltd.

#### Details about Property Valuation based on the Property Appraisal Report

Factor	Item 1	Item 2	Item 3
Property Type	Vacant land	Vacant land	Vacant land
Location	On Huaykaew Road	On Taewan Road	On Huaykaew Road
Area (rai-ngan-square wah)	7-0-65.1 rai	1-2-16.0 ไร่ rai	4-3-00 rai
Land shape	Polygon	Polygon	L-shape
Width x Depth	The width of land next to the road is 80.00 meter	The width of land next to the road is 50.00 meter	The width of land next to the road is 65.00 meter
Number of side next to road	1 side	1 side	1 side
Land level	Already filled Same level as road	Already filled Same level as road	Already filled Same level as road
Road Usage	Public road	Public road	Public road
Road Surface, Width, and Right of Way	Asphalt 4 lanes Width of 12 meter Right of way is 30 meter Moderate condition	Reinforced concrete Width of 6 meter Right of way is 8 meter Moderate condition	Asphalt 4 lanes Width of 12 meter Right of way is 30 meter Moderate condition
Utility	Electricity, water supply,	Electricity, water supply,	Electricity, water supply,

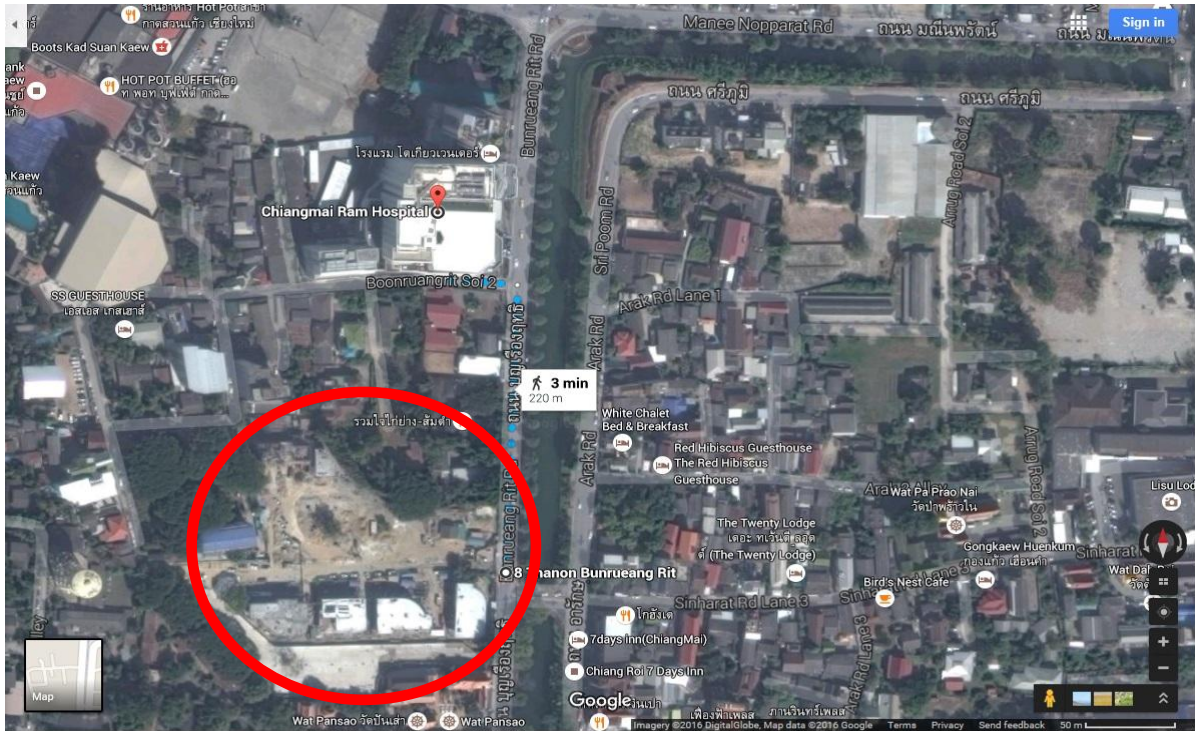
Factor	Item 1	Item 2	Item 3
	telephone	telephone	telephone
Zoning	Red	Red	Red
Other regulations	-	-	-
Environment	Commercial area	Commercial and residential area	Commercial and residential area
Comparison of Location	Better than Target Property	Poorer than Target Property	Better than Target Property
Best Utilization	Commercial	Commercial	Commercial
Condition	Offering price	Offering price	Announcement price
Date/month/year	As of survey date	As of survey date	As of survey date
Offering price	THB 140,000.00 /sq.w.	THB 90,000.00 /sq.w.	THB 126,315.00 /sq.w.
Area (sq.w.)	2,865.10	616.00	1,900.00
Offering price (THB/sq.w.)	140,000.00	90,000.00	126,315.00
Negotiated discount (THB)	-30,000.00	-15,000.00	-16,315.00
Adjusted Price (THB)	110,000.00	75,000.00	110,000.00
Weighted-average Value	13,048.00	56,048.00	13,048.00
Value from Weighted-average	THB 82,144.00/sq.w.		
Appraised Value (THB/sq.w.)	THB 82,000.00/sq.w.		
Value of Land	4,718.20 sq.w. X 82,000.00 = around THB 386.90 million		

#### 1.4.2 Location Map

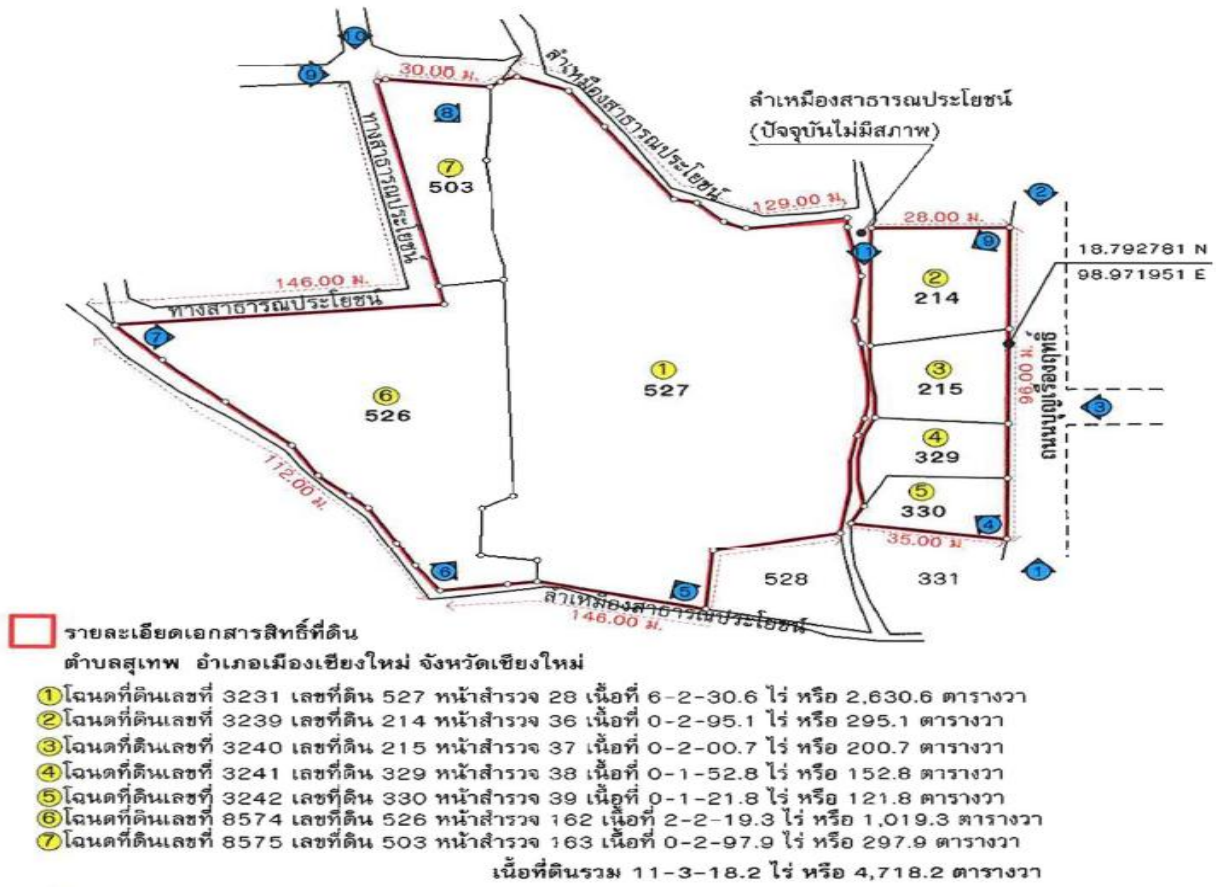




1.4.3 Aerial Photograph of Project Location



1.4.4 Land Shape of All Land Titles





#### 1.4.5 Overview of Polyclinic Project

The number of population in Chiang Mai and nearby provinces has increased including foreigners who come to stay or live in long-term. The demand for medical services also increases. The executives of CMH see the opportunity that CMH can expand its medical services by doing Polyclinic Project to support higher demand for medical services to outpatients (OPD) and to expand the capacity of CMH. The land used for development of the project is the land that CMH has leased from the Company for parking lots according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. It is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The land can be used for development of the center for medical services in order to satisfy to customers who demand for medical services with convenience and speed. Moreover, it can satisfy the lifestyle in urban area with many shops selling goods or providing services in the project area. This is the reason for development of Polyclinic Project. Thereafter, The Board of Director of CMH has resolved at its meeting No. 7/2015 held on July 16, 2015 to approve the investment for Polyclinic Project on that land with total investment of THB 366.94 million, which is the size of transaction of 6.24% of total assets according the financial statement of the Company at that time (according to the consolidated financial statement as of June 30, 2015 because it is when CMH approved the investment in Polyclinic Project). The size of transaction of this investment is less than 15.00%. Therefore, the acquisition of asset in investment in Polyclinic Project is not considered to be the materialized transaction. The Company can do without disclosing information to the Stock Exchange of Thailand and it is not necessary to get the approval from the shareholders' meeting of the Company. Currently, the project is under construction and is expected to finish and open for services in August 2016.

During the construction of buildings in Polyclinic Project, CMH has considered that the project is located on the land with the lease agreement for only 2 years and the negotiation for extension will be done before expiration. The project faces risk from short-term lease agreement. In the future, if CMH would like to get the loan from financial institutions for working capital or business expansion using buildings as collateral, it is difficult to do so because the bank will not accept the mortgage of buildings on short-term lease agreement. CMH decided to change the investment format from leasing the land from the Company to purchasing the land used for Polyclinic Project instead. CMH has negotiated with the Company to purchase this land that was used as the parking lot at that time. Thereafter, the Board of Directors of the Company has resolved in its meeting no. 1/2016 held on February 24, 2016 to sell the land to CMH.

Polyclinic Project is the project providing medical services in form of clinic. The project will focus on outpatients (OPD) in 4 areas, which are dentistry, dermatology, physical check-up, and physical therapy. Moreover, there are some commercial spaces for selling goods and providing services in the project in order to provide convenience to customers. The patients and other customers will get convenience and one-stop services in the project. There is also an office building of CMH in the project. The project area is 11 rai 3 ngan 18.2 square wah with 10 main buildings with parking lots for customers that can support 260 cars. The buildings can be divided based on utilization as follows.

- 1) There are 4 buildings for clinic. This will increase the service potential of CMH and facilitate more patients for medical specialists (It is expected to finish and open for services in August 2016). They consist of
  - 1.1) Dentistry Clinic 2-storey building with usable area of 980.00 sq.m.
  - 1.2) Dermatology Clinic 2-storey building with usable area of 980.00 sq.m.
  - 1.3) Physical Check-up Clinic 2-storey building with usable area of 980.00 sq.m.
  - 1.4) Physical Therapy Clinic 2-storey building with usable area of 970.00 sq.m.
- 2) 5-storey commercial building with usable area of 4,600.00 sq.m. with drive-through at the front
- 3) 3-storey office building for staffs, document storage, and meeting room for CMH with usable area of 970.00 sq.m.

#### 1.4.6 Investment Budget in Polyclinic Project

Items	Amount (THB million)
1. Building construction	194.14 <sup>1/</sup>
2. Interior decoration and other systems	80.98
3. Utility system	61.82
4. Medical equipment	30.00 <sup>2/</sup>
<b>Total</b>	<b>366.94</b>

**Note:** <sup>1/</sup> Based on the current construction of Polyclinic Project, CMH has the agreement with contractors for 7 building from the total of 10 buildings. The value of agreement is THB 135.80 million (More details in the topic of 1.4.11)

<sup>2/</sup> The investment amount is estimated by the executives of the Company. The medical equipment includes X-ray equipment and other equipment used in physical check-up clinic. Other medical equipment about dentistry, dermatology, and physical therapy will be transferred from CMH to the Polyclinic Project.

