



Contents

Message from the Chairman	1
General Information.....	2
Securities and Shareholders' Information	3
Profile of the Board of Directors and Executives.....	5
Business Overviews and Policies.....	20
Nature of Business.....	21
Risk Factors.....	23
Dividend Payment Policy.....	25
Management Structure.....	26
Corporate Governance.....	45
Rights of the shareholders.....	46
Equitable treatment of shareholders.....	48
Role of Stakeholders.....	49
Disclosure of Information and Transparency.....	51
Responsibilities of the Board	53
Corporate Social Responsibility.....	54
Internal control and risk management.....	67
Financial Information	
Summary of Financial Information.....	70
Management Discussion & Analysis.....	71
Report of the Audit Committee.....	75
Responsibilities of the Board for the Financial Reports.....	77
Report of the Auditor.....	79
Financial Statements.....	83
Notes to the Financial Statements.....	90
Related Transactions.....	114
Changes in portfolios of directors and the management.....	115



Message from the Chairman

Dear Shareholders

Everywhere in the world today, businesses are facing challenges of several aspects: social, economic, and environmental. As far as the medical care business is concerned, the challenges also lie in quality.

Disease remedy and prevention is part and parcel of life. Aikchol Hospital therefore focuses on the standard of safety, attention, and care, which have earned us trust and confidence of service users. We also value continuous improvement to help us cope with business transformation.

We keep our eyes open for investment growth opportunities to supplement value and extend our business. Yet, our endeavor is to be based on prudent risk prevention as well as good governance in management and corporate administration.

On behalf of the Board of Directors, I would like to express my sincere gratitude to the shareholders and all our benefactors alike for your perennial trust in Aikchol. My thanks equally go to the management, our teams of physicians, nurses, and medical officers, and all other Aikchol personnel for their dedication, commitment, and responsibility that contribute to our growth and achievement of prosperity and sustainability.

(Mr. Apirag Vanich)

Chairman

Aikchol Hospital Public Company Limited



General Information

Company Name	: Aikchol Hospital Public Company Limited
Registered Number of PLC	: 0107537001064
Type of Business	: Private Hospital
Registered Capital	: 149,909,264 common shares
Registered Paid-up Capital	: Baht 149,909,264 Baht
Par Value per Share	: Baht 1.00
Listed Date	: January 10,1992
Accounting Period	: 1 January – 31 December
Web Site	: www.aikchol.com
E-mail address	: info@aikchol.com
Contact	: <u>Head Office : Aikchol Hospital</u> 68/3 Moo 2 Prayasatja Rd., Bansuan Sub-district, Muang District, Choburi Province 20000 Telephone 0-3827-3840-7, 0-3893-9999 Facsimile 0-3827-3848 <u>Branch Office : Aikchol 2 Hospital</u> 31/2 Moo.3 Angsila Rd., Muang District, Choburi Province 20000 Telephone 0-3893-9888 Facsimile 0-3893-9800
The Share Registration	: Telephone 0-3893-9999 Ext.1126, Facsimile 0-3827-3848
Department	E-mail : ir@aikchol.com , vasinee@aikchol.com
Share Registrar	: Thailand Securities Depository Company Limited. 62 The Stock Exchange of Thailand Building, Rachadapisek Rd., Klongtoey, Bangkok 10110 Telephone 0-2229-2800 Facsimile 0-2359-1259 Web Site www.tsd.co.th
Auditor	: Dharmniti Auditing Company Limited. 178 Dharmniti Building, 6 th -7 th Floor, Sai Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800 Telephone 0-2555-0600 Facsimile 0-2555-0664, 0-2555-0665 Web Site www.dharmniti.co.th
Legal Advisor	: International Legal Counsellors Thailand Ltd. 18 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120, Thailand Telephone 0-2679-6005 Facsimile 0-2679-6041



Securities and Shareholders' Information

1. Registered Capital and Paid-up Capital

As of December 31, 2019, AHC's registered capital was Baht 150,000,000, with paid-up capital of Baht 149,909,264 comprising 149,909,264 common shares at a par value of Baht 1.

2. Shareholding Structure

The top ten significant shareholders on the latest closing date of the shareholders register book on April 23, 2019, were:

	Name	No. of shares	%
1	Mr. Apirag Vanich and spouse	19,020,084	12.69%
	Total	19,020,084	12.69%
2	Chean Vanit Co., Ltd.	12,612,000	8.41%
	Total	12,612,000	8.41%
3	Mrs. Tuanjit Kittiwut	9,994,140	6.67%
	Total	9,997,440	6.67%
4	Mrs. Phortchana Manoch and spouse	4,377,408	2.92%
	Mr. Siripoj Manoch	1,720,496	1.15%
	Mr. Khunphat Manoch	1,542,384	1.03%
	Mr. Sithipoj Manoch	1,555,784	1.04%
	Total	9,196,072	6.14%
5	Mr. Pongsak Vittayakorn	6,695,460	4.47%
	Total	6,695,460	4.47%
6	Ms. Rojana Vanich	6,026,940	4.02%
	Total	6,026,940	4.02%
7	Ms. Oranuj Vanich	5,801,016	3.87%
	Total	5,801,016	3.87%
8	USB AG SINGAPORE BRANCH	5,378,200	3.59%
	Total	5,378,200	3.59%
9	Ms. Aungkhana Vanich	5,325,984	3.55%
	Total	5,325,984	3.55%
10	Mrs. Anchalee Thepphabutr	4,917,972	3.28%
	Total	4,917,972	3.28%

Profile of the Board of Directors and Executives

Mr. Apirag Vanich



Chairman of the Board
Age 55

Date of appointment as director April 15, 1991

Education

- MBA, Indiana University, USA
- B.S. Agricultural Economics, Purdue University, USA
- Directors Accreditation Program (DAP) (37/2005)
- Directors Certification Program (DCP) (60/2005)
- Finance for Non-Financial Directors (FND) (19/2005)
- Role of the Chairman Program (RCP) (13/2006)
- Leadership Program, Capital Market Academy

Positions held in other listed companies

- Chairman of Univanich Palm Oil Plc.

Other present positions

Chairman

- Chean Vanich Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Vanich Gypsum Co., Ltd.
- Vanich Lineal Co., Ltd.
- Phuket Rubber Co., Ltd.
- Aik Rock Industry Co., Ltd.

(%) Share Possession 21.10

Family ties among executives

- Mrs. Phortchana Manoch Sibling
- Ms. Kanchana Vanich Sibling
- Ms. Oranuj Vanich Sibling

Profile of the Board of Directors and Executives

Mrs. Phortchana Manoch



Vice Chairman of
the Board and Chairman
of the Executive Board
Age 65

Date of appointment as director April 27, 1981

Education

- M.S. Hospital Administration, University of Wisconsin, USA
- B.S. Business Administration, University of Wisconsin, USA
- Bachelor of Laws, Dhurakij Pundit University
- Directors Certification Program (DCP) (25/2002)
- Financial Statements for Directors (FSD) (13/2011)
- Anti-Corruption for Executive Program (ACEP) (2014)
- Good Governance for Medical Executives 2012, King Prajadhipok's Institute
- Governance for Executives (CGE) (14/2019)

Positions held in other listed companies

- Director of Univanich Palm Oil Plc.

Other present positions

Director

- Chean Vanich Co., Ltd.
- Vanich Lineal Co., Ltd.

(%) Share Possession 2.92

Family ties among executives

- | | | |
|----------------|--------|---------|
| • Ms. Kanchana | Vanich | Sibling |
| • Mr. Apirag | Vanich | Sibling |
| • Ms. Oranuj | Vanich | Sibling |
| • Mr. Siriphot | Manoch | child |

Profile of the Board of Directors and Executives

Krisada Banchuin M.D.



Independent Director, Chairman of the Nomination and Remuneration Committee, Chairman of the Audit Committee and Risk Management Committee.

Age 73

(%) Share Possession 0.14

Family ties among executive : None

Date of appointment as director September 12, 1978

Education

- Doctor of Medicine, Faculty of Medicine, Ramathibodi Hospital, Mahidol University
- DIP American Board of Pediatrics
- Diploma, Thai Board of Pediatrics, Medical Council of Thailand
- Diploma, Family Medicine, Medical Council of Thailand
- Directors Accreditation Program (DAP) (2005)
- Directors Certification Program (DCP) (2012)
- Role of the Compensation Committee (RCC) (2012)
- Audit Committee and Continuing Development Program (ACP) (2013)
- Monitoring the System of Internal Control and Risk Management (MIR) (2013)
- Monitoring the Internal Audit Function (MIA) (2013)
- Monitoring the Quality of Financial Reporting (MFR) (2013)

Positions held in other listed companies : None

Other present positions

- Director, Chonburi Ice Plant Company Limited

Experience

- Faculty director (outside expert), Faculty of Sports Science, Burapha University
- Physician, Chon Buri Hospital
- Member of Academic Council, Burapha University
- Physician, Dr. Krisada Clinic

Profile of the Board of Directors and Executives

Ms. Kanchana Vanich



Director
Age 62

Date of appointment as director February 23, 1994

Education

- B.S. Finance, University of Wisconsin, USA
- B.S. Human & Relationship, University of Wisconsin, USA
- Directors Accreditation Program (DAP) (36/2005)

Other training : None

Positions held in other listed companies

- Director of Univanich Palm Oil Plc

Other present positions

Director

- Chean Vanich Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Vanich Pilok Mining Co., Ltd.
- Vanich Gypsum Co., Ltd.
- Vanich Lineal Co., Ltd.
- Phuket Rubber Co., Ltd.

(%) Share Possession : None

Family ties among executives

- Mrs. Phortchana Manoch Sibling
- Mr. Apirag Vanich Sibling
- Ms. Oranuj Vanich Sibling

Profile of the Board of Directors and Executives

Ms. Oranuj Vanich



Director
Age 56

Date of appointment as director April 11, 2011

Education

- B.S. Marketing, Indiana State University, USA
- Hotel Management Diploma, Hotel Management School, "Les Roches" Switzerland
- Directors Accreditation Program (DAP) (2011)
- Financial Statements for Directors (FSD) (2013)

Positions held in other listed companies : None

Other present positions

Executive Director

- Vanich Gypsum Co., Ltd.
- Chean Vanich Transport Co., Ltd.
- Chean Vanich Co., Ltd.

(%) Share Possession 3.87

Family ties among executives

- Mrs. Phortchana Manoch Sibling
- Ms. Kanchana Vanich Sibling
- Mr. Apirag Vanich Sibling

Profile of the Board of Directors and Executives

Associate Professor Atirek Chivabongs M.D.