1.4.7 Images of the Project

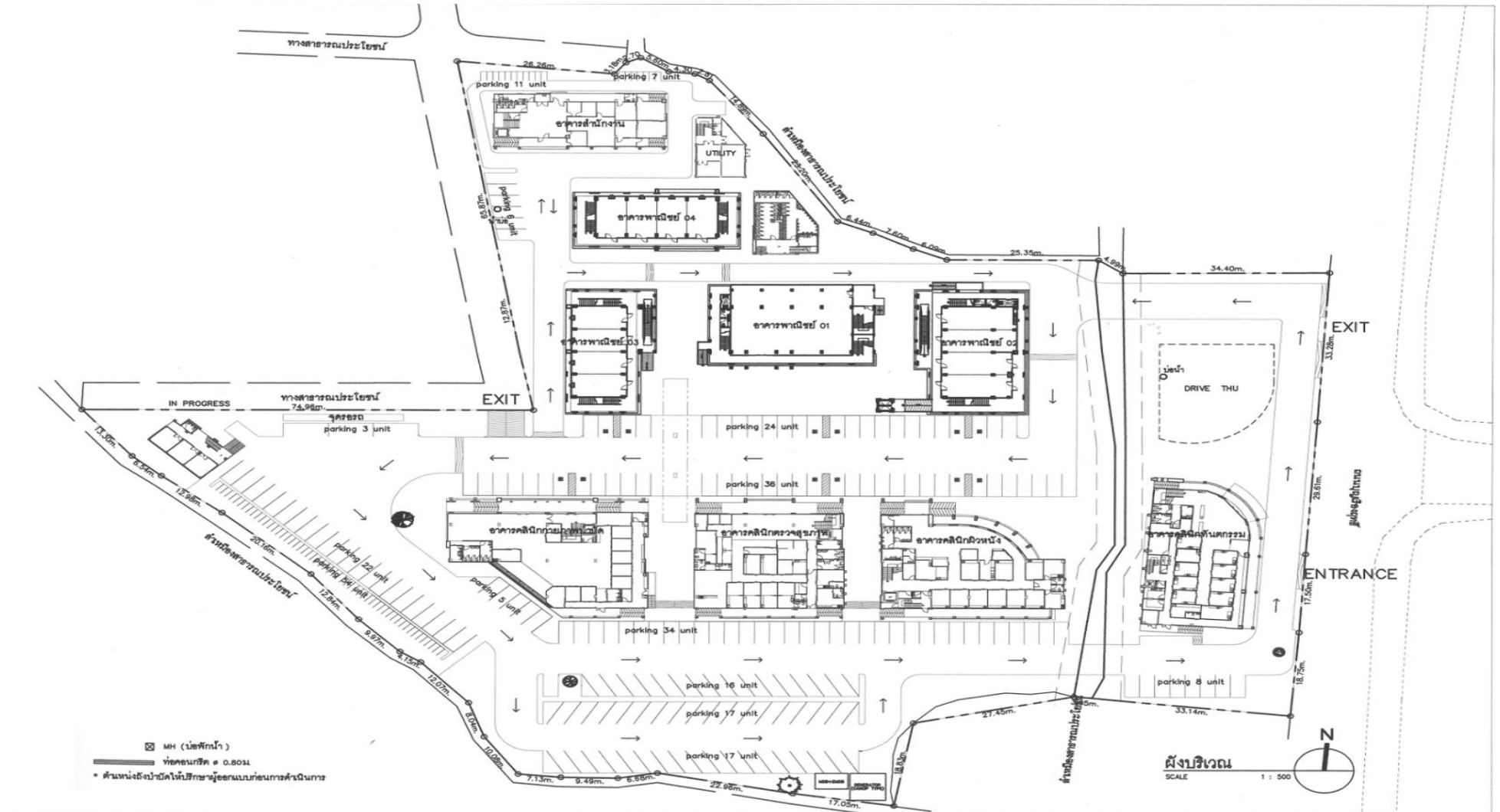




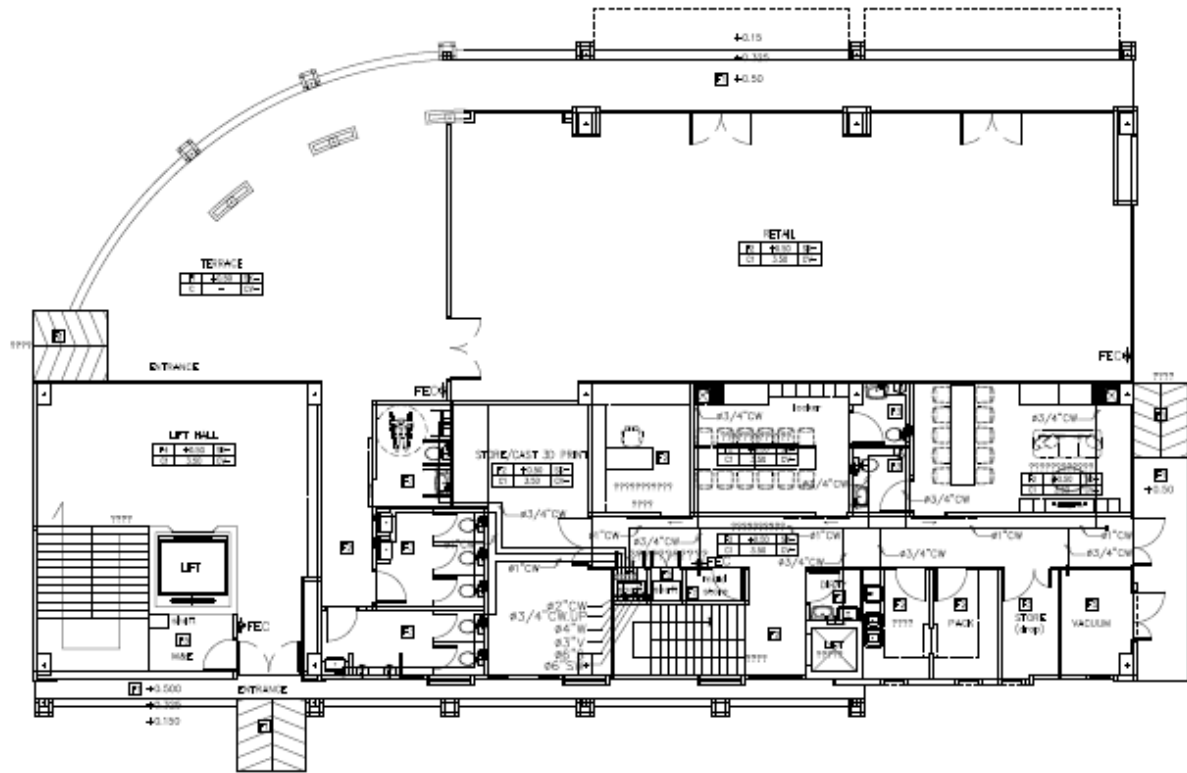


1.4.8 Layout Plan and Floor Plan

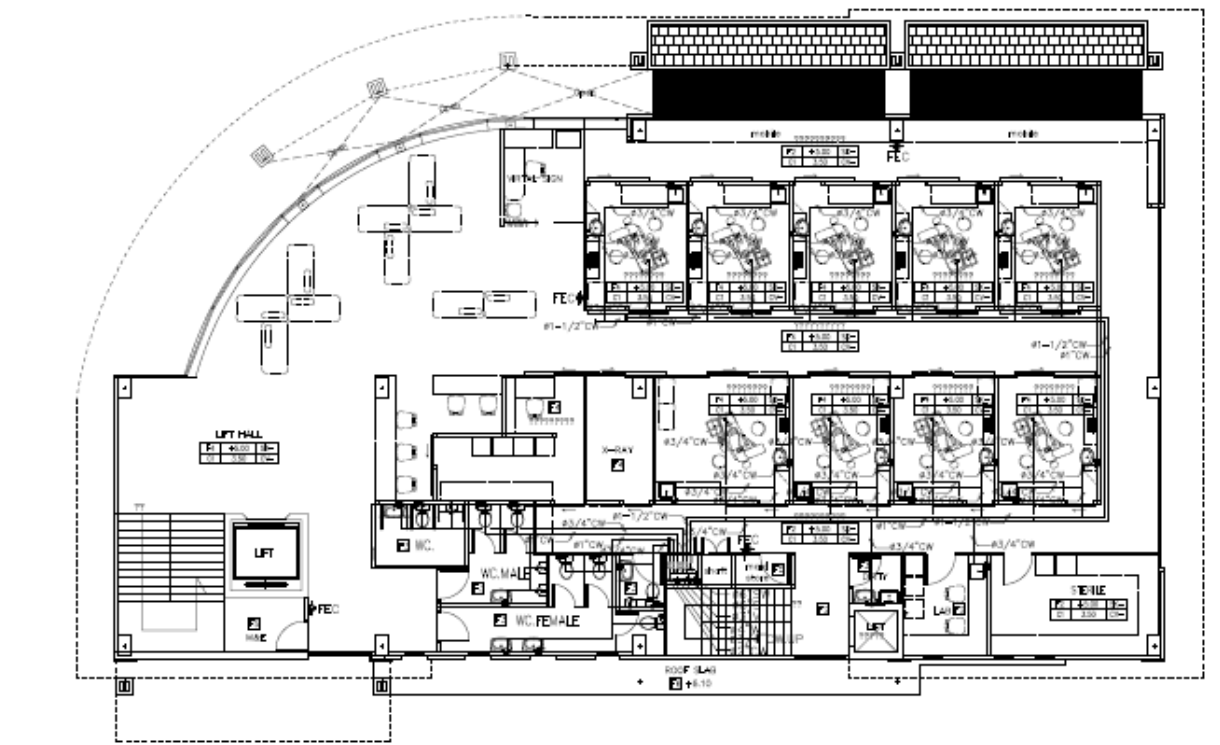
Layout Plan



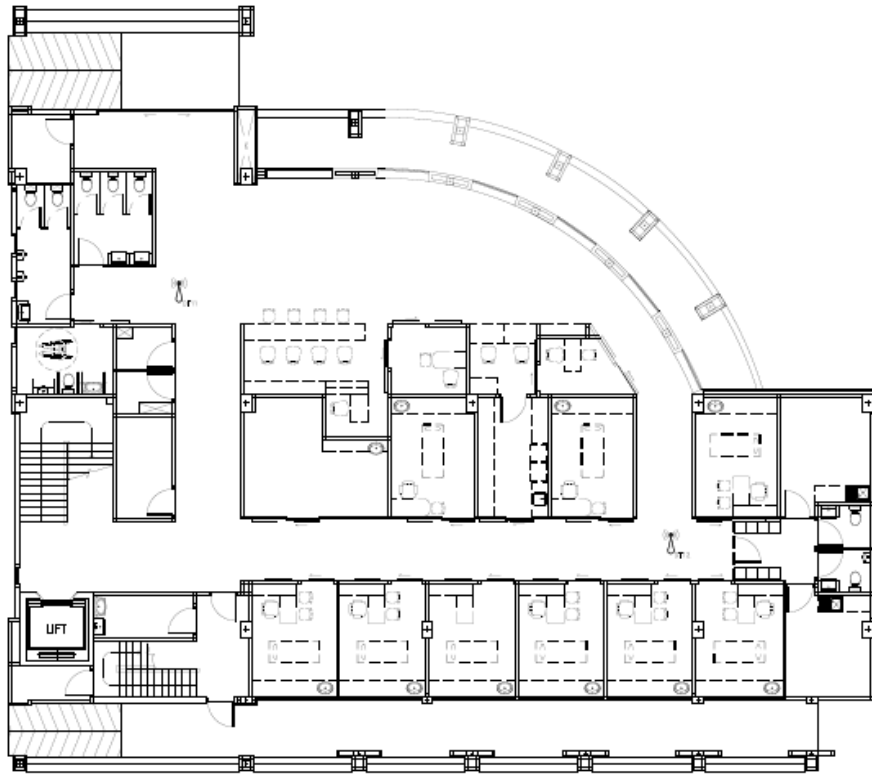
Floor Plan of Dentistry Building – 1<sup>st</sup> Floor



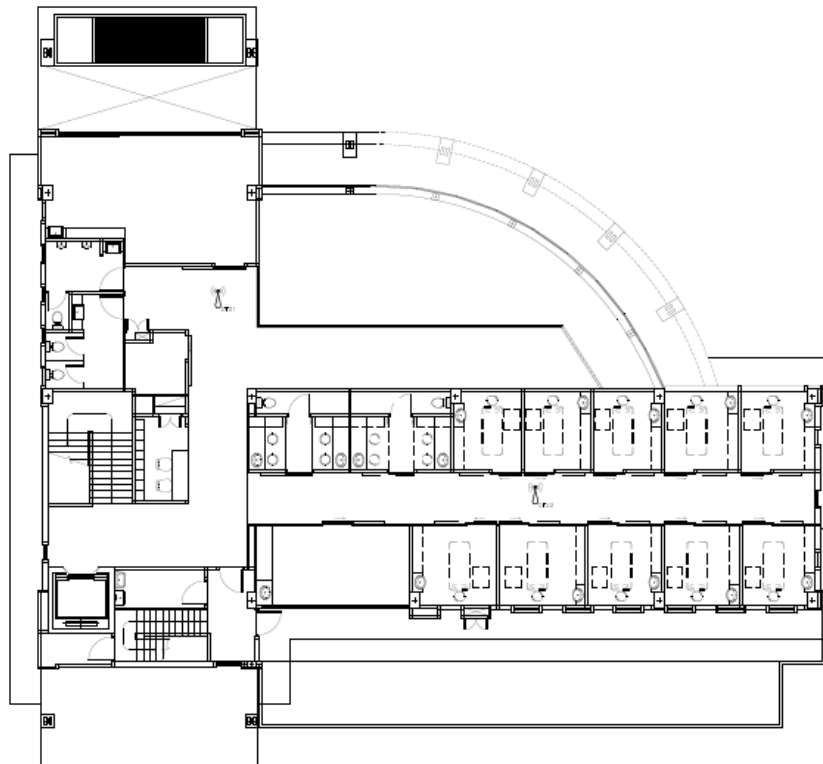
Floor Plan of Dentistry Building – 2<sup>nd</sup> Floor



Floor Plan of Dermatology Building – 1<sup>st</sup> Floor

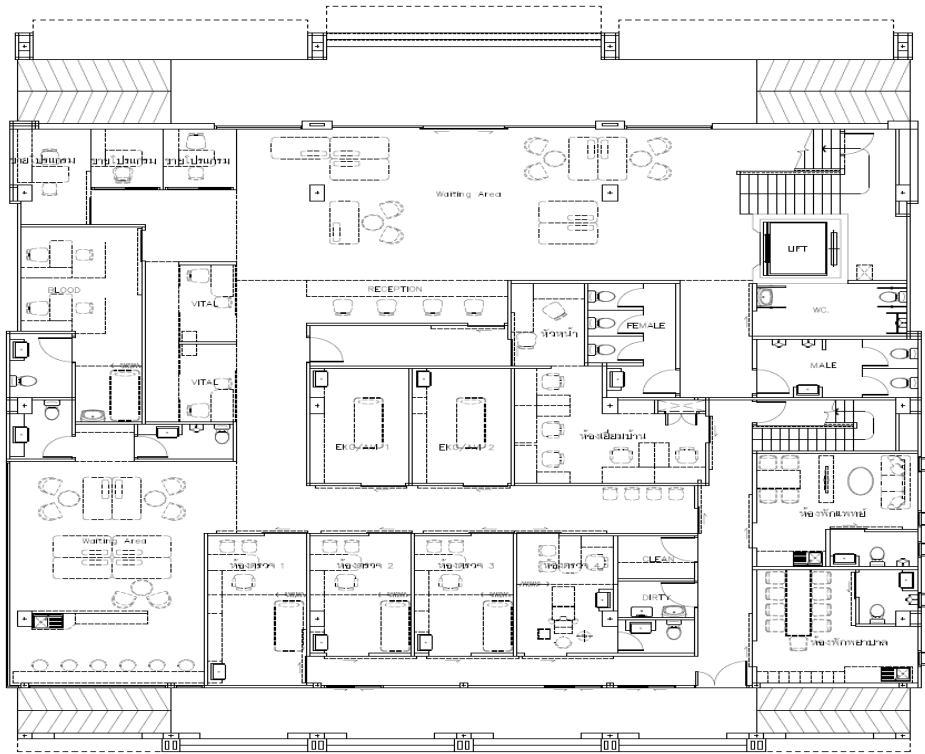


Floor Plan of Dermatology Building – 2<sup>nd</sup> Floor

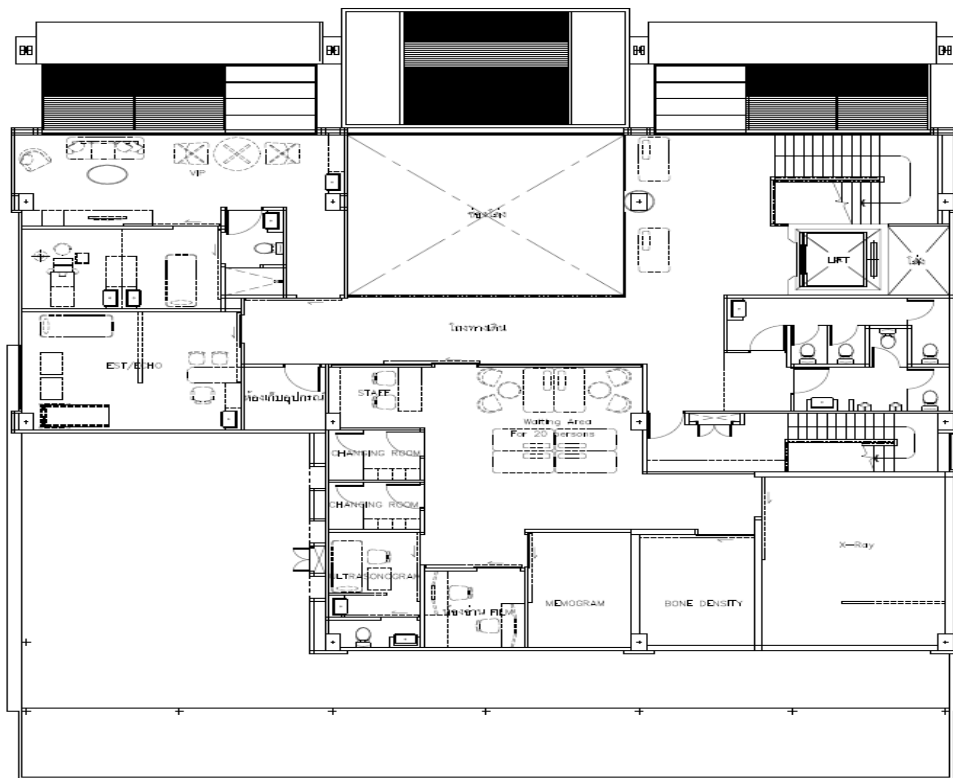




Floor Plan of Physical Check-up Building – 1<sup>st</sup> Floor

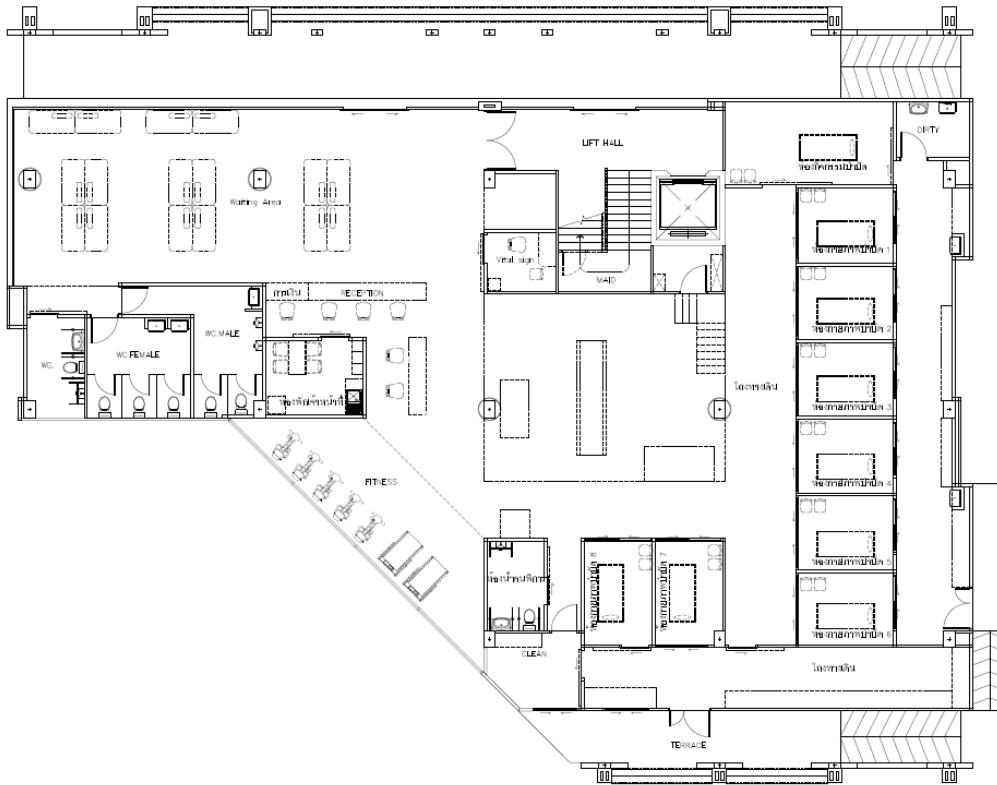


Floor Plan of Physical Check-up Building – 2<sup>nd</sup> Floor

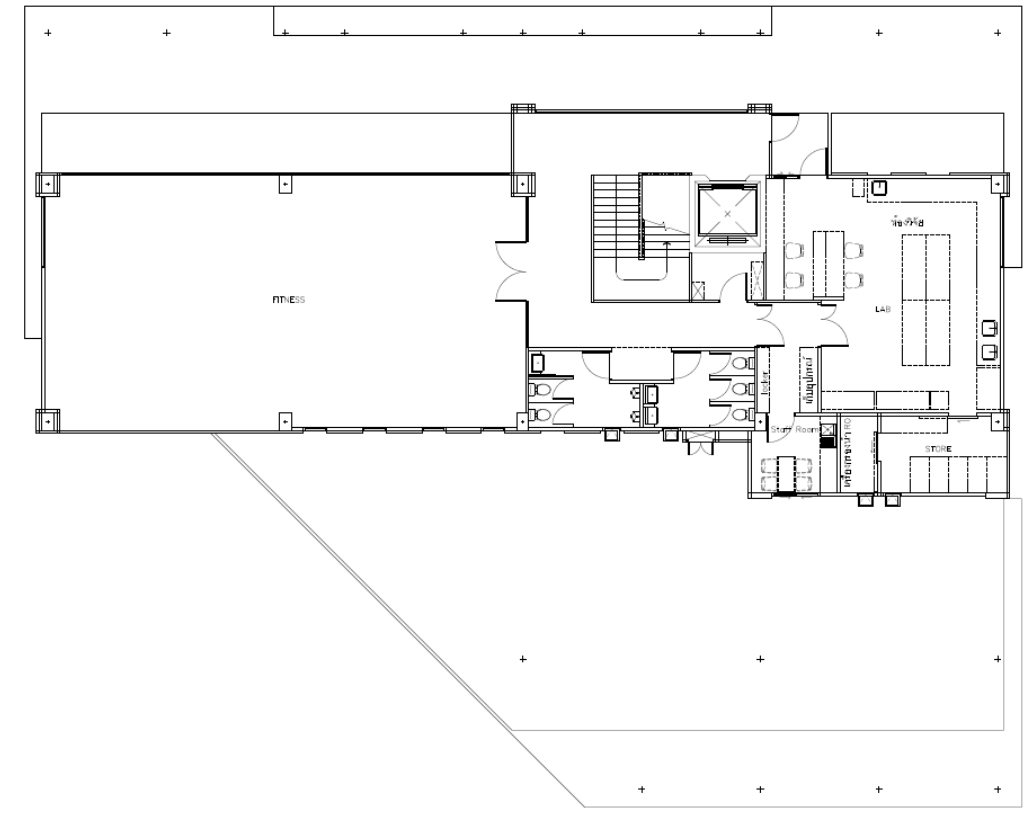




Floor Plan of Physical Therapy Building – 1<sup>st</sup> Floor



Floor Plan of Physical Therapy Building – 2<sup>nd</sup> Floor



1.4.9 Project Progress as of March 15, 2016



## 1.4.10 Project Schedule

Description	Duration (month)	2015						2016							
		Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16
• Starting development of Polyclinic Project															
• Land adjustment	3														
• Building construction	8														
• Interior decoration and other systems	4														
• Utility system	11														
• Installation of medical equipment	2														
• Approval of purchase and sale of land by Shareholders' meeting	1														
• Ownership transfer of land	1														
• Getting license to operate in form of clinic	2														
• Open Polyclinic Project for medical services	1														
• Open Polyclinic Project for commercial buildings (in sequence)	1														

Note: The commercial buildings will be opened in sequence based on the readiness of service providers who will rent the space in the area. It is expected to start opening in August 2016 onward

#### 1.4.11 Related Parties to the Project

##### Summary of Construction Contract for Buildings in Polyclinic Project

Contractor	Job	Amount (THB million)
P.T.Pro Engineering Co., Ltd.	Structure construction, architecture, and water supply and sanitation system of Dentistry Building, Dermatology Building, and Physical Check-up Building	63.87
Gear Sao Kao Construction Co., Ltd	Structure construction, architecture, and water supply and sanitation system of Physical Therapy Building	18.00
Natthaphak Construction Ltd. Part.	Structure construction, architecture, and water supply and sanitation system of Office Building and Maintenance Building	18.30
Gear Sao Kao Construction Co., Ltd.	Structure construction, architecture, and water supply and sanitation system of Office for Rent Building No. 3-4 and Waste Management Building	30.83
Thanapol Business Ltd. Part.	Foundation piles	4.80
<b>Total amount in the contract</b>		<b>135.80</b>

Note: There are 3 more commercial buildings that will be constructed and opened later after the clinic.

<sup>1/</sup> This amount is based on the construction agreement with contractors of Polyclinic Project. Currently, the company makes the agreement with the contractors for the construction of 7 buildings from the total of 10 buildings. Total value of those agreements is THB 135.80 million, which is a part of total investment in construction around THB 194.14 million (More details in the topic of 1.4.6)

#### 1.5 Class and Size of Transaction

The Board of Director of the Company has resolved at its meeting No. 1/2016 held on February 24, 2016 to approve the sale of land of the Company according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575, which are totally 7 parcels. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to CMH that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of changing the investment format from leasing for Polyclinic Project to purchasing the land from the Company to do Polyclinic Project. The construction of buildings in the project has been already started for some period of time. This disposal of asset is considered to be the connected transaction according to Notification of Capital Market Supervisory Board No. TorChor. 21/2551 about Ruled on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand No.

Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546, as well as Notification of Capital Market Supervisory Board No. TorJor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (“Acquisition and Disposal Rule”) and other related notifications. The size of transaction is calculated based on information from the consolidated financial statement of the Company as of June 30, 2015 and the Company financial statement as December 31, 2015 as the following details.

Unit : THB million	Consolidated Financial Statement of the company as of June 30, 2016 (Reviewed)	Consolidated Financial Statement of the company as of December 31, 2015 (Audited)
Total assets	5,883.74	6,055.95
Intangible assets	313.63	310.37
Total liabilities	2,217.46	2,128.37
Minority Interest	1,160.00	1,198.36
<b>Net Total Assets (“NTA”)<sup>1</sup></b>	<b>2,192.65</b>	<b>2,418.85</b>

Note: <sup>1</sup> Net total asset (NTA) is calculated by Total Assets – Intangible Assets – Total Liabilities – Minority Interest

#### 1.5.1 Size of Transaction according to Connected Transaction Rules

This transaction is the connected transaction that is subject to Notification of Capital Market Supervisory Board No. TorChor. 21/2551 about Ruled on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJor/Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546.

After calculating the size of transaction according to the ruled on connected transaction, the value of consideration is THB 386.90 million. As of December 31, 2015, the value of net tangible assets according to the audited financial statement was THB 2,418.85 million. The size of transaction is 16.00% of the value of net tangible assets of the Company. Moreover, the size of transaction is more than or equal to THB 20.00 million and higher than or equal to 3.00% of the value of net tangible assets of the Company.

Criteria for Connected Transaction	Description	Calculation <sup>1</sup> (Unit: THB million)	Size (%)
1. Selling Price	Transaction Value based on Purchase Price (THB 386.90 million) <hr/> %NTA <sup>2</sup> of the Company	$\frac{386.90}{2,418.85}$	16.00
2. Market Price	Transaction Value based on Purchase Price <hr/> %NTA <sup>2</sup> of the Company	-	-

Note: <sup>1</sup> Calculation based on the audited financial statement of the Company as of December 31, 2015.

<sup>2</sup> Net total asset (NTA) is calculated by Total Assets – Intangible Assets – Total Liabilities – Minority Interest

According to Notification of the Board of Governors of the Stock Exchange of Thailand No. BorJor/Por 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003, the Company needs to get the approval from the Board of Directors and disclose information to the Stock Exchange of Thailand as well as get the approval from the shareholders' meeting with supporting votes of at least three-fourths of total votes of shareholders and proxies (if any) attending the meeting and having the voting rights excluding interest shareholders

### 1.5.2 Size of Transaction of investment in Polyclinic Project according to Acquisition and Disposal Rules

The investment in Polyclinic Project belongs to CMH that is the subsidiary of the Company with ownership proportion of 56.37%. The Board of Director of CMH has resolved at its meeting No. 7/2015 held on July 16, 2015 to approve the investment amount of THB 366.94 million. This transaction is considered to the acquisition and disposal of asset according to Notification of Capital Market Supervisory Board No. TorChor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 and Notification of The Board of Governors of the Stock Exchange of Thailand No. Borjor/Por. 21-01 about Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposal of Assets B.E. 2547 dated October 29, 2004. The size of transaction based on Acquisition and Disposal Rules is 6.24% of total assets of the Company according to the consolidated financial statement as of June 30, 2015 because it is when CMH approved the investment in Polyclinic Project. The size of transaction is less than 15% of total assets of the Company. The calculation details are as follows.