Independent Director,
Member of the Audit
Committee, Member
of the Nomination and
Remuneration Committee
and Chairman Risk
Management Committee.
Age 83

Date of appointment as director October 15, 2014

Education

- Diploma of natural Science, Chulalongkorn University
- Doctor of Medicine, University of Medical Science
- Advanced Diploma in Clinical Science, Major in Surgery at University of Medical Science.
- Ph.D, Cum Laude, University of Cologne (Dr.med.,c.l.), Federal Republic of Germany
- Facharzt Fuer Orthopaedie of Deutschland
- Diploma in Sportarct
- Diploma of specialist in Orthopedic
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Directors Accreditation Program (DAP) (2015)
- How to Develop a Risk Management Plan (HRP) (22/2019)

Positions held in other listed companies : None

Other present positions

- President of Jiwapong Visahakit Co., Ltd.
- President of Sinbenjapon Co., Ltd.
- Vice President of City Disastor Protection Co., Ltd.
- Adviser to the Faculty of Medicine Siriraj Hospital, Mahidol University
- Professor, Department of Orthopaedic Surgery and Physical Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
- Professor, Of College of Sports Science and Technology, Mahidol University
- Senior Managing Director of The Royal College of Family Physicians of Thailand
- Senior Managing Director of Sport medicine Section of Royal thai Orthopaedic Surgeons Advising Board of Thai Health Journal.

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Sanit Charkrit M.D.



Director, Member of the Executive Board and Medical Director, Aikchol Hospital
Age 72

Date of appointment as director April 18, 2014

Education

- Bachelor of Medical Science, Chulalongkorn University
- Doctor of Medicine, Chulalongkorn University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Directors Accreditation Program (DAP) (2015)

Positions held in other listed companies : None

Other present positions : None

Experience

Director

- Chiang Kham Hospital, Phayao Province
- Phrae Hospital, Phrae Province

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mrs. Thitawat Pothanant



Independent Director,
Member of the Audit
Committee and Risk
Management Committee.
Age 64

Date of appointment as director April 21, 2017

Education

- M.B.A. (Finance), ST. John University,
New York, U.S.A.
- B.S. (Business Administration),
Kasetsart University, Thailand.
- Directors Accreditation Program
(DAP) (140/2017)
- Advance Audit Committee Program
(AACP) (30/2018)

Positions held in other listed companies : None

Other present positions : None

Experience

- First Executive Vice President, Head of
Credit Risk Division, Risk Management Group,
CIMB Thai Bank Plc.
- Senior Credit Officer, Standard Chartered Bank
Philippines.
- Corporate Finance Executive Wholesales
Banking Department The Chase Manhattan
Bank, N.A., Bangkok Branch.

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Assistant Professor

Sarayut Rueangsuwan Ph.D.



Independent Director
and A Member of Audit
Committee

Age 37

Date of appointment as director April 23, 2019

Education

- Doctor of Philosophy in Accountancy, University of Exeter, UK
- Master of Research in Finance with Merit, City University London, UK
- Master of Business Administration Thammasat Business School, Thammasat University, Thailand
- Bachelor of Business Administration in Accounting First class Honor Thammasat Business School, Thammasat University, Thailand
- Advanced Audit Committee Program 33/2019
- Directors Certification Program 246/2017
- JENESYS 2016 Economics: Trade and Investment Promotions, Japanese Government
- Directors Accreditation Program 129/2016
- GW4 PhD Training in Accounting, University of Exeter and University of Bristol

Positions held in other listed companies

- Independent director and a member of audit committee, Nex Point Public Company Limited

Other present positions

- Chief executive officer and director, Asia Cab Company Limited
- Director, Asia Cab Application Consulting Company Limited
- Director, Cab Drivers Company Limited
- Non-executive director, C.A.S. Holding Group Company Limited
- Director, All S Holding Company Limited
- Independent director and a member of audit committee, Equator Solar Capital Company Limited
- Director, Thai Aviation Company Limited

Experience

- Assistant professor of accounting, Faculty of Business Administration, Kasetsart University
- Assistant to the president for finance, Kasetsart University
- Chairman of economic impact assessment of new financial reporting standards adoption working group, Federation of Accounting Professions of Thailand
- Chairman of audit committee and independent director, Thai Nippon Rubber Industry Public Company Limited

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Proferssor.Dr.

Sawaek Weerakiet,M.D.



Director

Age 64

Date of appointment as director April 23, 2019

Education

- M.D.,Faculty of Medicine, Mahidol University, Bangkok, Thailand
- Graduate Diploma in Clinical Science (OB&GYN), Faculty of Medicine, Ramathibodi Hospital, Mahidol University, Bangkok, Thailand
- Diploma Thai Board in Obstetrics and Gynecology, Thai Medicinal Council, Bangkok, Thailand)
- Diploma Thai Sub-Board in Reproductive Medicine
- Residency Training in Obstetrics and Gynecology, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, Bangkok, Thailand

Positions held in other listed companies : None

Other present positions : None

Experience

- Expert on Infertility Treatment and Gynecologic Laparoscopic Surgery, Women Center , Bangkok Hospital, Udonthani Province, Thailand
- Expert on Gynecologic Laparoscopic Surgery, Women Center , Bangkok Hospital, Bangkok Thailand
- Subcommittee of Examination for Diploma in Thai Subspecialty Broad of Reproductive Medicine
- Invitation Trainer for Gynecologic Laparoscopic Surgery for staff members of Dep. OB&GYN, Bhumiphol Adulyadej, Hospital

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mr.Kudun Sukhumananda



Director
Age 45

Date of appointment as director April 23, 2019

Education

- Master of Laws, Columbia University, U.S.A.
- Bachelor of Laws (2nd Class Honours), Chulalongkorn University.

Positions held in other listed companies

- Independent Director and Audit Committee, Srisawad Finance Public Company Limited.

Other present positions

- Director kudun and Partners Limited.

Experience

- Audit Committee and Independent Director, GMM Grammy Public Company Limited.
- Partner lawyer of Weerawong, Chinnawat and Peangpanor.Co.,Ltd.
- Senior lawyer of Weerawong, Chinnawat and Peangpanor.Co.,Ltd.
- Lawyer, White and Case (Thailand) Company Limited.

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mrs. Prapaphan Tanthavirat



Advisor to the Executive Board,
Administrative Director of
Aikchol Hospital, and
Company Secretary
Age 71

Education

- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Thammasat University
- Master of Public Administration, Faculty of Political Science, Thammasat University
- Anti-Corruption The Corporate Secretary (ACPG) (2014)
- Fundamental Practice for Corporate Secretary (FPCS), Class 18, 2008

Experience

- Executive Director Aikchol Hospital
- Company secretary Aikchol Hospital Public Company Limited.

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Pichai Siripornpanich M.D.



Advisor to the Executive Board
and Medical Director,
Aikchol 2 Hospital
Age 63

Education

- Faculty of Medicine, Siriraj Hospital, Mahidol University
- Development Program for Deputy Directors of the Medical Department of the Regional/ General Hospitals and the Hospitals under Ministry of Public Health (5Th Class) year 2012
- Advanced Program for Ministry of Public Health Executives (28Th Class) year 2013

Experience

- Deputy Director of Medicine, Chon Buri Hospital
- Director, Kamphaeng Phet Hospital, Kamphaeng Phet Province

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mrs. Somporn Permsuk



Advisor to the Executive Board
and Administrative Director,
Aikchol Hospital 2
Age 70

Education

- Bachelor of Public Administration, Sukhothai Thammathirat Open University

Experience

- Executive Director Aikchol Hospital 2

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mrs. Pariyanath Chalermchuang



Accounting and Finance Director
Age 63

Education

- Mini MBA in Business Administration, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Thammasat University
- CFO's Orientation Course for new IPOs (3/2019)

Experience

- Finance & Accounting Manager, TMN Co., Ltd.
- Finance & Accounting Manager, Siam Paetra International Co., Ltd.
- Senior Manager, Finance One Public Co., Ltd.

(%) Share Possession : None

Family ties among executives : None

Profile of the Board of Directors and Executives

Mr. Siriphot Manoch



Business Development Director

Age 37

Education

- Master of Fine Arts in Lighting Design (MFALD) : Parsons School of Design, New York, USA (2006–2008)
- Bachelor of Fine Arts in Interior Design (BFAID) : Faculty of Decorative Arts, Silpakorn University, Bangkok, Thailand (2001–2005)
- Feasibility Study Certificate Program : Faculty of Commerce and Accountancy, Thammasat University (2019)
- Hospital Facility Management Certificate Program : Faculty of Medicine, KhonKaen University (2018)
- Hospital Environmental and Occupational Health and Safety Management : Faculty of Medicine, KhonKaen University (2017)
- Energy Management for Healthcare Facility : Department of Alternative Energy Development and Efficiency of Ministry of Energy (2017)
- Hospital Management for Chief Executive Officer (CEO) Certificate Program : Faculty of Medicine Ramathibodi Hospital, Mahidol University (2016)
- Advanced Healthcare Accreditation (A-HA) in Practice (HA 702) : The Healthcare Accreditation Institute (2016)
- Mini Financial Business Management Certificate Program : Faculty of Business Administration, Kasetsart University (2014)
- Festival of Light AIA/CES Registered Program : AIA/CES – The American Institute of Architects Continuing Education, USA (2008)
- Annual IALD Education Conference & Annual Meeting Light Play Workshop : Montreal, Canada (2007)

Experience

- Director of Business Development at Aikchol Hospital Public Company Limited (2015 – 2019)
- Guest Lecturer : Master of Fine Arts Program in Design Innovation and Hotel and Real Estate Management at Silpakorn University (2018)
- Guest Lecturer : Restaurant Kitchen Design at Bangkok University (2018)
- Interior Design Freelancer for Burega Farnell (2014)
- Senior Interior Designer : Tihany Design, New York, USA (2008–2013)
- Lighting Designer : Office of Visual Interaction, Inc. (OVI), New York, USA (2007)

(%) Share Possession 1.15

Family ties among executives

- Mrs. Phortchana Manoch mother

Business Policy and Overview

Background

Aikchol Hospital is the first private hospital in ChonBuri, beginning operations in 1978 with the registered capital of Baht 22 million. In 1992 it was listed on the Stock Exchange of Thailand (SET) and became a public company limited in 1994 under “Aikchol Hospital Public Company Limited”. In 2006, the hospital expanded to Aikchol Hospital 2 with a total of 340 patient beds. The total land areas were 12 rai and 15 rai respectively. The registered capital today amounts to Baht 150 million.

The hospital also welcomes general patients from insurance customers, contract partner customers, customers under the Social Security scheme, and international customers. Recently more industrial customers have added to its clientele due to growth in industrial estates.