Criteria for Acquisition and Disposal Rules	Description	Calculation <sup>1</sup> (Unit: THB million)	Size (%)
1. Value of Acquired or Disposed Asset	$\frac{\text{Ownership Proportion} \times \text{NTA}^2 \text{ of Target Company} \times 100}{\text{NTA of List Company and Subsidiaries}}$	n/a <sup>4</sup>	
2. Net Profit after Tax	$\frac{\text{Ownership Proportion} \times \text{Net Profit of Target Company} \times 100}{\text{Net Profit of Listed Company}}$	n/a <sup>4</sup>	
3. Total Value of Consideration	$\frac{\text{Total Value of Consideration}^3 \times 100}{\text{Total Asset of Listed Company}}$	$\frac{366.94^3 \times 100.00}{5,883.74}$	6.24
4. Value of Securitization Issued for Acquired Asset	$\frac{\text{Value of Shares Issued for Acquired Asset} \times 100}{\text{Value of Issued and Paid-up Shares of Listed Company}}$	n/a <sup>4</sup>	

Note: <sup>1</sup> Calculation is based on the audited financial statement of the Company as of December 31, 2015

<sup>2</sup> Net Total Asset (NTA) is calculated from Total Assets – Intangible Assets – Total Liabilities – Minority Interest

<sup>3</sup> Total value of consideration in development of Polyclinic Project of CMH is THB 366.94 million

<sup>4</sup> This cannot be calculated because the acquisition of asset is the investment in the new project. There is no operating performance and the amount of asset in financial statement. Moreover, there is no share issuance to pay for this investment.

The size of transaction is less than 15% based on total value of consideration (according to the consolidated financial statement of the Company as of June 30, 2015, which is the period that the Board of Directors of CMH has resolving in its meeting no. 7/2015 held on July 16, 2015 to approve the investment in Polyclinic Project). Therefore, the Company can do without disclosing information to the Stock Exchange of Thailand and it is not necessary to get the approval from the shareholders' meeting of the Company.

#### 1.6 Value of Consideration

The Company has determined the value of consideration from disposal of land used for Polyclinic Project as follows.

Disposal of Land used for Polyclinic Project	Amount (THB million)
Cash	386.90
<b>Total value from disposal of land</b>	<b>386.90</b>

Source : The amount is based on the Purchase and Sale Agreement of Land

#### 1.7 Value of Disposed Asset

Disposal of Land used for Polyclinic Project	Amount (THB million)
Land used for Polyclinic Project	386.90
<b>Total value from disposal of land</b>	<b>386.90</b>

Source : The amount is based on the Purchase and Sale Agreement of Land

#### 1.8 Criteria used in calculating the value of consideration

To consider the appropriateness of the selling price of land, the Company has considered based on the value from the property appraisal done by Ktac Appraisal And Service Co.,Ltd. who is the independent appraiser approved by the Office of Securities and Exchange Commission. The appraisal is done using Market Approach and the value is THB 386.90 million.

#### 1.9 Source of Capital of CMH

For the source of capital that CMH will use to make the single payment for land on the ownership transfer date, CMH has determined the source of capital as follows.

Source of Capital (THB million)		Use of Capital (THB million)	
Loans from Financial Institutions	250.00	Amount Paid for Land	386.90
Working Capital of CMH <sup>1</sup>	146.90		
<b>Total</b>	<b>386.90</b>	<b>Total</b>	<b>386.90</b>

Note : <sup>1</sup> CMH is currently applying for loan from one financial institution. If CMH does not get the loan, CMH will use the source of capital from working capital of CMH



### 1.10 Plan of using Cash Received from Disposal of Asset of the Company

After the Company receives the payment of land, the Company had planned to use that amount as follows.

Source of Capital (THB million)		Use of Capital (THB million)	
Cash received from selling land	386.90	Repayment of short-term loan	160.00
		Repayment of long-term loan	50.00
		Use as working capital of CMR	176.90
<b>Total</b>	<b>386.90</b>	<b>Total</b>	<b>386.90</b>

### 1.11 Expected Benefits

The disposal of asset will allow the Company to have more cash flow in the Company's financial statement. The Company still gets benefits from Polyclinic as the parent company of CMH in form of operating performance that will be included in the consolidated financial statement of the Company and dividends that the Company will receive from CMH that is the subsidiary with ownership proportion of 56.37%. CMH will become the owner of the land used for Polyclinic Project that is currently under construction with total investment of THB 366.94 million (excluding the value of land). This transaction is for rearrangement of asset structure in the Company.

### 1.12 Opinion from the Board of Directors

The Board of Directors of the Company has opined that this transaction is appropriate. The Company will get benefits from appropriate rearrangement of asset structure in the Company. Moreover, the Company still gets benefits from Polyclinic of CMH as the parent company. This transaction will allow the Company to have more cash flow in the Company's financial statement. The transaction price is appropriate because the selling price of THB 386.90 million is equal to the market value based on the appraisal of Ktac Appraisal And Service Co., Ltd. who is the independent appraiser approved by the Office of SEC.

Therefore, the Board of Directors agrees to propose to the 2016 Annual General Meeting of Shareholders to approve this transaction.

### 1.13 The Opinion of Audit Committee and/or Directors that is Different from the Opinion from the Board of Directors

- None -



## Part 2 : Reasonableness and Benefits of the Transaction

### 2.1 Objective and Necessity of Entering into the Transaction

The Board of Director of the Company has resolved at its meeting No. 1/2016 held on February 24, 2016 to approve the sale of land for 7 parcels with the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575. Total area is 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be sold to CMH that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of rearrangement of asset structure of the group of company. The land is the location of Polyclinic Project that is currently under construction. The land is 150 meter away from CMH and is vacant land. CMH has leased from the Company to use as the parking lots for customers and patients since 2013. The executives of CMH see the opportunity to expand the medical services of CMH by developing Polyclinic Project focusing on medical services to outpatients (OPD) and expanding the capacity of CMH. The Board of Director of CMH has resolved at its meeting No. 7/2015 held on July 16, 2015 to approve the investment in the land with the investment amount of THB 366.94 million. The size of transaction is 6.24% of total assets, which is less than 15.00% according to the criteria of total value of consideration (based on the consolidated financial statement as of June 30, 2015 because it is when CMH approved the investment in Polyclinic Project). Therefore, the Company can do without disclosing information to the Stock Exchange of Thailand and it is not necessary to get the approval from the shareholders' meeting of the Company. Thereafter, CMH would like to change the format of investment in land for the project from making the lease agreement to purchasing the land. The objective is to rearrange the asset structure of the Company appropriately and making the ownership of the project and the ownership of land are under CMH. Moreover, it can reduce the risk from investment in the land under the lease agreement that will expire in 2 years and needs to negotiate for extension before expiration because the project will face the risk of termination of lease agreement from any reason thought the lease agreement is between the Company and CMH.

### 2.2 Advantages and Disadvantages of Entering into the Transaction

#### 2.2.1. Advantages of Entering into the Transaction

##### 1) Appropriate rearrangement of asset structure of the Company

This transaction has the objective to change the format of investment in land for the project from leasing from the Company for Polyclinic Project to purchasing the land so that the ownership belongs to CMH. This is to rearrange the asset structure of the Company appropriately and making the ownership of the project and the ownership of land are under CMH. However, the Company still gets benefits from Polyclinic as the parent company of CMH in form of operating performance that will be included in the consolidated financial statement of the Company and dividends that the Company will receive from CMH that is the subsidiary with ownership proportion of 56.37%.

**2) The Company can use the cash from selling the land to payback the debts or to invest to earn better returns**

The Company will get THB 346.21 million from selling the land. If the Company uses this amount to payback the loans from financial institutions, it can reduce the interest expenses in the Company's financial statement (Total loans of the Company according to the Company's statement of financial position as of December 31, 2015 had the overdraft and short-term loans from financial institutions of THB 190.00 million, current portion of long-term loans from financial institutions of THB 70.08 million, and long-term loans of THB 102.44 million. Moreover, the Company had interest expense of THB 18.94 million in 2015 according to the Company's statement of comprehensive incomes). If the Company makes the loan repayment of THB 210.00 million (More details in topic of 1.10), the debt-to-equity ratio according to the Company's financial statement will reduce from 0.38 to 0.25. However, if CMH gets the loan from financial institution of THB 250.00 million to make payment of land in this transaction (More details in topic 1.9), the debt-to-equity ratio according to the consolidated financial statement will increase slightly by 0.01. The Company can also use this amount from selling the land to invest in the current project without getting more loans from financial institutions. Moreover, the Company can use this amount to invest in low-risk financial instruments with the return of 2.04% (Base on the yield on 10-year government bond as of February 23, 2016, which is the last working day before the Board of Director of the Company has the resolution to approve the transaction). Meanwhile the return from the lease agreement of land calculated from the net leased fee that the Company receives based on the lease agreement of THB 1.16 million per year (the leased fee deducting house and land tax), which is only 0.30% of land price of THB 386.90 million.

**3) Managing assets for achieving highest benefits**

The disposal of land will remove that asset out of the Company's financial statement and that asset is not under the current business plan of the Company. The land is sold to CMH that is the subsidiary of the Company used for Polyclinic Project. The Company will receive cash flow from selling the land for THB 346.21 million. The Company can use this amount to payback the loans or to invest according to the business plan. Meanwhile, The Company still gets benefits from Polyclinic as the parent company of CMH in form of operating performance that will be included in the consolidated financial statement of the Company and dividends that the Company will receive from CMH that is the subsidiary with ownership proportion of 56.37%. CMH can allocate spaces in commercial area to other entrepreneurs for rent. CMH will be flexible for making short-term or long-term rent with other parties. If CMH is not the owner, the period of rent cannot be more than the expiration of lease agreement between CMH and the Company. The entrepreneurs will not be interested to open the business in the project. Therefore, this transaction will allow CMH to earn more return from the project and the Company also gets benefit as the parent company.

## 2.2.2. Disadvantages of Entering into the Transaction and Advantages of Not Entering into the Transaction

The disposal of asset to the connected person in this transaction is the asset that is not under the current business plan of the Company. CMH is the subsidiary of the Company. The land is only 150 meter away from CMH and is the location for Polyclinic Project. Moreover, the land is on the commercial and high-density residential zone (Red Zone) with the limitation in land utilization (More details in the topic of 1.4.1). This disposal of land is the appropriate arrangement of asset structure of the Company and the Company still earns the return from Polyclinic Project as the parent company of CMH that is the owner of the project. The performance of the project will be included in the consolidated financial statement of the Company and the Company will earn the dividend from CMH because CMH is the subsidiary of the Company with ownership proportion of 56.37%. Therefore, IFA has considered and opined that there is no disadvantage of entering into the transaction and no advantage of not entering into the transaction.

## 2.2.3. Disadvantages of Not Entering into the Transaction

### 1) The asset structure of the Company is not rearranged appropriately

Currently, CMH is leasing the land from the Company for Polyclinic Project. The change of investment format in land from short-term lease agreement to purchasing the land to get the ownership is the appropriate arrangement of asset structure of the Company. If the Company does not entering into this transaction, the investment of CMH is in form of short-term lease agreement. It is not flexible for CMH in developing Polyclinic Project especially for those entrepreneurs who may come to rent some spaces in commercial area. Those entrepreneurs may not be interested in the project because they can rent the space with the period of not more than the period in lease agreement of land between CMH and the Company. Moreover, if CMH would like to get more funding for working capital or business expansion, CMH cannot use this asset as the collateral in getting the loan from financial institutions.

### 2) Loss the opportunity in using cash from selling the land to payback the debts or to invest to earn better returns

The Company will lose the opportunity in getting cash flow from selling of land. The Company can use this amount to payback the loans to reduce the interest expense in the Company's financial statement (Total loans of the Company according to the Company's statement of financial position as of December 31, 2015 had the overdraft and short-term loans from financial institutions of THB 190.00 million, current portion of long-term loans from financial institutions of THB 70.08 million, and long-term loans of THB 102.44 million. Moreover, the Company had interest expense of THB 18.94 million in 2015 according to the Company's statement of comprehensive incomes). Otherwise, the Company can use this amount to invest according to the business plan in order to earn higher return.

### 3) Loss the opportunity in managing assets for achieving highest benefit

The Company will lose the opportunity to arrange the assets of the Company and CMH so that it is appropriate for running business of each company.

## 2.3 Advantages and Disadvantages of Doing the Transaction with Connected Person and Other Parties

### 2.3.1. Advantages of Doing the Transaction with Connected Person

#### 1) Appropriate rearrangement of asset structure of the Company

This transaction has the objective to change the format of investment in land for the project from leasing from the Company for Polyclinic Project that is currently under construction to purchasing the land so that the ownership belongs to CMH. This is to rearrange the asset structure of the Company appropriately. If this disposal of asset is done with other parties beside CMH who is the owner of Polyclinic Project, CMH that is the subsidiary of the Company will have the problems about the ownership on land used for Polyclinic Project and this will create the risk in operation of CMH.

### 2.3.2. Disadvantages of Doing the Transaction with Connected Person

The disposal of asset to the connected person in this transaction is the asset that is not under the current business plan of the Company. CMH is the subsidiary of the Company. The land is only 150 meter away from CMH and is the location for Polyclinic Project. Moreover, the land is on the commercial and high-density residential zone (Red Zone) with the limitation in land utilization (More details in the topic of 1.4.1). This disposal of land is the appropriate arrangement of asset structure of the Company and the Company still earns the return from Polyclinic Project as the parent company of CMH that is the owner of the project. The performance of the project will be included in the consolidated financial statement of the Company and the Company will earn the dividend from CMH because CMH is the subsidiary of the Company with ownership proportion of 56.37%. Therefore, IFA has considered and opined that there is no disadvantage of doing the transaction with connected person and no advantage of doing the transaction with other parties.

### 2.3.3. Disadvantages of Doing the Transaction with Other Parties

#### 1) The Company will lose the ownership on land used for Polyclinic Project

Currently, CMH leases the land from the Company for development of Polyclinic Project. The project is under construction and expected to finish in August 2016. If the Company sells the land to other parties, CMH will face the risk from extension of lease agreement at expiration of other parties may set the leased fees higher that will affect to the operation of Polyclinic Project.