Vision, Mission, and Operating Strategy

Vision : Aikchol strives to be a quality hospital with service excellence, catering to customers’ expectations and needs with quality service based on moral principles, attention, and care for customer satisfaction.

Mission : We are committed to developing our service quality in pursuit of international standards by providing holistic medical care with advanced medical technology, experienced medical teams, and quality personnel to look after patients, communities, and the environment with adherence to measurable quality and safety.

Most major private hospitals in Thailand are Joint Commission International (JCI)-certified so as to provide medical care to health-conscious people and health tourists with highly skilled physicians and trained as well as experienced medical staff. Aikchol also earned JCI accreditation for its Acute Myocardial Infarction Program.

Milestones

This year Aikchol had not only expanded its capability development through services in assorted departments, but had also constantly added improvement to each department, including:

- **Pediatrics :** Service sections now cater to “well babies” and “sick babies” separately to improve the quality of infection control while increasing examination rooms and procedure rooms to handle steadily increasing babies and child patients. Ambience improvement has been made to make the department more lively and relaxing for children (Well Baby Department).
- **Obstetrics and Gynaecology:** This department has moved to the third floor of Building 2, with more spacious service areas and capability expansion of medical

apparatus to accommodate the steadily rising number of patients, notably pregnant patients. The ambience has been designed for warmth and relaxation.

- **Skin and Cosmetic Laser:** This department provides medical care to general skin diseases and cosmetic advice by experienced teams of doctors with standardized and meticulous services in each step of skin and facial care, healing precision, and complexion restoration that smoothenes lines while providing facelifts.

Aikchol recently expanded its area to construct wastewater treatment facilities and a medical gas system to accommodate the rising number of patients and their water consumption for the daily activities of service users. Valuing environmental quality and impacts on community quality of life, Aikchol invested in these new facilities, leveraging advanced technology that efficiently and economically treats massive waste water volumes. The medical gas system now applies sophisticated gas dispensation with extra safety.

Aikchol 2, meanwhile, has moved the outpatient department for patients under the Social Security Scheme to the third floor to split utility areas into equal proportions for convenience in consulting physicians. Examination rooms have also been modified to meet various standards of the Bureau of Sanatorium and Art of Healing. Environmentally friendly materials and planning provide greater patients' safety. Aikchol considered modification of its facilities to pass the green building evaluation criteria, based on power efficiency to save electricity expenses. In March 2019, Aikchol 2 underwent quality assessment (HA Hospital Accreditation) by the Healthcare Accreditation Institute.

Group Shareholding Structure

Since Aikchol has no subsidiary or associate, data on this are not available.

Business Relationship with Major Shareholders

Aikchol has no such relationship.

Nature of Business

Products and Services

A private hospital, Aikchol renders comprehensive, around-the-clock services for both outpatients and inpatients, provided by medical doctors that are experts with experience in various fields.

Marketing and Competition

Numerous new private hospitals have sprouted since 2018. Such growth arose from shifts in domestic population structure, an ageing society, urban expansion, economic growth

that contributed to a bigger middle class, and the global trend of valuing more of good health. These factors have contributed to growth of this industry.

Today Thailand has concerned widely on healthcare facilities, notably the private hospital business, the number of new hospital has expanded about 10% on average. At the same time, public hospitals have seen improvement, with new facilities and out reaching to communities, including public health care centers, district health care centers, community hospitals, and medical centers in densely populated provinces.

The direction of the economic system, with the growth of the private hospital business is brought about by the increase base income of the number of middle class category. The general public are beginning to recognize the value of their health because of stress related to work as concluded from chronic diseases statistic. The well-being awareness, but less attention on basic exercises as trend that covers various areas is the sense of developing the healthcare industry increased.

The Ministry of Public Health has mapped out a public health development plan to accommodate economic growth under the Eastern Economic Corridor (EEC) Policy, to develop the health system in Chon Buri, Rayong, and Chachoengsao. Aikchol joined in a meeting on this to hear the policy and form a concept on the healthcare system so that the public may receive quality, modern, and value-adding services in the healthcare security system for due protection in health, environmental, and health hazard aspects. All along, Aikchol has planned development and provided cooperation with all applicable public agencies and local administrative bodies.

Procurement of Products or Services

Procurement of Pharmaceutical Products and Medical Apparatus

Pharmaceutical products and medical apparatus are essential items needed by the hospital business to ably serve patients. Aikchol commands an efficient procurement and inventory management system, as well as evaluation of prices, efficiency, and quality. In procuring medical apparatus, Aikchol engages domestic agents, with explicit after-sales service agreements. A physician team provides prudent reviews of the needs and investigates apparatus quality to suit service users. In place is inspection of transport system from upstream to downstream whether the merchandise is properly and safely delivered against the objectives.

Environmental Impacts of Processes

Valuing the conservation of energy, the environment, and natural resources, Aikchol incorporates this matter with its policy to promote employees' participation in such conservation efforts for the sake of community safety. This is beyond mere compliance with regulations and public directives, including wastewater treatment before release into natural water bodies, addition of green space in hospitals to ease air pollution, and conservation of

mangroves in the rear of the hospital-which are essential to the ecology. Our efforts include modern technological application for power consumption, which costs less; we also campaigned on economical, essential lighting by employees. Aikchol takes the import of chemicals very seriously; all chemicals must be imported as needed and must always be accompanied by Material Safety Data Sheets (MSDSs) issued by producers or credible public agencies, or both, stating application methods, chemical hazards, and proper treatment methods.

Risk Factors

Operation Risks

To any business, its economic hope was that 2019 would improve over 2018, which was filled with conflicts, policy uncertainty arising from the Thai government and politics, whose outlook was uncertain, thus posing obstacles to hospital business planning. As a result, certain private investment struggles in the red, and some projects were canceled, thus weakening the people's income or purchasing power. The overall growth therefore fell below the year's goal, although the year was one of overall growth of the Thai economy. The important reason was that the sluggish economy hurt people, who found themselves needing to adjust to cope with mediocre income growth in the face of soaring expenses. This is, therefore, people had to adjust by trimming their expenses.

Economic Risks

Numerous private hospital entrepreneurs are increasing gradually, but the potential clients avail the services are not increasing accordingly. Therefore the stress of revenue growth in maintaining the system has diminished. Aikchol's hospital clients affordability range is from medium to high status. The expectations from the economy are on positive direction. But due to political changes and the unstable government or economy, the development and advancement of modern technology and science, medical expertise are at on their average level. The confidence of innovation in providing the services, care and treatment to the clients is the wide long experience of Aikchol's hospital in medical service.

Risks of Shifts in Public Regulations or Standards

As a result of the promulgation of the new labor protection act on December 13, 2018, essentially requiring an increase in workers' retirement compensation from 300 to 400 days. This affects the provision of liability in accordance with accounting standards. Aikchol's executives must exercise discretion in proper provision for employee benefit. Such an increase in retirement compensation planning would pose a burden on Aikchol and cause its performance outcomes to decrease lower than the target.

Risk from Government Policy

Issues on the control of the use of medicines, medical supplies, and medical services as controlled products, endorsed as regulation of legal policy on drug prices as declared by the Central Committee on Price of Goods and Services (CCR), in which the government will set up a subcommittee to discuss price control guidelines. The medical services maximum fee is not included which has less impact on entrepreneurs. In the future, there may be more price control that lead to limitations for private hospitals to develop and compete with foreign countries as leading medical hub and in various business in this industry. There would be uncertainty and unstable situation brought about by the average price regulation of prices of medicines and medical supplies.

The UCEP (Universal Coverage for Emergency Patients) Project, a public-sector measure imposed on all domestic hospitals to serve critical emergency patients without charging patients. Any hospital which has been taking care of patients under the UCEP project would be able to reimbursed by the National Institute for Emergency Medicine at its fixed rates. This project has affected Aikchol's income because of patients' legal claims and the smaller amount of compensation actually paid to the hospital.

Risks of Medical Personnel Shortage

Today personnel problems persist among public hospitals, problems requiring personnel development planning by the public health service system. The public sector's policy is to produce enough medical personnel to follow, the plans to develop subdistrict health centers into community networks under local administrative bodies so as to lower patient congestion in main hospitals and serve as the front line for providing preliminary healthcare for the people. It is clear that the demand for medical personnel at all levels of the public sector and the private sector still far outpaces supply. Although the public sector has constantly tried to raise their personnel production, such personnel do need to accrue skills and experience. In short, securing proficient medical personnel become a huge expenses to Aikchol.

Aikchol values a policy to engage employees by providing regular development and training. Several quality management tools have been applied to upgrade its excellence, ranging from personnel evaluation to probe various capacities, mapping out plans, conducting employee engagement surveys, promoting the concept and analysis of joint organization innovation, granting employee scholarships to extend their career path projects under Aikchol's envisioned scope. Other welfare incentives include offers of pay, scholarships for employees' children with decent academic records. The establishment of the provident fund which is provided and became useful for retiring employees. These exemplify Aikchol's welfare policies.

Views of Private Hospital under the Social Security System

Entry into the Social Security system is mandatory under the Social Security Act of 1990. The public sector sets up a fund for this purpose and levies contributions from employers, employees, and the government at 5% proportionally from the monthly wages. Once employees have contributed, employees or the insured are protected. Aikchol 2 Hospital welcomes customers from this group along with others that pay cash and those associated with insurance companies that have medical care employment contracts.

Mandatory, hospitals participating as those providing Social Security Scheme. Such as medical care, have faced reimbursement delays from the Social Security Office (SSO), resulting in cash flow problems and a burden posed by SSO on private hospitals.

The private hospitals as business partners of the public sector, therefore suggest that Social Security System should improve its management efficiency to ensure members of the public entering the system and make them appreciate the security of Social Security fund future financial position.