## 2.4 Risks of Entering and Not Entering into the Transaction

### 2.4.1. Risks of Entering into the Transaction

#### 1) Risk that CMH cannot pay for the price of land

The source of capital for payment of the land cost from CMH for THB 386.90 million is from its working capital of THB 146.90 million and loans from financial institutions of THB 250.00 million. Currently, CMH is applying for the loan from one financial institution and there is the risk that CMH will not get the loan. However, CMH has working capital that can be used to make payment for the land. According to consolidate financial statement of CMH as of December 31, 2016, CMH had cash of THB 128.09 million, short-term investment of THB 1.31 million, and available-for-sale investment of THB 1,766.17 million that invest in popular equity instruments (ordinary shares) in the market.

### 2.4.2. Risks of Not Entering into the Transaction

-None -



**Part 3 : Fairness of the Price and Appropriateness of the Conditions of Transaction**

**3.1 Fairness of the Price**

In order to consider the reasonableness in selling the land by Chiang Mai Ram Medical Business Public Company Limited (“the Company” or “CMR”) to Chiangmai Ram Hospital Co., Ltd. (“CMH”) that is the subsidiary of the Company with ownership proportion of 56.37%. Moreover, Dr. Racha Somburanasin and Dr. Chamnan Chanapai who are the directors of the Company are also the directors of Ramkhamhaeng Hospital Public Company Limited (“RAM”). RAM is the major shareholder of CMH with ownership proportion of 42.89%. This transaction is considered to be the disposal of asset to the connected person according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. The Company needs to appoint the Independent Financial Advisor to provide the opinions in determined topics. Therefore, IFA has studies, analyzed, and considered for the fairness of transaction price using many valuation approaches to order to determine the fair value of the asset. Moreover, IFA has also provided the opinions about advantages and disadvantages of different valuation approaches as follows.

1. Book Value Approach
2. Adjusted Book Value Approach

IFA has considered the fairness of price in this transaction based on the information received from the Company. IFA has considered many valuation approaches to order to determine the value of the transaction as follows.

Valuation Approach	Performed	Limitation of Independent Financial Advisor
1. Discounted Cash Flow Approach	✘	In this transaction, it needs to do the valuation for only 1 asset. Moreover, using this approach can be affected by uncertainty of future income from leased fees. Therefore, IFA did not perform this valuation approach,
2. Book Value Approach	✓	-
3. Adjusted Book Valued Approach	✓	-
4. Price to Book Value (P/BV)	✘	In this transaction, it needs to do the valuation for only 1 asset. It does not reflect the overall performance or book value of the Company like doing valuation for the ordinary share of the Company. Therefore, IFA did not perform this valuation approach.

Valuation Approach	Performed	Limitation of Independent Financial Advisor
5. Price to Earnings Ratio (P/E)	✘	In this transaction, it needs to do the valuation for only 1 asset. It does not reflect the overall performance or book value of the Company like doing valuation for the ordinary share of the Company. Therefore, IFA did not perform this valuation approach.

The opinion of IFA about the fairness of price is based on the limitation about available information that affects each valuation approach as mentioned in the above table.

#### Details about Property Valuation based on the Property Appraisal Report

Factor	Item 1	Item 2	Item 3
Property Type	Vacant land	Vacant land	Vacant land
Location	On Huaykaew Road	On Taewan Road	On Huaykaew Road
Area (rai-ngan-square wah)	7-0-65.1 rai	1-2-16.0 rai	4-3-00 rai
Land shape	Polygon	Polygon	L-shape
Width x Depth	The width of land next to the road is 80.00 meter	The width of land next to the road is 50.00 meter	The width of land next to the road is 65.00 meter
Number of side next to road	1 side	1 side	1 side
Land level	Already filled Same level as road	Already filled Same level as road	Already filled Same level as road
Road Usage	Public road	Public road	Public road
Road Surface, Width, and Right of Way	Asphalt 4 lanes Width of 12 meter Right of way is 30 meter Moderate condition	Reinforced concrete Width of 6 meter Right of way is 8 meter Moderate condition	Asphalt 4 lanes Width of 12 meter Right of way is 30 meter Moderate condition
Utility	Electricity, water supply, telephone	Electricity, water supply, telephone	Electricity, water supply, telephone
Zoning	Red	Red	Red
Other regulations	-	-	-
Environment	Commercial area	Commercial and residential area	Commercial and residential area
Comparison of Location	Better than Target Property	Poorer than Target Property	Better than Target Property
Best Utilization	Commercial	Commercial	Commercial



Factor	Item 1	Item 2	Item 3
Condition	Offering price	Offering price	Announcement price
Date/month/year	As of survey date	As of survey date	As of survey date
Offering price	THB 140,000.00 /sq.w.	THB 90,000.00 /sq.w.	THB 126,315.00 /sq.w.
Area (sq.w.)	2,865.10	616.00	1,900.00
Offering price (THB/sq.w.)	140,000.00	90,000.00	126,315.00
Negotiated discount (THB)	-30,000.00	-15,000.00	-16,315.00
Adjusted Price (THB)	110,000.00	75,000.00	110,000.00
Weighted-average Value	13,048.00	56,048.00	13,048.00
Value from Weighted-average	THB 82,144.00/sq.w.		
Appraised Value (THB/sq.w.)	THB 82,000.00/sq.w.		
Value of Land	4,718.20 sq.w. X 82,000.00 = around THB 386.90 million		

**Note :** The price of transaction is equal to the value of property based on the property appraisal report done by the independent appraiser approved by the Office of SEC. This appraisal report is done for public use and the valuation method is based on Market Approach.

#### Ownership transfer fee and other related taxes in sale of land

IFA has discusses with the executives of the Company and determined who will be responsible for the ownership transfer fee and other related taxes on the ownership transfer date as follows.

Fee / Tax	Rate	Responsible parties	Amount Paid by the Company (THB million)
Ownership transfer fee	2% of government reference price	The Company and CMH equally	3.87
Stamp duty	0.50% of selling price	The Company and CMH equally	0.97
Special business tax	3% of selling price	The Company	11.61
Local maintenance tax (10% of Special Business Tax)	0.30%	The Company	1.16
1% Withholding tax	1% of selling price	The Company	3.87

## Corporate tax rate

IFA has determined the corporate income tax rate in 2016 at 20.00% according to the cabinet resolution on October 13, 2015 to reduce the corporate income tax rate from 30.00% to 20.00% of net profit of companies or partnerships permanently, which is effective since January 1, 2016 onward.

### 1. Book Value Approach

The valuation using Book Value Approach is based on the book value of net asset according to the financial statement of the Company at the specific point of time. The book value of net asset is calculated from the value of total assets deducting by the value of total liabilities, which will be the value of shareholders' equity. However, this valuation approach may not reflect the current market value of asset and the future profitability of the Company as well as the overall trend of economy and industry. IFA has used the financial statement of the Company as of December 31, 2015 to determine the book value of land. The calculation of book value is as follows.

The Value of Land	As of December 31, 2015
The book value of Land (THB million)	250.00

The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the book value approach of THB 250.00 million, the price in the transaction is higher than the book value of asset by THB 136.90 million or higher by 35.38% of the value of asset.

### 2. Adjusted Book Value Approach

The valuation using Adjusted Book Value Approach is based on the value of total assets deducting by the value of total liabilities at specific point of time. However, the value is adjusted by any obligation that might happen in the future. IFA has used the information from the financial statement of the Company as of December 31, 2015 and adjusted the value with other information. The calculation of book value and adjustment according to the Adjusted Book Value Approach are as follows.

(Unit: THB million)

Statement of Financial Position			
As December 31, 2015			
The book value of land	250.00	Total liabilities	0.00
Adjustment of Statement of Financial Position as of December 31, 2015			
Difference from the property appraisal	136.90	No adjustment	
<b>Total assets after adjustment</b>	<b>386.90</b>	<b>Total liabilities after adjustment</b>	<b>0.00</b>

Note: Based on the property appraisal report dated December 9, 2015 by the independent appraiser approved by the Office of SEC, the value of land is THB 386.90 million.

The Value of Land based on Adjusted Book Value Approach	(Unit: THB million)
The book value of land after adjustment (THB million)	386.90

The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the adjusted book value approach of THB 386.90 million, the price in the transaction is equal to the book value of asset after adjustment.

### 3. Summary of the valuation approach

IFA has performed the valuation of asset using many approaches with different advantages and disadvantages. The value of asset from valuation can be summarized as follows.

Valuation Approach	Value (THB million)	Compared to the value of the Transaction of THB 386.90 million
Book Value Approach	250.00	Higher than THB 136.90 million or higher by 35.38%
Adjusted Book Value Approach	386.90	Equal to the value of the Transaction

#### 3.1 The valuation approach that is not selected

##### 3.1.1 Adjusted Book Value Approach

The valuation using Adjusted Book Value Approach is based on the value of asset according to the Company's statement of financial position as of December 31, 2015 (Company only) as the cost of acquiring the land as recorded in the statement of financial position adjusted by any obligation and the difference based on the property appraisal report. This approach concerns the cost in acquiring asset (Company's financial statement) and makes adjustment so that the value reflects the market value based on current condition. The adjustment is made from the difference in value from the property appraisal report done by the independent appraiser. This approach can reflect the market value of asset based on the current condition. This approach is appropriate for this transaction.

The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the adjusted book value approach of THB 386.90 million, the price in the transaction is equal to the book value of asset after adjustment.



### 3.2 The valuation approach that is not selected

#### 3.2.1 Book Value Approach

The valuation using Book Value Approach is based on the value of asset according to the Company's statement of financial position as of December 31, 2015 (Company only) as the cost of acquiring the land as recorded in the statement of financial position. This approach concerns the cost in acquiring asset and recorded in the statement of financial position. This approach concerns the cost in acquiring asset (Company's financial statement) without concerning the change in value based on the current market condition as well as any income from leasing the land or the loss from selling the land instead of leasing. Therefore, this valuation approach does not reflect the actual value of land and is not appropriate in valuation.

The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the book value approach of THB 250.00 million, the price in the transaction is higher than the book value of asset by THB 136.90 million or higher by 35.38% of the value of asset.

#### Summary of the Opinion of IFA about the Fairness of Price

IFA has considered for many valuation approached and opined that the appropriate value approach for this transaction is Adjusted Book Value Approach that considers the cost in acquiring the asset (based on the Company's financial statement) adjusted to the market value according to the current conditions based on the property appraisal report from the Independent Appraiser. The price in disposal of asset is THB 386.90 million. Compared to the value of land from valuation using the adjusted book value approach, the price in the transaction is equal to the book value of asset after adjustment.

Based on the above reasons, IFA has opined that the price in disposal of asset to connected person of THB 386.90 million is fair and reasonable.

### 3.2 The appropriateness of condition of the transaction

In this transaction, there are conditions based on the purchase and sale agreement of land on February 26, 2016 with the following important details.

- Based on the conditions in the sale and purchase agreement of land that CMH as the buyer will make payment of THB 386.90 million to the Company as the seller by cheque or cashier cheque payable to the seller on the ownership transfer date. The registration of ownership transfer and the payment will be made on that day at the Land Office.



- Based on the conditions in the sale and purchase agreement of land that the Company as the seller finishes the ownership transfer at the Land Office on April 30, 2016 as well as gets the payment of THB 386.90 million. The buyer and the seller will share the payment for ownership transfer fee, stamp duty, and other expenses in ownership transfer equally. The seller will be responsible for the withholding tax.
- Based on the conditions in the sale and purchase agreement, the seller is the Company and the buyer is CMH that is the subsidiary of the Company. The Company is the listed company in the Stock Exchange of Thailand and the seller is the parent company of the buyer. This transaction is considered to be the connected transaction according to the regulation of the Office of Securities and Exchange Commission (Office of SEC) as well as other related notifications. Therefore, the transaction must be approved by the shareholders' meeting before the payment and ownership transfer can be completed. If the seller does not get the approval from the shareholders' meeting, the agreement will be terminated immediately without notification.

Based on the conditions, IFA has opined that the conditions of payment is made between companies in the group (between the Company and CMH that is the subsidiary) and the condition to pay in the single payment is good because the Company will receive the whole amount at once on the ownership transfer date. The condition that both parties will equally share for the fees, stamp duty, and other related and the Company will responsible for withholding tax is fair and normal practice in purchase and sale of land. The Company does not lose any benefit from such condition. Moreover, the condition that the agreement will be terminated if the shareholders' meeting does not approve the transaction is appropriate for the Company as the listed company in the Stock Exchange. Therefore, IFA has opined that conditions in the transaction are appropriate.



#### 4. Summary of the Opinion of IFA

Based on all above information, IFA has opined that the transaction about disposal of land according to the land title no. 3231, 3239, 3240, 3241, 3242, 8574, and 8575 for 7 parcels with total area of 11 rai 3 ngan 18.2 square wah. The land is located on Suthep Sub-district, Mueang Chiang Mai District, Chiang Mai Province. The selling price is THB 386.90 million. The land will be disposed to Chiangmai Ram Hospital Co., Ltd. ("CMH") that is the subsidiary of the Company with ownership proportion of 56.37%. CMH has purchased the land with the objective of changing the investment format from leasing for the Polyclinic Project to purchasing the land from the Company to do the project. The construction of buildings in the project has been already started for some period of time. The buildings for medical services are expected to open for service in August 2016. Dr. Racha Somburanasin and Dr. Chamnan Chanapai are the directors of the Company and Ramkhamhaeng Hospital Public Company Limited ("RAM") that is the major shareholder of CMH with the ownership proportion of 42.89%. This is considered to be the connected person according to Notification of the Board of Governors of the Stock Exchange of Thailand No. Bor.Jor./Por. 22-01 about Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546. Therefore, this transaction is considered to be the connected transaction.

The objective of this transaction to rearrange the asset structure of the Company and the Company can use the cash from selling the land to payback the debts or to invest to earn better returns. Moreover, the Company can manage assets for achieving highest benefits. The Independent Financial Advisor has considered risk factors and conditions of the transaction including advantages and disadvantages of entering or not entering into the transaction. The Independent Financial Advisor has opined that it is benefit for the Company to enter into the transaction. Therefore, the Independent Financial Advisor has opined that the shareholders should vote for this transaction.

Asset Pro Management Co., Ltd. as the Independent Financial Advisor has performed the due diligence and analysis of various information with prudence under the professional standards. The opinion is based on the information and documents received from various sources including from executives of the Company are completely accurate based on the current condition and situation. If some information is inaccurate or there is any significant change from the current condition, it may significantly affect the opinion of IFA in this report.

The shareholders should study the information in this IFA report and related documents in order to come up with own justification for making appropriate decision. The decision to vote for or against the transactions rests primarily with the shareholders.



Yours Faithfully,

Asset Pro Management Company Limited

\_\_\_\_\_  
Mr. Somphob Sakpunpanom  
Chairman of Board of Directors

In performing financial advisory in this transaction, APM has assigned Mr. Seksun Thanopajai to be the operational controller.