Dividend Payment Policy

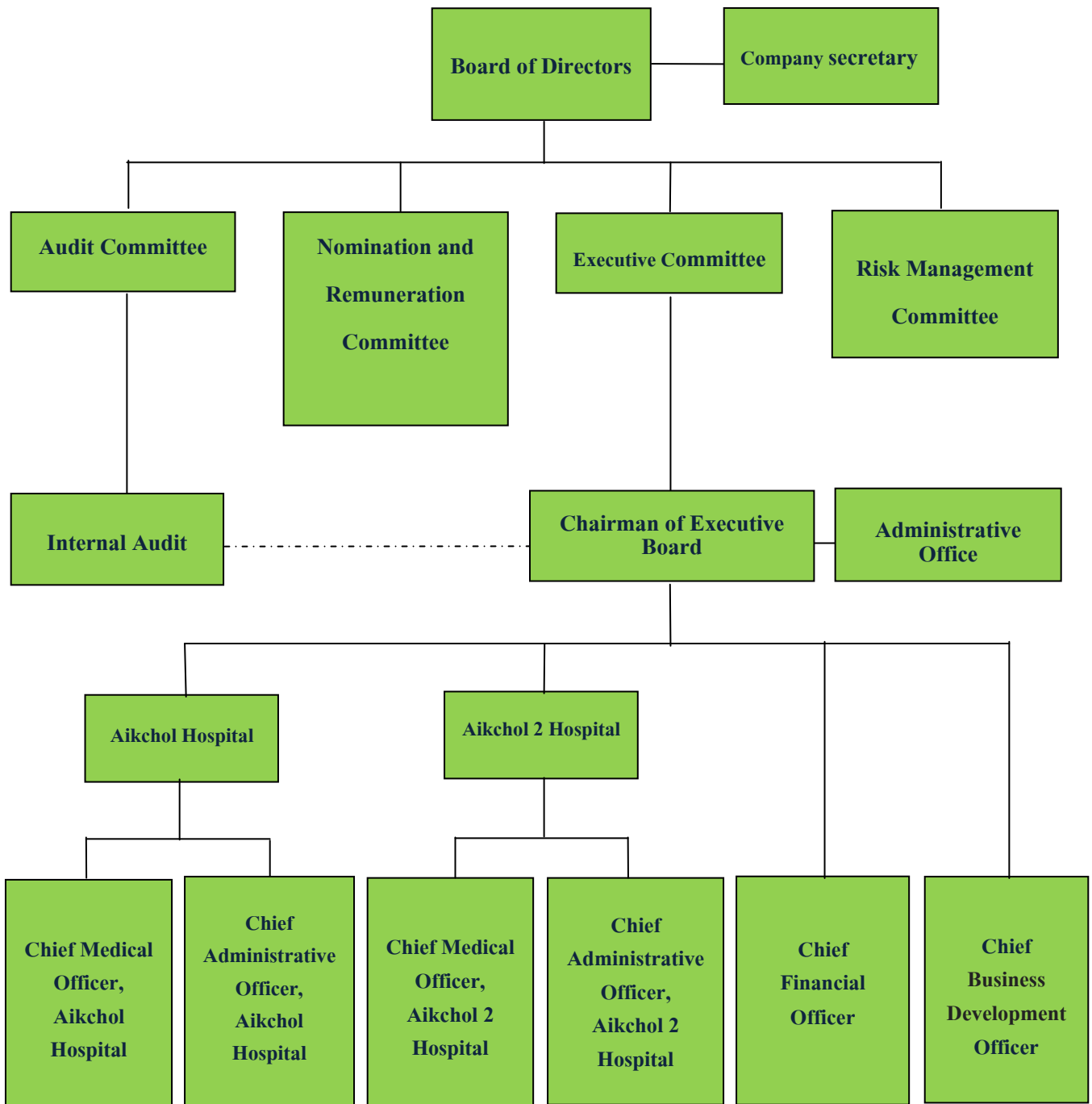
Barring compelling circumstances, the Board's policy is to propose to the shareholders' meeting dividend payment of no less than 50% of Aikchol's net income (profit) after income tax deduction.

Dividend profile for the past five years (2012 - 2016)

Annual dividend payment	2018	2017	2016	2015	2014
Net earnings per share (consolidated financial statements)	0.94	0.85	1.22	1.07	1.21
Dividend payment per share (Baht)	0.48	0.44	0.63	0.55	0.65
Dividend payment in percentage of net profit per share	51.14%	51.58%	51.74%	51.46%	53.63%
Date of payment	17/05/19	18/05/18	19/05/17	18/05/16	18/05/15

Management Structure

1. Management Structure as of December 31, 2019



2. Board of Directors

As of December 31, 2019, the Board consisted of:

Name	Meeting Attendance in 2018				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee
1. Mr. Apirag Vanich	7/7				
2. Mrs. Phorthana Manoch	7/7			22/22	
3. Dr. Krisada Banchuin	7/7	12/12	6/6		5/5
4. Ms. Kanchana Vanich	6/7				
5. Ms. Oranuj Vanich	7/7				
6. Dr. Sanit Charkrit	7/7			22/22	
7. Associate Prof. Dr. Atirek Chivabongs, M.D.	6/7	12/12	6/6		5/5
8. Mrs. Thitawat Pothanant	6/7	11/12	6/6		5/5
9. Assistant Prof. Sarayut Rueangsuwan, Ph.D.	6/6	8/9			
10. Prof. Dr. Sawaek Weerakiet	2/6				
11. Mr. Kudun Sukhumananda	3/6				

Authority and Limitation of the Board

Under Aikchol's regulations, two of the three directors, namely (1) Mr. Apirag Vanich (2) Mrs. Phorthana Manoch, and (3) Ms. Kanchana Vanich are authorized to jointly sign and affix Aikchol's seal.

Board Structure

The Board consists of 11 directors: two executive directors, five non-executive directors, and four independent directors (which accounts for 36% or no less than one-third of the Board). The directors have the qualifications and expertise to sufficiently create checks and balances and a management review mechanism.

Executive Directors

The executive director is a member of the Board or a full-time management director, and receives a regular salary or other benefits under company's regulations and social welfare .

Non-Executive Directors

A non-executive director is not involved in the day-to-day management of Aikchol and does not receive regular remuneration. He or she may be appointed by the major shareholder, or represent them.

Independent Directors

An independent director is not involved in the management of Aikchol or its associated company, is dependent of the management, the major shareholder, or its controllers. He or she has no business or relationship with Aikchol or its associated company which may affect the interests of Aikchol or the shareholders.

Independent directors have the qualifications in compliance with SET's and SEC's regulations as follows:

1. Share holding should not exceed 1 % of the voting shares of Aikchol, its subsidiaries, associates, or persons who could pose conflicts of interest (including the shares held by connected parties under Article 258 of the Securities and Exchange Act).
2. Must not be the person or who have not been involved in the management as wage earners, employees, advisers on the payroll of Aikchol, or those who have control over Aikchol and its holding company, its subsidiaries, associates, sister companies, the major shareholder, or those with control over Aikchol for at least two years before the appointment.
3. Must not be persons of blood relationship or legal registration as father, mother, spouse, sibling, and children, including the spouses of the children and of the executives, the major shareholder, controllers, or those who are recommended as executives, or controllers of Aikchol or its subsidiaries.
4. Must not have or have not had business relationship with Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest that may hamper the independent exercise of discretion; are not or have not been the major shareholder, directors who are not independent directors, or executives of those who have business relationship with Aikchol, or juristic persons who could pose conflicts of interest for at least two years before the appointment.
5. Must not and have not been the an auditor of Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest, and are not the major shareholder, directors who are not independent directors, executives, or managing partners of the auditing office that the auditor of Aikchol, or the juristic persons who could pose conflicts of interest are attached to for at least two years before the date of appointment.
6. Must not or have not been professional advisers, whether legal or financial, with consulting fees of more than 2 million baht a year from Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest. If the professional advisers are juristic persons, this should include the major shareholder, directors who are not independent directors, executives, or managing partners of the professional advisers for at least two years before the date of appointment.
7. Must not have appointed as the representatives of Aikchol's directors, the major shareholder, or shareholders who are connected with Aikchol's major shareholder.

8. Must not have any characteristics that hinder the ability to express freely the views on the operation of Aikchol.

Duties and Responsibilities of the Board

1. Perform its duties under laws, objectives, and regulations of Aikchol.
2. Review, approve, and modify Aikchol's vision and missions before disseminating to the public.
3. Approve major policies and strategies, financial targets, operating plans, budgets; monitor and ensure plan implementation.
4. Follow up and assess the performance of the management and establish suitable remuneration.
5. Approve the acquisition of funds and other resources required to ensure that Aikchol's operation fully conforms to its missions and strategies.
6. Ensure that financial reporting and auditing systems are reliable, and that risk management and internal control systems are suitable.
7. Resolve conflicts of interest, as well as the misuse of Aikchol's assets or malfeasance of connected transactions.
8. Put in place an efficient anti-corruption system, ensuring the management's alertness, recognition, and compliance with Aikchol's anti-corruption measures.
9. Appoint members of the Executive Committee, and delegate specific authority and duties to the Executive Committee to manage the Company. Members of the Executive Committee are entitled to remuneration and bonuses as specified by the Board meeting, provided, however, that the rights of such members to the remuneration and benefits under Aikchol's regulations as directors, officers or employees are not affected.
10. Appoint qualified candidates without forbidden characteristics as stipulated by the Public Limited Companies Act (1992) and the law on securities and exchange, as well as relevant rules or regulations of directorship, or both, if the post is vacated because of reasons other than term completion.
11. Appoint qualified independent directors without forbidden characteristics as stipulated by the law on securities and exchange, an announcement of the Capital Market Supervisory Board, as well as SET's rules or regulations, or both, or submit a list of potential candidates to the shareholders' meeting for approval.
12. Appoint qualified members of the Audit Committee in compliance with the law on securities and exchange, an announcement of the Capital Market Supervisory Board, as well as SET's rules or regulations, or both.
13. Appoint the Chair of the Executive Committee and conduct annual assessment of each person's performance.

14. Appoint the Company Secretary in compliance with the law on securities and exchange, responsible for preparing and filing documents and other duties as defined by the Capital Market Supervisory Board; facilitating activities of the Board and Aikchol, such as the meetings of the Board and the shareholders; providing the Board and Aikchol with legal advice and assorted regulations that they need to know and comply with; as well as ensuring that the Board and the Company disclose information with correctness, completeness, and transparency.
15. Submit a list of his or her own assets, including that of the spouse and children not yet of legal age who hold shares in Aikchol and its affiliates, and inform the Board meeting every time there is a change to the information.
16. Attend at least one director training course organized by the Thai Institute of Directors (IOD), such as Directors Accreditation Program (DAP) or Directors Certification Program (DCP) or equivalent to increase skill and ability to perform work.
17. Approve the healthcare quality and patients' safety program, regularly acknowledge and respond to reports on such subjects.
18. Other duties as stipulated by the announcements, rules, regulations, acts, or laws governing the Company.

Agenda for the Meetings of the Board

The Board schedules meetings every two months, or with extraordinary sessions called as necessary. The agenda is explicitly set in advance, along with agenda on monitoring of operation outcomes on regular basis. The Company's secretary inform the meeting notices with the agenda and accompanying documents seven days ahead of the meeting date to allow the directors sufficient time to study the documents before each meeting. Each meeting generally takes about 3 hours. In 2019, the Board held seven meetings.

Under the Articles of Association, at a meeting of the Board of Directors, the presence of no less than a half of the total number of directors is required to constitute a quorum, whereas the Board's resolution requires a majority vote of attending directors. Any director with a vested interest on any agenda item is barred from voting on that item. In the event of a tied vote, the Chairman of the meeting is entitled to cast the decisive vote.

Orientation of New Directors

The Company arranges business orientation sessions for newly-appointed directors and encourages them to attend training programs organized by the Thai Institute of Directors (IOD) so as to develop, support, and enhance the performance of the Board.

Self-assessment

Board assessment criteria

Annually, the Board undergoes its own performance assessment, and for this year it organized assessment of the entire Board and individual directors. To this end, the Company Secretary sent assessment forms to the directors for entire Board assessment.

As for self-assessment this year, it was found that their scores averaged 74.13%.

Aikchol presented the findings to Board Meeting No. 320 of February 13, 2020, to jointly advocate higher scores for the Board's performance.

Committees

The Board appoints the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee, whose scopes of authority, duties, and responsibilities are clearly defined in their respective charters.

Aikchol has disclosed the directorships in other companies as shown in the Board's structure. None of the directors holds more than five directorships in listed companies.

1. Audit Committee

The Audit Committee consists of four independent directors with a term of two years as follows:

1.	Dr. Krisada	Banchuin	Chairman
2.	Associate Prof. Dr. Atirek	Chivabongs	Member
3.	Mrs. Thitawat	Pothanant	Member
4.	Assistant Prof. Sarayut	Rueangsuwan	Member

Qualifications

Members of the Audit Committee must be independent directors appointed by the Board or the shareholders' meeting, and have the following qualifications as specified by SEC:

1. Must not be directors assigned by the Board to decide on the operation of Aikchol, its holding company, subsidiaries, associates, or juristic persons who could pose conflicts of interest.
2. Must not be directors of the holding company, subsidiaries, or sister companies that are listed companies.
3. For the benefit of the consideration of the qualifications, definitions appear below:
 - 3.1 "Holding company" means the company that holds more than 50% of the paid-up shares in a listed company (directly or indirectly).
 - 3.2 "Subsidiary" means the company where a listed company holds more than 50% of the paid-up shares (directly or indirectly).

- 3.3 “Major shareholder” means the shareholder (directly or indirectly) in a listed company or a subsidiary combined, accounting for more than 10% of the paid-up capital of the company or the subsidiary, including the shares held by connected parties.
- 3.4 “Executive” means an executive director, manager, employee from manager upward, or any person at the same level but is called otherwise with the authority of management of the company and subsidiaries, including the employee with whom the company or subsidiaries enter into a contract to have all or some authority in the management of the company or subsidiaries.
- 3.5 “Connected party” means the party under Article 258 (1) - (2) of the Securities and Exchange Act (1992)
- 3.6 “Independent (free) view” means free expression of views or report of the assigned work without having to consider benefit concerning assets or positions and not falling under the influence of any parties, including no pressing circumstance that hinders the ability to properly express one’s view.

Duties and Responsibilities

- 1. Review Aikchol’s financial reporting to ensure accuracy and adequacy.
- 2. Review Aikchol’s internal control system and internal audit system to ensure suitability and efficiency, determine Internal Audit’s independence, as well as approving the appointment, transfer, dismissal of, and penalty to the chief of Internal Audit by jointly assessing the case with the highest-ranking management.
- 3. Review Aikchol’s compliance with the law on securities and exchange, SET’s regulations, and laws relating to Aikchol’s business.
- 4. Review the suitability of the risk management system and risk management measures.
- 5. Review the accuracy and suitability of medical treatment standards.
- 6. Review the internal process on whistle-blowing and complaint-making, especially about improper financial statements or other issues, ensuring that the whistle-blower is confident about independent investigation and suitable follow-ups.
- 7. Review the evidence of internal investigation and report to the Board for consideration in case of suspected corrupt practices, irregularities, or major flaws in the internal control system.
- 8. Approve Internal Audit’s charter.
- 9. Approve Internal Audit’s annual audit plans.

10. Consider, select, and nominate an independent party as Aikchol's external auditor, and propose audit fees, as well as attending a non-management meeting with the external auditor at least once a year.
11. Review connected transactions or the transactions potentially leading to conflicts of interests, and ensure their compliance with the law and SET's regulations, sensibility, and maximum benefit of Aikchol.
12. Prepare a committee report for disclosure in Aikchol's annual report, to be countersigned by the Chairman and must contain at least the following information:
 - 12.1 Opinions on the accuracy, completeness, and creditability of Aikchol's financial reports.
 - 12.2 Opinions on the adequacy of Aikchol's internal control system.
 - 12.3 Opinions on compliance with the securities and exchange laws, SET's regulations, or laws related to Aikchol's business.
 - 12.4 Opinions on the suitability of the external auditor.
 - 12.5 Opinions on the transactions potentially leading to conflicts of interests.
 - 12.6 The number of the committee meetings, and the attendance of such meetings by each member.
 - 12.7 Opinion or overall comments received by the committee based on its performance under its charter.
 - 12.8 Other transactions that the shareholders and the general investors should be aware of, subject to the scope of Board-assigned duties and responsibilities.
 - 12.9 Other Board-assigned tasks, with the consent of the Audit Committee.
13. Other duties
 - 13.1 Reviews the charter of the Audit Committee annually to consider the necessity to change its responsibilities, recommend changes if necessary, and submit the case to the Board for approval.
 - 13.2 The Audit Committee may seek advice from independent external advisers if necessary, at Aikchol's expense.

In performing the above duties, the Audit Committee must be directly responsible to the Board, while the Board must be responsible to the public for the operation of Aikchol.

Agenda for the Meetings of the Audit Committee

The Audit Committee holds a monthly meeting, with an extraordinary meeting in case of emergencies. Each meeting takes two days, one at Aikchol Hospital and the other at Aikchol 2 Hospital for closer operation follow-up. Meeting notices with accompanying documents are forecast in the same manner as those of the Board meetings. The Committee held 12 such meetings. in 2019

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of independent directors with a term of two years as follows:

1.	Dr. Krisada	Banchuin	Chairman
2.	Asso.Prof.Dr. Atirek	Chivabongs	Member
3.	Mrs. Thitawat	Pothanant	Member

Duties and Responsibilities

Nomination

1. Define recruitment policies, criteria, and procedures for directors and persons with the authority of management and submit them to the Board for approval.
2. Select and nominate qualified candidates in compliance with relevant rules and laws for the positions of directors, committee members, and persons with the authority of management, and submit them to the Board for consideration.

In nominating directors, the committee takes into account the experience in at least one major field for the Board (such as medicine, finance, business administration, marketing, human resource management, law, and management) as well as the ability to caution the work of the Board, the ability to decide on business matters based on reason, strategic thinking, leadership, as well as high-level professionalism, honesty, and proper personal qualifications.

3. Ensure that the Board and the committees command proper sizes and compositions, modify the sizes and compositions to suit the changing environment, and ensure that both of them consist of qualified, skilled, and experienced persons.
4. Disclose the recruitment policies and procedures in Aikchol's annual report.
5. Review and summarize suitable succession plans and continuous management for the positions of top executives annually and report to the Board for acknowledgment.

Remuneration

1. Define the remuneration policies, criteria, procedures as well as other benefits; recommend remuneration for top executives based on clear, transparent criteria and submit it to the Board for consideration.
2. Ensure that the directors and top executives receive proper remuneration in line with their duties and responsibilities.
3. Define the guidelines for performance assessment of the directors and the persons with the management authority for annual remuneration consideration.
4. Disclose the policy on remuneration consideration and remuneration in various forms, prepare a report on remuneration consideration with at least the details on targets, operation, and views of the committee in Aikchol's annual report.
5. Recommend suitable remuneration for the directors and committee members to the Board for consent before their submitting to the shareholders' meeting for approval.
6. Perform other Board-assigned acts.

Agenda for the Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee convenes whenever it wishes to nominate or appoint new director or executive. The Chairman will ask the Secretary to forward meeting notices with accompanying documents in the same manner as those for the Board meetings. In 2019, the committee held six such meetings.

3. Executive Committee

Board Meeting No. 317 of September 16, 2019, appointed an Executive Committee with a one-year term. Membership of the Executive Committee will end upon termination of directorship of Aikchol, resignation, death, or dismissal by Board resolution. When an executive director ends directorship before term completion, the Board will appoint a qualified director to replace him or her for only as long as the remaining term.

The Executive Committee currently consists of:

- | | | |
|-------------------|----------|---------------------|
| 1. Ms. Phortchana | Manoch | Chairman |
| 2. Dr. Sanit | Charkrit | Executive director. |

Duties and Responsibilities

1. Define plans and operating plans based on the Board-assigned policies to meet Aikchol's objectives.

2. Define the core business structure of Aikchol, that is, medical treatment and its supporting units in compliance with the economic situations and competition, and submit this to the Board for approval.
3. Define business plans, budgets, management authority, and responsibility of each department and submit them to the Board for approval.
4. Approve financial operation within a Board-defined limit.
5. Maintain an internal control system to safeguard the capital of the shareholders and the assets of Aikchol.
6. Be responsible for the efficiency of the internal audit system, covering financial audit, operational audit, compliance audit, and managerial audit, especially risk management.
7. Be responsible for relevant third parties such as business partners and contractual parties to ensure joint profit and satisfaction, honoring of creditors' conditions, and stewardship of collaterals.
8. Exert stewardship of the development and promotion of a safe environment, a sound work environment, and a teamwork corporate culture.
9. Be responsible for the management of employees, who are valuable resources and Aikchol's success factor by recognizing their rights.
10. When witnessing any unethical or unlawful practice, monitor and report it to the Board or the Audit Committee.
11. Disclose performance data in the annual report as required by law and relevant regulations for transparency and good corporate governance.
12. Perform other Board-assigned tasks.

Agenda for the Meetings of the Executive Committee

The Executive Committee meets twice a month (every other week). Meeting notices with accompanying documents are forwarded in the same manner as those for the Board meetings. For the Executive Committee there were 22 meetings.

At each committee meeting, the minutes of the meeting are in written form, properly filed, and traceable. The contents of the minutes cannot be changed without prior approval of the meeting of each committee. The documents are always ready for inspection by the Board or relevant parties.