\_\_\_\_\_  
Mr. Seksun Thanopajai  
Operational Controller



# Appendix

## Appendix

### Summary of Information of Chiang Mai Ram Medical Business Public Company Limited

(Source : Information from the Company)

#### 1.1 General Information

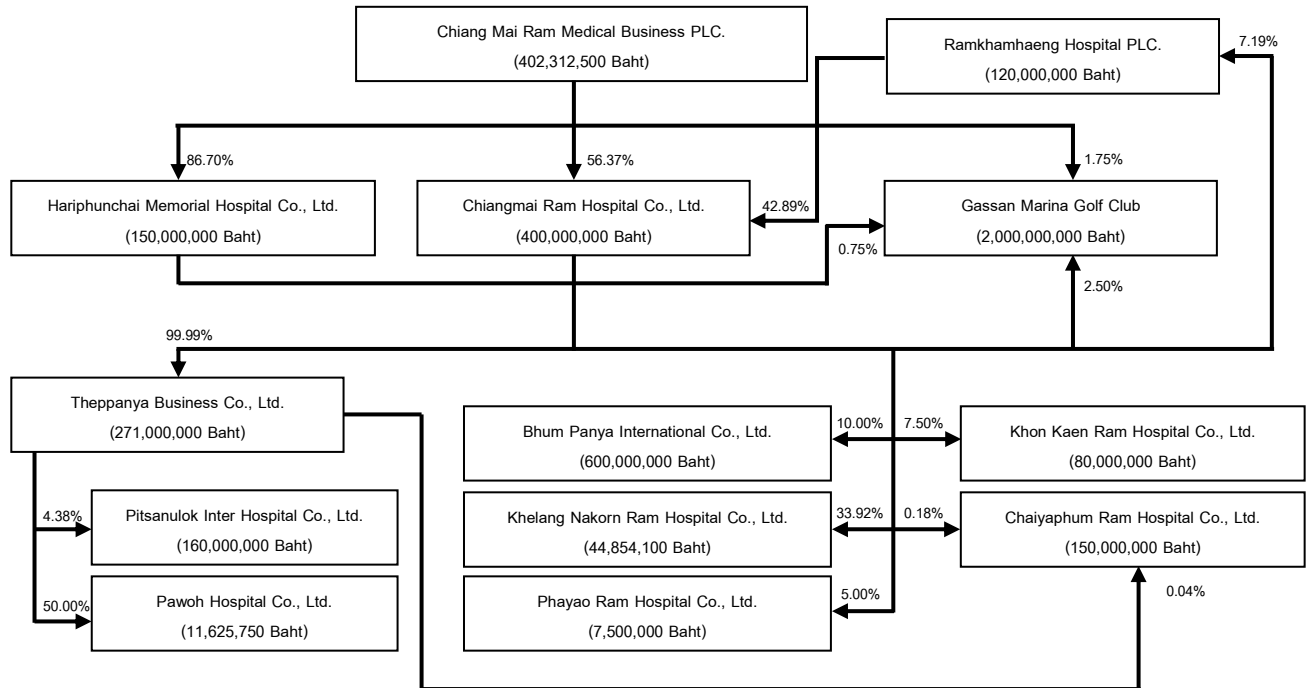
Company Name	:	Chiang Mai Ram Medical Business Public Company Limited
Establishment	:	December 23, 1993 and has transformed into the public company on October 17, 1994
Current Status	:	The listed company in the Stock Exchange of Thailand Since October 17, 1994
Registration No.	:	0107536001621
Nature of Business	:	Medical service "in the name of "Lanna Hospital"
Location	:	8 Boonruangrit Road, Sri Poom Sub-district, Mueang District, Chiang Mai 50300
Web Site	:	<a href="http://www.lanna-hospital.com">http://www.lanna-hospital.com</a>
Authorized Capital	:	THB 408,433,330.00 In form of 40,231,250 ordinary shares With par value of THB 10
Paid-up Capital	:	THB 402,312,500.00 In form of 40,231,250 ordinary shares With par value of THB 10
Dividend Policy	:	Not less than 50% of net profit after tax (with additional conditions)

#### 1.2 Nature of Business

Chiang Mai Ram Medical Business Public Company Limited was established on December 23, 1993 and has been listed in the Stock Exchange of Thailand on October 17, 1994. Currently, the Company has authorized capital of THB 408,433,330 (Four Hundred and Eight Million, Four Hundred Thirty-Three Thousand, Three Hundred Thirty Baht) and paid-up capital of THB 402,312,500 (Four Hundred and Two Million, Three Hundred Twelve Thousand, Five Hundred Baht). The Company has operated Lanna Hospital that is the private hospital with the size of 180-bed. Currently, there are 42 diagnostic rooms with 50 examined beds. The hospital can support 1,500 outpatients. The average number of patients is 1,520 patients per day and the average number of inpatients is 148 beds. Lanna Hospital provides the medical services by doctors who are specialized in all areas. The hospital has treatment equipment and examination equipment that are up-to-date and efficient to provide the service for 24 hours. Moreover, the hospital has installed facilities and emergency equipment in all patient rooms.

### 1.3 Company Structure

The Company operates in the medical service business including hospital, sanitarium, as well as all medical diagnostic and treatment. Moreover, the Company has established the school for training in medical services, dentistry, medicine, and medical personnel. The investment in subsidiaries includes medical services in form of hospital, educational institution and hotel and golf courses. There are 3 groups of business including hospital business, education business, and service business.



#### Hospital Business Group

##### Chiangmai Ram Hospital Co., Ltd.

Chiangmai Ram Hospital Co., Ltd. is located at 8 Boonruangrit Road, Sri Poom Sub-district, Mueang District, Chiang Mai Province. The hospital was established on December 26, 1990. The authorized and paid-up capital is THB 400.00 million. It has operated the hospital, which is the private hospital with the size of 350 beds. Currently, there are 220 beds that are opened for use. The hospital can support more than 1,000 patients per day. Currently, there are more than 930 people working in the hospital and 65 specialized doctors in all areas, as well as the staffs providing services for 24 hours. Chiangmai Ram Hospital has operated under the standard of ISO 140000 since 2009. The hospital also has other quality assurance including the quality in medical service in HA, the quality in environmental management ISO 14001:2004, the quality in social responsibility and labor TLS 8001:2003, quality in laboratory ISO 15189. Chiangmai Ram Hospital has potential to provide medical services to both Thai and foreigners with the international standard certified by JCI for medical service and up-to-date medical equipment.

##### Hariphunchai Memorial Hospital Co., Ltd.

Hariphunchai Memorial Hospital Co., Ltd. is located at 4 Chiang Mai-Lampang Super Highway Road, Baan Klang Sub-district, Mueang District, Lamphun Province. It was established on December 1, 1992. The

authorized and paid-up capital is THB 150.00 million. It has operated the hospital, which is the private hospital with the size of 100 beds. The hospital has joined the program with Social Security Office and has been the hospital in the network of Social Security Office since 1995 for the members of Social Security Office in Lamphun and nearby provinces.

#### **Theppanya Business Co., Ltd.**

Theppanya Business Co., Ltd. is located at 99 Moo 5 Fa Ham Sub-district, Mueang District, Chiang Mai Province. It was established on May 30, 1994. The authorized and paid-up capital is THB 271.00 million. It has operated the hospital, which is the private hospital with the size of 130 beds. It is the reserve center for Cranial operation of Chiang Mai. It has been developed to be the first center for accident of private hospital in Chiang Mai. There are specialized doctors, especially for specialized surgeons for 24 hours service. Currently, the hospital is under the quality assurance on the standard of HA.

#### **Khelang Nakorn Ram Hospital Co., Ltd.**

Khelang Nakorn Ram Hospital Co., Ltd. is located at 79/12 Phahonyothin Road, Suan Sub-district, Mueang Lampang District, Lampang Province. It was established on December 20, 1989. The authorized and paid-up capital is THB 44.85 million. It provides medical services including medicine and medical supplies under the name Khelang Nakorn Ram Hospital focusing the patients in Lampang. Currently, the size of hospital is 103 beds. It can support group accidents with the well-experience team of doctors and specialized doctors as well as nurses with 24-hour services.

#### **Phayao Ram Hospital Co., Ltd.**

Phayao Ram Hospital Co., Ltd. is located at 660 Moo 3 Tha Wang Thong Sub-district, Mueang Phayao District, Phayao Province. It was established on July 25, 1994. The authorized and paid-up capital is THB 7.50 million. It has operated the private hospital named Phayao Ram Hospital with the size of 100 beds.

#### **Khon Kaen Ram Hospital Co., Ltd.**

Khon Kaen Ram Hospital Co., Ltd. is located at 193 Moo 7 Sri Chan Road, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen Province. The authorized and paid-up capital is THB 80.00 million. It has operated the hospital named Khon Kaen Ram Hospital with the size of 300 beds with 24-hour services. There are specialized doctors, up-to-date medical equipment, and computer system that help in fast and accurate examination. The hospital provides various services including Emergency Unit, Lasik Center, Cardiac Catheterization & Angiography, Integrated Physical Check-up Center, Dialysis center, Skin and Aesthetics Center, Eye Ear Nose Throat Center, Women Center, operating rooms, including spa services named Khon Kaen Ram Thai Spa and Massage, etc. The hospital has got many quality assurance standard including JCI standard, and JCAHO Quality Assurance with international standard.

**Chaiyaphum Ram Hospital Co., Ltd.**

Chaiyaphum Ram Hospital Co., Ltd. is located at 290/42 Moo 6 Chaiyaphum-Sikhio Road, Nai Mueang Sub-district, Mueang District, Chaiyaphum Province. It was established on May 29, 1995. The authorized and paid-up capital is THB 558.00 million. It has operated the hospital named Chaiyaphum Ram Hospital with the size of 60 beds.

**Education Business Group**
**Bhum Panya International Co., Ltd.**

Bhum Panya International Co., Ltd. is located at 50 Huaykaew Road, Chang Phueak Sub-district, Mueang Chiang Mai District, Chiang Mai Province. It was established on December 7, 1994. The authorized and paid-up capital is THB 600.00 million. It has operated the educational institution (Private University) but has not opened yet.

**Service Business Group**
**Gassan Marina Golf Club Co., Ltd.**

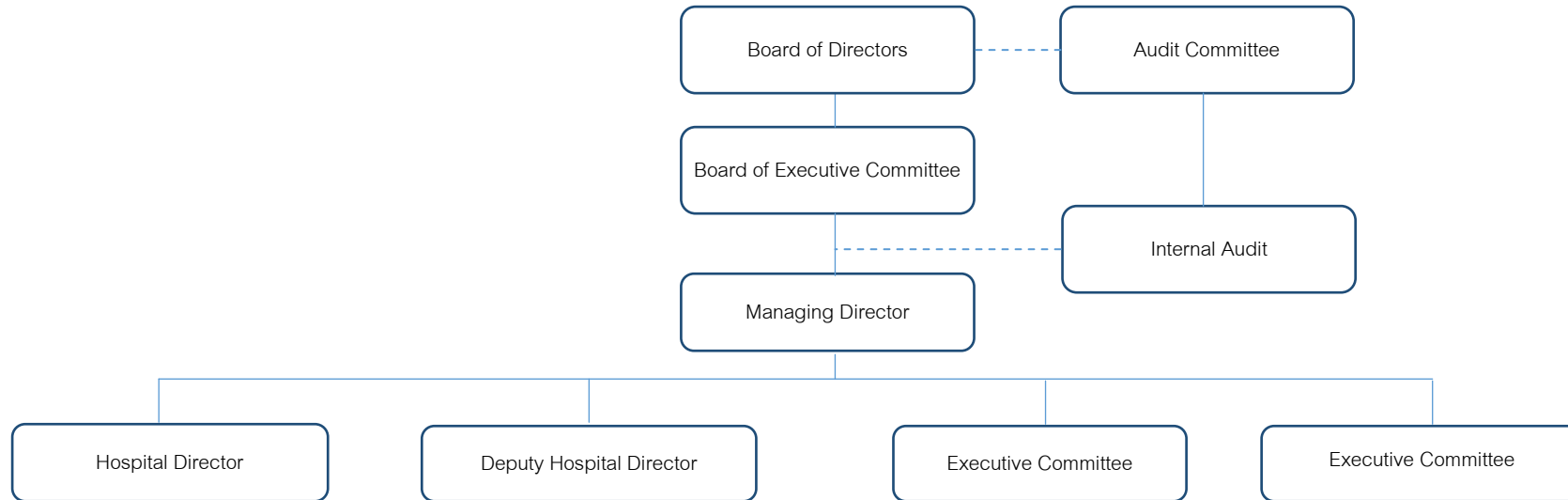
Gassan Marina Golf Club Co., Ltd. is located at 99 Moo 17, Makhuea Chae Sub-district, mphun District, Lamphun Province. It was established on September 13, 2005. The authorized is THB 2,000.00 million. It has operated the golf course and hotel. The golf course is in form of 18-hole course with 72-par and the hotel consists of 145 rooms. It was surrounded by Doi Khun Tan. There are also other facilities including clubhouse, pro-golf shop, ballroom, swimming pool, and international restaurant.

**1.4 List of Shareholders**

The Company has paid-up capital of THB 402.31 million in form of 40.23 million ordinary shares with par value of THB 10.00. The list of 10 major shareholders as of March 15, 2016 which is the latest book closing date is as follows.

No.	Shareholders	Number of Share	%
1	Vibhavadi Hospital Public Company Limited	33,694,722	83.75
2	Mr. Viroj Onganantkul	506,310	1.26
3	Mr. Pisut Viriyamettakul	300,000	0.75
4	Mr. Boonsong Jianchareonpaisal	200,000	0.50
5	Ms. Veeraya Mulsinthong	200,000	0.50
6	Dr. Chaiyakan Soontharothok	200,000	0.50
7	Mr. Witaya Tantraporn	140,300	0.35
8	Mr. Pijit Viriyamettakul	140,100	0.35
9	Ms. Pawana Atcharawan	127,700	0.32
10	Mr. Thitikasem Niwaswat	117,500	0.29

1.5 Organizational Structure and List of Directors and Executives



**Board of Directors**

As of February 24, 2016, there are 12 directors as follows.