4. Risk Management Committee

The Risk Management Committee consists of 3 members and has a 3-year term, whose names are as follows:

1.	Asso.Prof.Dr. Atirek	Chivabongs.	Chairman
2.	Dr. Krisada	Banchuin	Member
3.	Mrs. Thitawat	Pothanant	Member.

Duties and responsibilities

1. Screen policies and approaches for overall risk management embracing key risks, including financial, investment, reputation risks, and submit them to the Board for endorsement
2. Define strategies and approaches for corporate risk management in line with its risk management policy by assessing, monitoring, and ensuring that its risks are suitable
3. Oversee and monitor compliance with its risk management policy under the Board-approved approach and policy
4. Set criteria for measuring risks and risk appetites
5. Set suitable measures for dealing with risks under prevailing circumstances
6. Review the adequacy of the risk management policy and systems, embracing system effectiveness and compliance with the policy
7. Regularly report to the Board Aikchol's administration, execution, risk situations, and changes, as well as items needing improvement to align with the corporate strategies
8. Put in place essential risk management taskforces
9. Support risk management taskforces through personnel, budget, and other essential resources in keeping with their scopes of responsibility.

Agenda for the Meetings of the Risk Management Committee

Risk Management Committee Schedule a meeting 6 times a year (every 2 months) to be able to effectively monitor and control risk prevention measures And reduce the severity of the risk that can occur in the year 2019, the Risk Management Committee held 5 meetings

3. Executives

The top executives of Aikchol as of December 31, 2019, are as follows:

	Name		Position
1.	Mrs. Phorthana	Manoch	Chairman of the Executive Committee
2.	Dr. Sanit	Charkrit.	Medical Director, Aikchol Hospital
3.	Dr. Pichai	Siripornpanich	Medical Director, Aikchol 2 Hospital
4.	Mrs. Prapaphan	Tanthavirat	Administrative Director, Aikchol Hospital
5.	Mrs. Somporn	Permsuk	Administrative Director, Aikchol 2 Hospital
6.	Mrs. Pariyanath	Chalermchuang	Chief Financial Officer
7.	Mr. Siriphot	Manoch	Chief Business Development Officer

Duties and Responsibilities of the Executives

The Executive Committee and the executives have the authority and duty to manage the Company under the policy, targets, operating plans, and annual budget aligned with the resolutions of the Board meetings, as well as approving financial matters and assets in ordinary business transactions within the amount specified by the Board.

4. Compensation

For transparency and suitability with duties and responsibilities of the directors and the management, the Board has assigned the Nomination and Remuneration Committee to devise a pay policy for directors under a clear, transparent criterion under which pay suits individual duties and responsibilities. This committee presents its findings to the Board and the shareholders' meeting for approval of directors' pays. Such pays must not be excessive and must be comparable to the general rates of peer businesses; they are to be based on experience, specialization, attention and dedication to work.

Criteria for the determination of directors' remuneration are based on detailed screening and vetting of their experiences, scopes of duties and responsibilities as approved by the shareholders, together with regular assessment of their performance as a guide for their remuneration.

- 1) Directors' remuneration is paid through bonuses and meeting allowances.
- 2) The remuneration of subcommittee members is paid through meeting allowances.
- 3) Executives' remuneration is paid through salaries and bonuses, based on their duties, responsibilities and performance, as well as the performance of Aikchol.

Details of the Directors' and executives' remuneration are as follows:

4.1 Remuneration in Monetary Form

Bonuses and meeting allowances paid to directors and members of subcommittees in 2019 and 2018:

(Unit : Thousand Baht)

Directors	Position	Remuneration	
		ปี 2562	ปี 2561
1. Mr. Apirag Vanich	Chairman	84.00	648.00
2. Mrs. Phortchana Manoch	Chairman of Executive Board	150.00	638.00
3. Mr. Krisada Banchuin, M.D.	Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee/ Risk Management Committee	354.00	627.00
4. Ms. Kanchana Vanich	Committee	72.00	372.00
5. Ms. Oranuj Vanich	Committee	84.00	372.00
6. Mr. Sanit Charkrit, M.D.	Committee/ Executive Board	150.00	538.00
7. Asso. Prof. Dr. Atirek Chivabongs, M.D.	Independent Director/ Audit Committee/ Nomination and Remuneration Committee/ Chairman of Risk Management Committee	332.00	647.00
8. Mrs. Thitawat Pothanant	Independent Director/ Audit Committee/ Nomination and Remuneration Committee/ Chairman of Risk Management Committee	342.00	615.00
9. Assist. Prof. Sarayut Rueangsuwan, Ph.D	Independent Director/ Risk Management Committee	162.00	appointed April 23,2019
10. Prof. Dr. Sawaek Weerakiet,M.D.	Committee	24.00	appointed April 23,2019
11. Mr. Kudun Sukhumananda	Committee	36.00	appointed April 23,2019
Total		1,769.00	4,457.00

Management's Remuneration

Salaries, bonuses and meeting allowances paid to executives and members of the Executive Committee in 2019 and 2018:

(Unit : Baht)

2019	2018
30,744,389	28,675,834

Other Remuneration : None

5. Development of Directors and Executives

The Company encourages and supports training and coaching for directors, executives, company's secretary, and others, to constantly improve their performance. The Board attends seminars organized by relevant agencies, such as IOD and SET, to develop and to increase skills and efficiency in the performance of their duties as directors. Individual directors also took part in IOD training and seminars.

6. Company Secretary

The Board appointed **Mrs. Prapaphan Tanthavirat** as Company Secretary with the responsibilities and duties as stipulated by the law on securities and exchange and an announcement of the Capital Market Supervisory Board. Such duties and responsibilities included disclosure of information and reporting to governing agencies in conformity to the laws, regulations, and the Company's policy, ensuring that the resolutions of the Board and shareholders' meetings are implemented accordingly and in compliance with corporate governance principles, and any other duties as may be assigned by the Board.

Duties and Responsibilities of the Company Secretary

1. Provide the directors with legal advice and remind them of the company's assorted rules and regulations, ensure that the operations are in compliance with the laws and regulations, and inform the Board of any significant changes.
2. Prepare shareholders' meetings, and Board meetings in accordance with the laws, the company's regulations and relevant procedures.
3. Record the minutes of the Board and the shareholders' meetings, and ensure that the resolutions of the Board and the shareholders' meetings are implemented accordingly.
4. Inform the shareholders of their rights and the Company's news.
5. Provide necessary information to enable existing Directors and newly appointed Directors to carry out their duties.
6. Provide advice on regulation and guidelines that the Directors and management should be aware of.
7. Arrange for performance evaluation of the Board of Directors and Sub-Committee
8. Safe-keep the Company's important documents such as Directors Register, meeting invitations and minutes of the Board of Directors meeting, shareholder meetings, annual reports and reports on conflicts of interest of the Directors and management.
9. Other duties as assigned.

Company Secretary

Company Secretar	Ms. Prapaphan Tanthavirat
Education	<ul style="list-style-type: none"> - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Master's Degree in Public Administration, Faculty of Political Sciences, Thammasat University
Training	<ul style="list-style-type: none"> - Anti-Corruption: The Practical Guide (ACPG), Class 12/2014 - Fundamental Practice for Corporate Secretary (FPCS), Class 18/ 2014
Present Position	<ul style="list-style-type: none"> - Advisor to the Executive Committee - Managing Director of Administration, Aikchol Hospital - Company Secretary

7. Nomination and appointment of directors and executives

7.1 Nomination and appointment of directors and independent directors

The Nomination and Remuneration Committee consists of three members, all are independent directors. The committee is assigned by the Board to screen qualified candidates for the post of directors and propose a list to the Board for consideration and approval. If the post is vacated because of reasons other than term completion, the resolution of the Board must consist of at least three-quarters of the votes of the remaining directors. If this is an appointment of new directors, the committee will submit a list of qualified candidates to the Board for consideration before forwarding it to the shareholders' meeting for approval.

Since independent directors must account for at least one-third of the Board, their nomination relies on the same process as that of the Board directors. The qualifications of independent directors are as stated under "Responsibilities of the Committees" in the annual report.

The Aikchol Board gives an opportunity for the shareholders to nominate persons with appropriate qualifications as directors.

The voting procedure is as follows:

- (1) One shareholder holds one vote per share
- (2) In electing directors, votes can be cast for individual candidates, or a collective vote cast for the entire numbers of directors to be elected, as the meeting sees appropriate. In voting one or more persons as directors, each voted candidate will receive the vote according to all the shares held by the shareholder under (1), and the votes cast are indivisible.

- (3) Candidates with the highest votes are to be appointed directors up to the number open at the given meeting. If more candidates receive equal votes resulting to more number of directors than required, the Chairman of the meeting must cast a deciding vote.

If a post is vacated because of reasons other than term completion, at the next Board meeting the Board may elect a qualified person who without forbidden characteristics as a director in compliance with the Public Limited Company Act and the applicable law on securities and exchange, except when the remaining term of the predecessor is less than two months. The resolution of the Board on this appointment must consist of at least three-quarters of the votes of the remaining directors.

7.2 Nomination and appointment of senior executives

In nominating senior executives from the levels of managing director, deputy managing director, to assistant managing director, the Executive Committee will screen candidates with all the qualifications required, such as knowledge, skills, and experience that are beneficial to the conduct of Aikchol's operation. That person should possess an in depth understanding of the business and the competencies to manage it to achieve the objectives and goals set by the Board. When everything is completed, it would be submitted to the Nomination and Remuneration Committee for consideration and then to the Board for approval.

7.3 Succession plans

The Company has prepared succession plans and considered competent persons for senior executive positions. The executive nomination process is carried out according to the company's policy and conditions. Apart from expertise, qualified persons must be conscientious and smart, ready to upgrade skills, and must have experience in the relevant business. In addition, the leaders must have great vision and compliance with the company's missions. All of which are the key to the hospital's success.

8. Use of inside information

Exerting its control of the use of inside information under corporate governance, Aikchol stated in writing procedures to guide and make it a responsibility of its directors, executives, and employees. A policy on trading of company securities and the exploitation of information form part of Aikchol's code of conduct. Below are the guidelines:

1. All Aikchol employees must maintain internal data and documents that cannot be publicized, since they would lead to undue exploitation for themselves, family members, or associates.

2. Executives and employees of the units with the privilege of such inside information cannot engage in trading of Aikchol securities within one month before the publicity of the financial statements.
3. Directors' and executives' securities portfolios are disclosed as required by the Securities and Exchange Act or the announcement of the Capital Market Supervisory Board, or both. Directors and executives are to prepare and report their securities trading within one month of their initial appointment and within three days of every change to the Office of the SEC as well as the Company Secretary at the same time.
4. Aikchol requires all directors and executives to observe the regulations of SET and SEC on the preparation and disclosure of the portfolios of executives and the external auditor by disclosing their portfolio reports to SEC within 30 days of their appointment and within three days of each trading or transfer of securities. Failure to observe this would subject them to punishment under the Securities and Exchange Act B.E. 2535 (1992). The Board has defined procedures and punitive measures in the company's work regulations to prevent employees' abuse of inside information for personal gains, which is in conflict with or may harm Aikchol's interests.