Name	Title
1. Dr. Racha Somburanasin	Chairman
2. Dr. Amnuay Chingchayanurak	Vice Chairman / Chairman of Nomination Committee
3. Dr. Varaphan Unachak	Director / Chairman of Executive Committee
4. Dr. Dusit Srisakul	Director / Managing Director
5. Dr. Teerayuth Niyomgool	Director / Secretary
6. Dr. Sumeth Handagoon	Director
7. Dr. Chamnan Chanapai	Director
8. Dr. Sitthi Panupattanapong	Director
9. Mr. Chaisith Viriyamettakul	Director
10. Dr. Suthisak Kanaprach	Director / Independent Director / Chairman of Audit Committee
11. Mr. Krirk Jittalan	Director / Independent Director / Audit Committee
12. Ms. Papat Supaokit	Director / Independent Director / Audit Committee

**Audit Committee**

As of February 24, 2016, there are 3 members of Audit Committee as follows.

Name	Title
1. Dr. Suthisak Kanaprach	Chairman of Audit Committee
2. Mr. Krirk Jittalan	Audit Committee
3. Ms. Papat Supaokit	Audit Committee

**Nomination and Remuneration Committee**

As of December 31, 2015, there are 5 members of Nomination and Remuneration Committee as follows.

Name	Title
1. Dr. Amnuay Chingchayanurak	Chairman of Nomination and Remuneration Committee
2. Dr. Dusit Srisakul	Nomination and Remuneration Committee
3. Dr. Teerayuth Niyomgool	Nomination and Remuneration Committee
4. Dr. Suppachai Sintrairat	Nomination and Remuneration Committee
5. Dr. Pramuk Unachak	Nomination and Remuneration Committee



**Executive Committee**

As of December 31, 2015, there are 4 members of Executive Committee as follows.

Name	Title
1. Dr. Varaphan Unachak	Executive Committee Chairman
2. Dr. Sumeth Handagoon	Director
3. Dr. Dusit Srisakul	Director
4. Dr. Teerayuth Niyomgool	Director

**1.6 Operating Performance and Financial Position**
**Statement of Financial Position**

Assets	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Current Assets</b>						
Cash and Cash Equivalents	196.83	3.92	178.59	3.20	241.09	3.98
Short-term Investments	1.26	0.03	1.29	0.02	1.31	0.02
Trade Accounts	249.41	4.97	400.45	7.18	337.71	5.58
Short-term Loans to Related Parties	463.00	9.23	343.00	6.15	298.00	4.92
Inventories	95.76	1.91	95.26	1.71	90.43	1.49
Other Current Assets	8.12	0.16	10.50	0.19	29.39	0.49
<b>Total Current Assets</b>	<b>1,014.38</b>	<b>20.21</b>	<b>1,029.10</b>	<b>18.45</b>	<b>997.93</b>	<b>16.48</b>
<b>Non-Current Assets</b>						
Available-for-Sale Investments	1,566.85	31.22	1,667.36	29.89	1,766.17	29.16
Investment in Associates	71.14	1.42	88.63	1.59	96.78	1.60
Other Long-term Investments	15.30	0.30	115.24	2.07	235.19	3.88
Long-term Loans to Related Parties	5.63	0.11	5.63	0.10	5.63	0.09
Property, Plant And Equipment	1,996.89	39.79	2,306.28	41.34	2,590.52	42.78
Goodwill	298.49	5.95	298.49	5.35	298.49	4.93
Intangible Assets	10.93	0.22	10.86	0.19	11.88	0.20
Bank Deposits Pledged as Collateral	30.20	0.60	41.15	0.74	34.68	0.57
Deferred Tax Assets	3.85	0.08	3.46	0.06	4.21	0.07
Other Non-Current Assets	4.69	0.09	12.35	0.22	14.47	0.24
<b>Total Non-Current Assets</b>	<b>4,003.97</b>	<b>79.79</b>	<b>4,549.46</b>	<b>81.55</b>	<b>5,058.03</b>	<b>83.52</b>
<b>Total Assets</b>	<b>5,018.36</b>	<b>100.00</b>	<b>5,578.56</b>	<b>100.00</b>	<b>6,055.96</b>	<b>100.00</b>

Liabilities and Equity	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Current Liabilities</b>						
Bank Overdraft and Short-term Loans from Financial Institutions	120.05	2.39	283.01	5.07	272.48	4.50
Trade Accounts	157.21	3.13	175.36	3.14	181.78	3.00
<b>Current Portion Of Long-Term Liabilities</b>						
Long-term Loans from Financial Institutions	196.68	3.92	170.28	3.05	191.50	3.16
Lease Obligations	0.35	0.01	0.96	0.02	0.97	0.02
Short-term Loans from related parties	160.20	3.19	270.20	4.84	271.20	4.48
Short-term Loans from other parties	251.65	5.01	269.00	4.82	274.50	4.53
Other Payable	11.57	0.23	11.53	0.21	12.03	0.20
Deferred Tax Asset	69.58	1.39	55.97	1.00	67.47	1.11
Accrued Medical Remuneration	91.46	1.82	85.09	1.53	83.79	1.38
Accrued Expenses	24.88	0.50	31.73	0.57	40.63	0.67
Accrued Dividend Payment	20.27	0.40	3.44	0.06	4.21	0.07
Asset Payable	33.55	0.67	20.80	0.37	34.86	0.58
Advance Received	13.60	0.27	40.48	0.73	0.00	0.00
Other Current Liabilities	13.14	0.26	12.94	0.23	18.39	0.30
<b>Total Current Liabilities</b>	<b>1,164.17</b>	<b>23.20</b>	<b>1,430.79</b>	<b>25.65</b>	<b>1,453.82</b>	<b>24.01</b>
<b>Non-Current Liabilities</b>						
Long-term Loans from Financial Institutions	472.79	9.42	302.58	5.42	228.66	3.78
Lease Obligations	0.79	0.02	3.13	0.06	2.16	0.04
Deferred Tax Liabilities	339.24	6.76	355.54	6.37	372.67	6.15
Post Employee Benefit Obligations	58.14	1.16	58.25	1.04	68.49	1.13
Other Non-Current Liabilities	0.00	0.00	5.84	0.10	2.58	0.04
<b>Total Non-Current Liabilities</b>	<b>870.95</b>	<b>17.36</b>	<b>725.35</b>	<b>13.00</b>	<b>674.55</b>	<b>11.14</b>
<b>Total Liabilities</b>	<b>2,035.12</b>	<b>40.55</b>	<b>2,156.14</b>	<b>38.65</b>	<b>2,128.37</b>	<b>35.15</b>

Liabilities and Equity	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Equity</b>						
Share Capital						
Authorized Share Capital						
40,843,333 Ordinary Shares with the Par Value of THB 10.00	408.43		408.43		408.43	6.74
Issued and Paid-Up Share Capital						

Liabilities and Equity	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Equity</b>						
40,231,250 Ordinary Shares with the Par Value of THB 10.00	402.31	8.02	402.31	7.21	402.31	6.64
Surplus from Issuance of Ordinary Shares	0.00	0.00	0.00	0.00	0.00	0.00
Surplus from Business Combinations Under Common Control	575.86	11.48	575.86	10.32	575.86	9.51
deduct Investment in Subsidiaries hold by Parent according to the law	(7.56)	(0.15)	(12.68)	(0.23)	(12.68)	(0.21)
Retained Earnings						
Appropriated						
Legal and Statutory Reserves	29.08	0.58	39.04	0.70	50.76	0.84
Unappropriated	388.84	7.75	647.22	11.60	990.32	16.35
Other Components of Equity	660.18	13.16	680.61	12.20	722.65	11.93
Equity Attributable to Equity Holders of Parent	2,048.71	40.82	2,332.38	41.81	2,729.22	45.07
Minority Interest	934.52	18.62	1,090.04	19.54	1,198.36	19.79
<b>Total Equity</b>	<b>2,983.23</b>	<b>59.45</b>	<b>3,422.42</b>	<b>61.35</b>	<b>3,927.58</b>	<b>64.85</b>
<b>Total Liabilities and Equity</b>	<b>5,018.36</b>	<b>100.00</b>	<b>5,578.56</b>	<b>100.00</b>	<b>6,055.96</b>	<b>100.00</b>

### Income Statement

Item	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Revenue</b>						
Revenue from Medical Services	2,663.75	98.54	2,898.31	97.95	3,287.77	98.26
<b>Other Revenue</b>						
Interest Received	10.49	0.39	19.90	0.67	17.37	0.52
Dividends Received	15.75	0.58	16.56	0.56	15.41	0.46
Other Revenue	13.30	0.49	24.06	0.81	25.40	0.76
<b>Total Revenue</b>	<b>2,703.29</b>	<b>100.00</b>	<b>2,958.84</b>	<b>100.00</b>	<b>3,345.96</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of Medical Services	1,749.56	64.72	1,951.19	65.94	2,127.06	63.57
Administrative Expenses	306.63	11.34	351.57	11.88	398.75	11.92
Finance Costs	46.13	1.71	48.64	1.64	48.38	1.45
<b>Total Expenses</b>	<b>2,102.31</b>	<b>77.77</b>	<b>2,351.40</b>	<b>79.47</b>	<b>2,574.19</b>	<b>76.93</b>
Profit Sharing from Associates	10.76	0.40	19.85	0.67	13.21	0.39
Profit before Income Tax	611.74	22.63	627.28	21.20	784.98	23.46

Item	Unit : THB million					
	2013	%	2014	%	2015	%
Income Tax Expenses	118.56	4.39	121.20	4.10	154.87	4.63
<b>Net Profit</b>	<b>493.18</b>	<b>18.24</b>	<b>506.07</b>	<b>17.10</b>	<b>630.11</b>	<b>18.83</b>
Other Comprehensive Incomes – Net of Tax	194.75	7.20	85.70	2.90	73.24	2.19
<b>Total Comprehensive Incomes</b>	<b>687.93</b>	<b>25.45</b>	<b>591.78</b>	<b>20.00</b>	<b>703.35</b>	<b>21.02</b>

Item	Unit : THB million		
	2013	2014	2015
<b>Attribution of Net Profit</b>			
Attributable to Equity Holders of the Parent	367.05	386.92	500.79
Attributable to Non-Controlling Interests	126.14	119.16	129.32
	493.18	506.07	630.11
<b>Attribution of Total Comprehensive Income</b>			
Attributable to Equity Holders of the Parent	476.59	434.34	541.68
Attributable to Non-Controlling Interests	211.34	157.43	161.68
	687.93	591.78	703.35
<b>Basic EPS Attributable to Equity Holders of the Parent</b>			
	<b>9.12</b>	<b>9.62</b>	<b>12.45</b>

### Statement of Cash Flow

Cash flow from Operating Activities	Unit: THB Million		
	2013	2014	2015
Net Profit	493.18	506.07	630.11
<b>Adjustment of Net Profit to Cash from (used in) Operating Activities</b>			
Depreciation	130.71	139.69	163.61
Amortization of Computer Software	4.54	3.75	3.94
Bad Debt And Doubtful Accounts – Trade Accounts	3.93	17.55	12.18
Bad Debt And Doubtful Accounts – Accrued Interest (Reversal)	(2.11)	0.65	(0.49)
Impairment Loss of Investments	-	0.06	0.05
Dividends Received	(15.75)	(16.56)	(15.41)
Loss On Write-Off Fixed Assets	0.07	0.00	0.05
(Gain) Loss On Disposal Of Other Assets	(0.98)	(0.23)	0.80
Interest Received	(10.49)	(19.90)	(17.37)
Employee Benefit Expense	8.88	7.62	9.27

Cash flow from Operating Activities	Unit: THB Million		
	2013	2014	2015
Interest Paid	46.13	48.64	48.38
Income Tax Paid	118.56	121.20	154.87
Profit Sharing to Associates	(10.76)	(19.85)	(13.21)
Cash Flows from (used in) Operations Before Changes in Operating Assets and Liabilities	765.91	788.70	976.77
<b>Change in Operating Assets</b>			
Trade Accounts	(29.03)	(168.58)	50.56
Inventories	(10.38)	0.50	4.84
Other Current Assets	1.39	(2.90)	(17.19)
Other Non-Current Assets	(0.44)	0.73	(0.76)
<b>Change in Operating Liabilities</b>			
Trade Account	(3.08)	18.15	6.43
Accrued Medical Service Cost	1.63	(6.38)	(1.30)
Accrued Expenses	(2.63)	7.38	8.75
Other Payables	(0.65)	(0.04)	0.50
Advance Received	1.92	26.88	(40.48)
Other Current Liabilities	5.94	(0.20)	5.46
Post Employee Benefit Obligations	(1.20)	(0.85)	(0.68)
Other Non-Current Liabilities	-	5.84	(3.27)
Cash Generated from Operations	729.36	669.24	989.62
Income Tax Paid	(97.87)	(144.91)	(137.06)
<b>Net Cash Provided (Used) in Operating Activities</b>	<b>631.48</b>	<b>524.34</b>	<b>852.55</b>

Cash flow from Investing Activities	Unit : THB million		
	2013	2014	2015
Cash Paid for Short-term Investment	19.00	-	-
Cash Received from Short-term Loans to Related Parties	190.00	855.00	637.00
Cash Paid from Short-term Loans to Related Parties	(575.00)	(735.00)	(592.00)
Cash Received from Long-term Loans	14.45	-	-
Bank Deposit Pledged as Collateral	9.45	(10.95)	6.47
Cash Paid for Available-for-Sale Investment	(0.29)	-	(5.63)
Cash Paid for Investment in Related Parties	-	(100.00)	(120.00)
Dividends Received from Investment in Associates	2.06	2.29	5.06
Dividends Received from Available-for-Sale Investment	10.90	10.71	10.76

Cash flow from Investing Activities	Unit : THB million		
	2013	2014	2015
Dividends Received from Investment	4.73	5.85	4.65
Purchases of Property, Plant and Equipment	(191.08)	(459.82)	(436.40)
Cash Paid for Computer Software	(3.60)	(3.68)	(4.95)
Cash Received from Disposal of Buildings and Equipment	1.29	1.68	1.76
Cash Paid for Prepaid Expense	-	(3.06)	(9.60)
Cash Received from Interest Income	14.16	19.77	16.17
<b>Net Cash Provided (Used) in Investing Activities</b>	<b>(503.93)</b>	<b>(417.22)</b>	<b>(486.70)</b>