9. Audit fees

1. The audit fees for this year for Dharmniti Auditing Co., Ltd., equaled 915,000 baht.(Nine hundred and fifteen thousand baht)
2. There was no non-audit fee.

10. Employees

10.1 Number of employees as at 31 December 2019 and 31 December 2018 of the Company as follows:

Detail	Employees	
	December 31, 2019	December 31, 2018
Doctors and nurses	1,034	1,021
Administrative personnel	333	348
Total	1,367	1,369

10.2 Employees' Remuneration

The remuneration paid to the employees this year (Remuneration consisted of salaries, daily wages, overtime pay, professional fees, living allowances, bonuses, contribution to the social security fund and the provident fund, medical welfare, and others) in 2019 and 2018.

(million Baht)	
2019	2018
585.94	581.44

10.3 Human Resource Development

1) In enhancing the quality of its healthcare services, Aikchol emphasizes improving employees' knowledge, competency, work skills and efficiency. In order to suit the ability, employee's individual needs relevant to their duties, responsibilities and job positions among executives and other employees.

To this end, internal and external training is provided to employees, in 2019, comprising environmental and other training courses, which included:

- Employee engagement is stressed. For this purpose, a variety of activities are held, such as the New Year Party, internal sports, merit-making on every Buddhist holy day and New Year's day, and dharma practice to "Develop the soul, develop the man".
- Orientation sessions are held to educate newcomers on Aikchol's organization, management structure, the executives, their superiors and co-workers from other divisions, as well as the roles, duties and responsibilities, as well as Aikchol's regulations and culture.

2) Every employees is encouraged to attend training courses, both internal and external, with the training hours set annually. The training included professional courses, and managerial competency and skills development courses.

3) Conscious of the safety of the workplace and work areas, Aikchol staged fire drills as well as training organized by the Committee of Occupational Safe and Healthy, Health and Environment of the Workplace for all employees.

4) Recognizing the importance of social responsibility, Aikchol encourages all executives and employees to participate in SET's activities to learn and understand more about social responsibility. Aikchol has always stressed its responsibility toward society and holds various social activities such as "Aikchol's Blood Donation" and CPR training programs for government agencies and foundations.

11. Modified application of CG Code 2017

Aikchol reviewed its corporate governance policy by basing it on SET's principles of corporate governance for listed companies and SEC's CG Code 2017 for listed companies. The Board found that Aikchol had applied most of these elements and submitted such findings to the Board for their acknowledgment in principle. At the moment the company is reviewing and amending its corporate governance policy more comprehensively and in line with the CG Code and its code of conduct so as to keep up to date with dynamic developments in corporate governance.

Corporate Governance

The Board is fully aware of its role, duties, and responsibilities for the corporate governance (CG) of Aikchol. It stated that it will determine the structure of relationships between the shareholders, committees, management, and all stakeholders, which will lead to competitiveness enhancement and long-term added value to Aikchol for the shareholders' interests, and eventually it will lead to Aikchol's sustainable and stable growth which results taking into account of the interests of the other stakeholders.

One of the Board's major roles is to monitor CG. The Chairman of the Executive Committee and the executives are assigned to comply with all CG policies announced by the authorities and adapt them to Aikchol's guidelines.

1. Corporate Governance Policy

Responsible for all its investor, the Board is committed to respond to the shareholders' needs, provide confidence to investors and business stakeholders, create added value to the corporation, and promote sustainable growth. To this end, the operation of Aikchol adheres to good CG. Aikchol defines the management and the monitoring mechanisms so that its operation may run efficiently and meet the defined objectives and targets, based on transparency, responsibilities toward all stakeholders, as well as corporate social responsibilities for the benefit of all.

The Board defined a CG policy and disclosed it on Aikchol's website at www.aikchol.com. The CG policy covered these areas: (1) Rights of the shareholders, (2) Equitable treatment of shareholders, (3) Role of stakeholders, (4) Information disclosure and transparency and (5) Responsibilities of the Board.

Corporate Governance Practices in Year 2019

This year's major CG practices are summarized as follows:

Section 1 Rights of the shareholders

1. Rights and Equality

Aikchol values the fundamental rights of shareholders, namely the rights to purchase, sell and transfer shares, receive part of its profit, freely and equitably attend shareholders' meetings to exercise their voting rights, participate in decision-making on key matters, appoint or dismiss directors, determine directors' remuneration, appoint the external auditor and determine their fees, and receive sufficient information promptly through easily accessible channels. Shareholders are encouraged to fully exercise their rights through shareholders' meetings.

Aikchol promotes and facilitates the meeting attendance of shareholders and institutional investors by choosing each shareholders' meeting venue that is easily accessible by mass transportation systems.

2. Scheduling Shareholders' Meeting

2.1 Aikchol schedules an Annual General Meeting of shareholders (AGM) within four months of the annual closing date of its accounting books. For urgent matters that may affect or involve the shareholders' interests and may require the shareholders' approval, the Board can call a special meeting on a case-by-case basis.

2.2 In 2019, the AGM was held on Tuesday April 23, 2019, at Meeting Room 1 on the third floor, Aikchol 2 Hospital, 31/2 Angsila Road, Muang District, Chon Buri Province. No extraordinary general meeting (EGM) was called this year.

3. Meeting Notices

3.1 During its 313th meeting held on February 12, 2019, the Board resolved to hold the 2019 AGM on April 23, 2019. The resolutions, agenda and date of such meeting were disclosed and disseminated through SET's website to inform shareholders in advance.

3.2 This year, meeting notices were sent to the shareholders 30 days before the meeting date. To provide the shareholders with adequate information to make decisions and fully exercise their rights, the notices contained detailed information, rationale and comments of the Board on each agenda item, detailed instructions about the documents that shareholders need to bring with them on the meeting date to reserve their rights to attend the meeting and exercise their votes, together with other complementary documents.

3.3 For shareholders' convenience, Aikchol disclosed meeting notices and relevant documents at its website before mailing them at least 30 days ahead of the meeting date.

3.4 Aikchol publicizes its meeting notice through Thai daily newspapers for three consecutive days and at least 14 days ahead of the meeting date.

3.5 Aikchol offers shareholders to propose meeting agenda and nominate directors 45 days before the meeting date.

4. Conduct of Shareholders' Meeting

4.1 Shareholders are allowed to register before the meeting, or send a proxy form with documentary evidence to Aikchol at least one day ahead of the meeting date to avoid causing distraction on the meeting date.

4.2 Shareholders may choose to attend either the entire meeting or any specific agenda item, while those arriving after the meeting have started are entitled to register, attend the meeting in progress and exercise their voting rights on the remaining items.

4.3 Duty stamps are provided free of charge for shareholders' proxies.

4.4 Before commencing the meeting, the Chairman introduces Aikchol's directors, executives, auditors and the legal adviser who acts as a neutral party, and explains meeting rules and voting procedures to the shareholders.

4.5 Aikchol conducts shareholders' meetings transparently and accountably, with the Chairman of the Board, Chairperson of the Executive Committee, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, all directors and executives, the legal adviser and the external auditor attending the meeting to address questions and here shareholders' opinions.

4.6 Before casting their votes on each agenda item, shareholders are equitably provided with adequate time to express their opinions, provide recommendations and raise questions on the item, as well as getting clear and precise answers from the Chairman and executives.

4.7 For the nomination of directors, shareholders are required to cast their votes to elect the proposed candidates one by one.

4.8 After the vote counting, the Company Secretary informs the assembly in detail about the resolutions for each agenda item and the numbers of approve, disapprove and abstention votes.

4.9 The Chairman conducts the meeting by strictly following respective agenda items as stated in the meeting notice and does not propose additional agenda items without notifying the shareholders in advance.

4.10 A post-meeting session is held for the attending directors and executives to answer additional questions raised by the shareholders.

4.11 Aikchol provides an adequate number of staff with modern technology to facilitate the verification of shareholders' documents, with duty stamps available for shareholders' proxies.

4.12 Minutes of the meeting and shareholders' queries are completely and precisely recorded.

5. Disclosure of Shareholders' Meeting's Outcomes

5.1 On the evening of the meeting date, Aikchol disseminates the meeting's resolutions and the voting result of each agenda item through SET's communication channels.

5.2 Aikchol disseminates the minutes of the meeting through SET's communication channels and Aikchol's website, together with submitting them to SET and SEC within 14 days of the meeting date.

Section 2 Equitable treatment of shareholders

Aikchol treats all its shareholders equally, regardless of the number of shares held, whether they are major, minor, institutional, Thai and foreign shareholders, have the same following practices:

1. Access to information

Aikchol facilitates shareholders with equality of access to information with SET's channel as the main channel. The Vice Chairman of the Board and the Company Secretary are authorized to disclose its information. The shareholders also have access to the information via Aikchol's website or may request it from responsible units, including the Company Secretary and Share Registration.

2. Bilingual document preparation

The disclosed data are in Thai and English, publicized via SET's portal, which includes the notice of each shareholders' meeting and accompanying documents, minutes of each shareholders' meeting, and data on the company's website so that all shareholders, Thais and foreigners, may have equitable access to its information.

3. The rights of shareholders to propose in advance, additional meeting agenda items and nominate directors

From December 2, 2019, to January 15, 2019, Aikchol allowed shareholders to propose an agenda item for the meeting and nominate qualified directors with suitable qualifications in advance by following the criteria and procedures provided on Aikchol's website and SET's communication channels. Aikchol's independent directors will screen and submit the proposed matters to the Board for consideration and approval.

4. Appointing Proxies

To maintain the rights of the shareholders who cannot attend a meeting in person, they can assign proxies to any independent director of Aikchol or other persons to attend the meeting and vote on their behalf. Aikchol has prepared Proxy Form B, defined by the Ministry of Commerce, for the shareholders to have a say in the direction of the votes. The proxy form, with the meeting notice and accompanying documents, is sent to the

shareholders in advance. However, if the shareholders wish to use another form of delegation, Aikchol has publicized all Proxy Forms on its website.

5. Voting Ballots

Voting ballots are used for all agenda items, notably for the nomination of individual directors, whereby each shareholder's votes are equal to the number of Aikchol shares held.

6. No extra agenda item

At each AGM, the Chairman of the meeting conducts the meeting by strictly following respective agenda items as stated in the meeting notice and no extra agenda item will be proposed without notifying the shareholders in advance..