Cash Flow from Financing Activities	Unit : THB million		
	2013	2014	2015
Increase in Bank Overdraft	24.30	(27.03)	(10.53)
Cash Received from Short-term Loans from Financial Institutions	15.00	190.00	-
Cash Paid for Short-term Loans from Financial Institutions	(90.00)	-	-
Cash Received from Short-term Loans to Related Parties	59.00	114.00	2.00
Cash Paid for Short-term Loans to Related Parties	(28.00)	(4.00)	(1.00)
Cash Received from Short-term Loans	49.00	31.15	31.50
Cash Paid from Short-term Loans	(42.70)	(13.80)	(26.00)
Cash Received from Long-term Loans from Financial Institutions	278.02	-	120.00
Cash Paid for Long-term Loans from Financial Institutions	(154.01)	(196.60)	(172.70)
Cash Paid for Lease Obligations	(0.66)	(0.49)	(0.96)
Cash Paid for Investment in Subsidiaries from Minority Interest	-	(5.12)	-
Dividend Paid	(135.58)	(164.30)	(197.42)
Cash Paid for Interest	(47.04)	(49.16)	(48.24)
<b>Net Cash Provided (Used) in Financing Activities</b>	<b>(72.66)</b>	<b>(125.36)</b>	<b>(303.35)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalent</b>	<b>54.89</b>	<b>(18.24)</b>	<b>62.50</b>
Cash and Cash Equivalents, Beginning Balance	141.94	196.83	178.59
Cash and Cash Equivalents, Ending Balance	196.83	178.59	241.09

**Financial Ratio**

Items	2013	2014	2015
<b>LIQUIDITY RATIO</b>			
Current Ratio (Times)	0.87	0.72	0.69
Quick Ratio (Times)	0.38	0.40	0.40
Cash Flow Ratio (Times)	0.56	0.40	0.59
Receivable Turnover (Times)	8.84	7.32	7.30
Days Sale Outstanding (Days)	41	49	49
Inventory Turnover (Times)	19.32	20.43	22.91
Days Sale in Inventory (Days)	19	18	16
Accounts Payable Turnover (Times)	11.02	11.73	11.91
Days Payable Outstanding (Days)	33	31	30
Cash Cycle (Days)	27	36	35
<b>PROFITABILITY RATIO</b>			
Gross Profit Margin	34.32%	32.68%	35.30%
Operating Profit Margin	24.29%	22.64%	24.95%
Operating Cash Flow / Net Profit	97.59%	79.92%	103.95%
Net Profit Margin	18.24%	17.10%	18.83%
Return on Equity	18.28%	15.80%	17.15%
<b>EFFICIENCY RATIO</b>			
Return on Asset	10.62%	9.55%	10.83%
Return on Fixed Asset	31.95%	30.01%	32.42%
Asset Turnover (Times)	0.58	0.56	0.58
<b>FINANCIAL POLICY RATIO</b>			
Debt to Equity Ratio (Times)	0.68	0.63	0.54
Interest Coverage Ratio (Times)	15.81	13.76	20.45

**Financial Overview of the Company**
**Overall Performance**
**Revenues**

The Company had total revenues in 2013 of THB 2,703.29 million. In 2014, the Company had total revenues of THB 2,958.84 million, which increased from previous year by THB 255.55 million or 9.45%. In 2015, the Company had total revenues of 3,345.96 million, which increased from 2014 by THB 387.12 million or 13.08%. The revenues are mainly from revenue from medical services and other revenues.



Items	Unit : THB million					
	2013	%	2014	%	2015	%
<b>Revenues</b>						
Revenue from medical services	2,663.75	98.54	2,898.31	97.95	3,287.77	98.26
Other Revenues	39.54	1.46	60.52	2.05	58.19	1.74
<b>Total Revenues</b>	<b>2,703.29</b>	<b>100.00</b>	<b>2,958.84</b>	<b>100.00</b>	<b>3,345.96</b>	<b>100.00</b>

#### Revenue from medical services

In 2013, the Company had revenue from medical services in 2013 of THB 2,663.75 million. In 2014, the Company had revenue from medical services of THB 2,898.31 million, which increased from previous year by THB 234.56 million or 8.80%. In 2015, the Company had revenue from medical services of 3,287.77 million, which increased from 2014 by THB 389.46 million or 13.43%. The increase was from revenue from general patients, revenue from Social Security Office, and revenue from Social Security Office for patients with high medical cost in DRG system.

#### Other revenues

Other revenues include interest income, dividend income, and other revenues. In 2013, the Company had other revenues of 1.46% of total revenues. In 2014, the Company had other revenues of 2.05% of total revenues. In 2015, the Company had other revenues of 1.74% of total revenues. The main reason was from

#### Cost of medical services

In 2013, the Company and subsidiaries had cost of medical services of 1,749.56 million. In 2014, the Company and subsidiaries had cost of medical services of 1,951.19 million, which increased from 2013 by THB 201.63 million or 11.52%. This is from an increase in cost of medicines and medical supplies, cost of medical personnel, and annual salary adjustment including the increase in number of employees. The proportion of cost to revenue in medical services is 65.68% in 2013 and 67.32% in 2014, which increased by 1.15%. In 2015, the Company and subsidiaries had cost of medical services of 2,127.06 million, which increased from 2014 by THB 175.87 million or 9.01%. This is from an increase in cost of medicines and medical supplies, cost of medical personnel, annual salary adjustment, increase in number of employees, and investment in international quality assurance system. The proportion of cost to revenue in medical services was 67.32% in 2014 and 64.70% in 2015.

### Selling and Administrative Expenses

In 2013, the Company and subsidiaries had selling and administrative expenses of 306.63 million. In 2014, the Company and subsidiaries had selling and administrative expenses of 351.57 million, which increased from 2013 by THB 44.94 million from an increase selling and administrative expenses by THB 43.39 million and an increase in remuneration of executive by THB 1.54 million. The proportion of selling and administrative expenses to revenue from medical services is 11.51% in 2013 and 12.13% in 2014. In 2015, the Company and subsidiaries had selling and administrative expenses of 398.75 million, which increased from 2014 by THB 47.18 million or 13.42%. This is from an increase utility expense, cleaning expense, and maintenance expense from the opening of more buildings.

In 2013, the Company and subsidiaries had income tax expense of 118.56 million. In 2014, the Company and subsidiaries had income tax expense of 121.20 million, which increased from 2013 by THB 2.64 million or 2.23%. This increase is from an increase in profit of the Company and some subsidiaries like Theppanya Business Co., Ltd. In 2015, the Company and subsidiaries had income tax expense expenses of 154.87 million.

### Profitability

In 2013, the Company and subsidiaries had net profit of 493.18 million. In 2014, the Company and subsidiaries had net profit of 506.07 million, which increased from 2013 by THB 12.89 million. The net profit margin is 18.24% in 2013 and 17.10% in 2014. The decrease in net profit margin was from an increase in revenue is less than an increase in expenses. The gross profit margin is 34.32% in 2013 and 32.68% in 2014, which also decreased. The return on equity is 18.28% in 2013 and is 15.80% in 2014. In 2014, the Company and subsidiaries have paid the dividends including Chiangmai Ram Hospital Co., Ltd. paying dividend of THB 1.50 per share, Chiang Mai Ram Medical Service Public Company Limited paying dividend of THB 3.00 per share, Hariphunchai Memorial Hospital Co., Ltd. paying dividend of THB 0.15 per share. In 2015, the Company and subsidiaries had net profit of 630.11 million, which increased from 2014 by THB 124.04 million or 24.51%. This increase was from the increase in the number of hospital joining the program with Social Security Office. The net profit margin was 18.33% in 2015 compared to net profit margin of 17.10% in 2014.

### Asset

In 2013, the Company had cash and cash equivalents of THB 196.83 million. In 2014, the Company had cash and cash equivalents of THB 178.59 million, which increased from 2013 by THB 18.24 million. This increase was from the investment in building construction of the Company and subsidiaries using working capital and loans from other companies in the group. In 2015, the Company had cash and cash equivalents of 241.09 million, which increased from 2014 by THB 62.50 million because the Company and subsidiaries get more revenue from Social Security Office in 2015.

In 2013, the Company had trade accounts and notes receivable of THB 249.91 million. In 2014, the Company had trade accounts and notes receivable of THB 400.45 million, which increased from 2013 by THB 151.04 million. This increase was from the revenue of the Company and subsidiaries that will receive from Social Security Office. In 2014, the amount of trade accounts receivable from Social Security Office for the Company was THB 99.89 million and for subsidiaries was THB 46.89 million as well as trade accounts receivable from National Health Security Office was THB 5.5 million. In 2015, the Company had trade accounts and notes receivable of 337.71 million, which decreased from 2014 by THB 62.74 million because the Company and subsidiaries received the payment from Social Security Office faster and recorded less amount of trade account receivable.

In 2013, the Company had inventories of THB 95.76 million. In 2014, the Company had inventories of THB 95.26 million, which decreased from 2013 by THB 0.51 million. Most of inventories were in form of medicines. In that year, there were less disease and the demand for vaccine was also lower. In 2015, the Company had inventories of 90.43 million, which decreased from 2014 by THB 4.83 million because of the decrease in medicines and medical supplies in subsidiaries.

The investment in available-for-sale securities in the investment in popular securities in the market and recorded at fair value in the financial statement as of the latest offer price on the last working day for that period. The increase in from an increase in market price in each quarter from the 1<sup>st</sup> quarter to 4<sup>th</sup> quarter as the amount of available-for-sale securities was THB 1,566.85 million in 2013 and THB 1,667.36 million in 2014, which increased by THB 100.51 million. In 2015, the Company had available-for-sale securities that invested in the investment in popular securities in the market and recorded at fair value in the financial statement as of the latest offer price on the last working day for that period of THB 1,766.17 million, which increased by THB 98.81 million. The increase was from more investment in subsidiaries.

In 2013, the Company had short-term loans to related parties of THB 463.00 million. In 2014, the Company had short-term loans to related parties of THB 343.00 million, which decreased from 2013 by THB 120.00 million. This decrease was from the Company getting back the loan from Khon Kaen Ram Hospital Co., Ltd. and Hariphunchai Memorial Hospital Co., Ltd. in order to use in construction of a new building. In 2015, the Company had short-term loans to related parties of 298.00 million, which decreased from 2014 by THB 45.00 million. This was from there is more borrowing of THB 592.00 million but repayment of THB 646.02 million as well as the write-off of Praram Food Co., Ltd. of THB 9.02 million because that company was liquidated and made partial repayment.

In 2013, the Company had investment in associates of THB 71.14 million. In 2014, the Company had investment in associates of THB 88.63 million, which increased from 2013 by THB 17.49 million. This increase was Chiangmai Ram Hospital Co., Ltd. using profit to invest in Khelang Nakorn Ram Hospital Co., Ltd. for THB 15.87 million and Theppanya Business Co., Ltd. that is the subsidiary of Chiangmai Ram Hospital Co., Ltd.

investing in Mae Sot Ram Hospital for THB 1.61 million. In 2015, the Company had investment in associates of 96.78 million, which increased from 2014 by THB 8.15 million.

In 2013, the Company had other long-term investments of THB 15.30 million. In 2014, the Company had other long-term investments of THB 115.24 million, which increased from 2013 by THB 99.94 million. This increase was from the Company investing in Gassan Marina Golf Club Co., Ltd. for THB 35.00 million and from Chiangmai Ram Hospital Co., Ltd. of THB 50.00 million and Hariphunchai Memorial Hospital Co., Ltd. of THB 15.00 million. The ownership proportion in that company is 5.00%. In 2015, the Company had other long-term investments of 235.19 million, which increased from 2014 by THB 119.95 million from the investment in Gassan Marina Golf Club Co., Ltd. for THB 120.00 million by subsidiaries.

In 2013, the Company had property, plant and equipment of THB 1,996.89 million. In 2014, the Company had property, plant and equipment of THB 2,306.28 million, which increased from 2013 by THB 309.39 million. This increase was from the construction of buildings and the purchase of land by Chiangmai Ram Hospital Co., Ltd. as well as the renovation of buildings in Hariphunchai Memorial Hospital Co., Ltd. In 2015, the Company had property, plant and equipment of 2,590.52 million, which increased from 2014 by THB 284.24 million from the construction of buildings of the Company and subsidiaries to support more number of patients as well as the renovation of inpatient buildings in the subsidiary.

As of December 31, 2013, the Company and subsidiaries had total liabilities of THB 2,035.12 million. In 2014, the Company and subsidiaries had total liabilities of THB 2,156.14 million, which increased from 2013 by THB 121.02 million or 5.95%. This increase was from an increase in current liabilities of THB 266.62 million and a decrease in non-current liabilities of THB 145.60 million. In 2014, the Company had short-term loans of THB 190.00 million in form of promissory notes with the maturity of 3 months. The subsidiaries made the repayment for matured promissory notes of THB 27.00 million. The short-term loans from related parties increased from 2013 by THB 110.00 million. This increase in short-term loans from related parties was from the Company of THB 10.00 million and from subsidiaries of THB 100.00 million because of the purchase of land and medical equipment. The subsidiaries need to purchase the medical equipment replace the old ones. The non-current liabilities decreased by THB 164.19 million from the repayment of loan from financial institution. The decrease of liabilities by THB 170.20 million is from the Company for THB 77.80 million and the subsidiaries for THB 92.30 million. Other non-current liabilities are from retention for construction agreement, which is from the Company for THB 4.15 million and from subsidiaries of THB 1.70 million. In 2015, the Company and subsidiaries had total liabilities of THB 2,128.37 million, which decreased from 2014 by THB 27.77 million or 1.29%. This was from an increase in current liabilities of THB 23.03 million and a decrease in non-current liabilities of THB 50.80 million. In 2015, the Company made the repayment of short-term loan from related parties of THB 80.00 million and the decrease in bank overdraft and short-term loan from financial institution of subsidiaries was THB 10.53 million. The non-current liabilities decreased by THB 50.80 million

from the repayment of loan from financial institution. The decrease of liabilities by THB 73.92 million is from the Company for THB 70.00 million and the subsidiaries for THB 3.92 million.

Statement of Financial Position (Unit : THB million)	2013	2014	2015
Total Current Assets	1,014.38	1,029.10	997.93
Total Non-Current Assets	4,003.97	4,549.46	5,058.03
<b>Total Assets</b>	<b>5,018.36</b>	<b>5,578.56</b>	<b>6,055.96</b>
Total Current Liabilities	1,164.17	1,430.79	1,453.82
Total Non-Current Liabilities	870.95	725.35	674.55
<b>Total Liabilities</b>	<b>2,035.12</b>	<b>2,156.14</b>	<b>2,128.37</b>
<b>Total Equity</b>	<b>2,983.23</b>	<b>3,422.42</b>	<b>3,927.58</b>