7. Reporting of Aikchol's securities portfolio

The Board requires all directors and executives to report to the Company Secretary all Aikchol securities under their portfolios and those of their related persons, including any portfolio change.

8. Use of inside information

Under the policy to prevent the abuse of inside information defined by the Board, Aikchol's directors, executives and employees in units related to financial statements are forbidden from buying or selling Aikchol securities during the one-month period before the public disclosure of Aikchol's financial statements (Corporate Governance Handbook).

Section 3 Roles of Stakeholders

Aikchol is committed to conducting its business with responsibility to all stakeholders, society and the environment. Below are Aikchol's major stakeholders:

1. Shareholders:

Basic rights defined by law and by its regulations, including the right to investigate the number of shares held, to receive share certificate, to attend, to vote, and to express opinions freely at shareholders' meetings, and to fair remuneration, Aikchol's shareholders are entitled to an equal and timely access to information and, as the owner of Aikchol, to freely propose recommendations and opinions on the company's business conduct at shareholders' meetings.

2. Customers / Patients:

The services provided to the patients are under sound ethics and of acceptable standards, with the safety and satisfaction of patients and efficiency of the services as top priorities.

3. Business partners / Contractors

The company focus on the importance of process or services in purchasing products for the advantage of cost management in terms of operational efficiency and continuous business operations, that leads to sustainable partnership. The company is aware of the importance of supporting business partners with good governance and being responsible to the community and the environment. The company has implemented an effective partner registration and preference system to ensure that business partner's commitment in handling out supplies and services that meet the company's needs for timely distribution. The scope of the evaluation covers the assessment in accordance with the evaluation criteria formulated and recorded by the company to trade partners with approval of Business partner/Contractors registration (Approval Vendor List: AVL). The purchasing system of the company in procurement, had developed preferences of Business partner/contractor selection. The company formulated an operational manual with the reference to the specifications in determining Business partner/contractor selection.

4. Business Competitors:

Aikchol observes a good competition framework, complies with relevant laws and treats its competitors in a fair manner and with integrity. Aikchol recognizes business competitors as a driver of the improvement of Aikchol's quality and efficiency of services provided to customers and patients.

5. Employees:

Constantly recognizing that employees are valuable resources and vital drivers of the company toward fulfilling its goals, Aikchol provides all employees with:

5.1 Equitable and fair treatment, regardless of origin, race, religion, gender, marital status, language, or position, with zero-tolerance for any exploitation of child labor, human trafficking and all forms of malfeasance and corruption.

5.2 Appropriate compensation in line with Aikchol's performance by utilizing a performance-based remuneration system as criteria for performance assessment, salary increase and annual bonus payment, together with a provident fund that provides employees with long-term financial assurance.

5.3 Other forms of welfare, including healthcare or medical expense contribution to the employees and their families, loans for needy employees and scholarships for their children. Benefits related to funeral monetary assistance to staff members or deceased family members.

5.4 There are policies and guidelines regarding employee's safety and hygiene environment, Occupational Health and Safety Committee was organized, in order to set policies for the development of safety physical, environmental, structures, in accordance

with standard of Joint Commission International Accreditation Standards for Hospital: JCI) and control, supervise, to proceed according to the specified policies as follows

- (1) Annual Medical check-up for all regular employees
- (2) Inspection of the working environment to assess the possible risks that may occur. Preparation of the plan to validate potential risks review of accidents or work injuries in the year 2019. There were 5 employees injured from work as reduced number from last year. Representing 28.57 percent
- (3) Providing annual training for employees concerning the knowledge of health, occupational and environmental safety. Safety management of the building and the environment, concerning the prevention and extinguishing fire, fire evacuation and drills, etc.

5.5 Giving importance to the development of knowledge, capabilities and skills of employees. To suit the abilities and needs of each personnel. As well as suitable with the responsibility according to the nature of work. Requiring that health professional employees including professional nurses and other multidisciplinary staff to undergo training and continuous education according to the professional field, in the year 2019. There are an average number of hours of 68 hours/year each for professional nursing training, 68 hours/staff, and 12 hours/year for each multidisciplinary staff.

5.6 Strongly opposing violation of intellectual property rights or copyright, Aikchol requires all employees to use copyrighted computer software.

5.7 Allowing opportunities for all employees in the company and listening suggestions. In any problem, they can make a complaint directly to the management to consider the development of the process to encourage employees to comply with the rules and regulations of the company.

6. Communities, society, and the environment

Aikchol operates its business with social and environmental awareness by upholding safety standards, minimizing environmental impacts, supporting community charity activities and participating in energy-saving programs to foster energy conservation habits.

Section 4 Disclosure of Information and Transparency

Aikchol is committed to accurate, complete, equitable, transparent, and timely disclosure of its financial and general information to the shareholders, investors, and the public as specified by applicable laws and regulations.

1. Disclosure on the remuneration of directors and the holding of Aikchol shares by directors and executives

1.1 The remuneration of directors and executives are disclosed in the Annual Information Disclosure Form (Form 56-1), the Annual Report Form (Form 56-2), and Aikchol's website: www.aikchol.com.

1.2 As specified by Article 59 of the Securities and Exchange Act, directors and executives must report their shareholding portfolios to SEC each time there are a purchase, sale, or transfer of shares.

2. Information Disclosure

2.1 The Board of Directors has jointly set objectives and key goals that includes the business policy of the company by considering the circumstances under various environmental conditions, in accordance with the vision and mission of the company. There are:-

- Analysis of the internal environment in the organization in order to know the strengths and weaknesses of the organization to envision the point of completion.
- Analysis of the organization external environment such as economic factors, society and environment and legal matter. The market competition issues lead to determination and understanding of changes by external causes that present both opportunities and obstacles to the company.

In addition, the board has set a strategy, policy, organization plans and budgets by assigning and monitoring the management of required implementation with efficiency as well as instilling the values of the organization so that all employees are aware of good corporate governance and to have consistent practice to help the company on continuous development .

2.2 Vice Chairman and / or company secretary responsible for disclosing information both financial information and sufficient financial reliable and timely for the shareholders and stakeholders of the company so equal information could be received as stipulated

2.3 In ensuring shareholders' convenient, prompt, and efficient access to additional information, Aikchol regularly puts complete, timely information updates on its website. Aikchol discloses its information through the following channels:

- 1) SET and SEC electronics systems
- 2) Annual Information Disclosure Form (Form 56-1) and Annual Report Form (Form 56-2)
- 3) AHC's website: www.aikchol.com
- 4) Dispatch of AGM notices by mail.

2.4 Prepare a report of the board of directors' responsibility for financial reports in the annual report. Signed by the Chairman of Director and Chairman of Executive

2.5 In 2019, the company gave the opportunity to Phatra Securities Public Company Limited to interview and find the information of Aikchol Hospital Public Company Limited on February, 28 2019

2.6 Aikchol's assigned the Shareholder's Registration Department Responsible for disseminating corporate information, both financial and general information, to shareholders, investors securities Analyst Institutions such as rated investment reliability and related regulatory agencies through various channels, includes the notifying the Stock Exchange of Thailand Securities and Exchange Commission and the company website on the matter "Investor Relations". This is to allow stakeholders to have access for information analysis to those interested. Contact the Shareholder's Registration Department could be as followed:-

Address : 68/3 Prayasutja Road BansuanSubdistrict, ChonburiCity ,Chonburi Province 20000

Telephone number : 038 939 999 Ext.number: 1126

Email : ir@aikchol.com

Website : www.aikchol.com

Section 5 Responsibilities of the Board

The Chairman of the Board and the Chairman of the Executive Committee will have separate duties and responsibilities and must not be the same person. The Chairman of the Board is elected by the directors. He chairs meetings, ensures that the Board meetings proceed by the order of the agenda, encourages all directors to participate by questioning or making remarks, giving advice and making recommendations to executives, supports business operation, and does not interfere in the management of Aikchol. The Chairman of the Executive Committee manages the operation of Aikchol and ensures that it complies with regulations, resolutions of shareholders' meetings, resolutions of the Board meetings, Aikchol's policy, and business operating plans and relevant laws. Moreover, the Board has four independent directors, who scrutinize the checks and balance the management commitment and review the management performance.

The Board performed the following activities in 2019:

1. Held Board meetings to review Aikchol's vision and define corporate goals
2. Developed performance evaluation forms for the Board as a whole and its subcommittees
3. Developed a form for all directors to evaluate the performance of Chair of the Executive Committee.
4. Monitored the management's performance by requiring the management to submit a progress report of its operations at every Board meeting.

5. During Meeting No. 319th held in 2019 to evaluate the performance of executive directors, the individuals to be evaluated must leave the meeting to allow free, transparent and unbiased discussion of their performances.
6. An agenda item of Board Meeting No. 319th held in 2019 was to consider the performance and salaries of executives who had performed their duties for one year.
7. During Board Meeting No. 318 held on November 11, 2019, the directors set in advance Board meeting dates and important agenda items for the whole year.
8. None of the directors held more than five directorships in listed companies.

Corporate Social Responsibility

“Committed to creating a business that sustainably saves lives, society, and the environment” is Aikchol’s CSR resolution. Through these years, it has implemented several CSR projects. All employees have shown various forms of support by dedicating their time and professional knowledge, such as medical and nursing, for the benefit of others. They have also been willing to provide children and youths with financial aid.

1. Fair Business Conduct

Viewing that fair business conduct will gain stakeholders’ trust, it has been adhering to this principle by taking the following actions:-

- 1) Procuring copyrighted computer software and refraining from intellectual property infringement
- 2) All improper incidents, which signify unfair practices against the company or other organizations, must be made known via incident reports
- 3) Having developed its Corporate Governance Handbook and a charter for each of its committees, Aikchol ensures that all committees and executives perform their duties with integrity in full compliance with applicable laws and corporate governance regulations. This demonstrates its commitment to corporate governance, ethical business practices and social responsibility.
- 4) All employees are required to follow Aikchol's Code of Conduct. New employees must acknowledge its business practices, rules and regulations based on its code of conduct handbook. It believes that this guideline will play a part in building all stakeholders’ trust and confidence.

2. Anti-Corruption

The company promotes its management system to operate with ethics, integrity, and social responsibility. The Board defined practical guidelines to prevent and eliminate corruption. It assigned the Audit Committee to review, audit, and lay out a

proper and effective system. This is because it values a good system, which will mitigate operational risks, immediately detect errors, streamline regulatory structures, and prevent corruption.

It is a company policy to promote anti-corruption practices among suppliers and forge their awareness. It communicated with them that Board directors, executives, and all employees must not accept any gifts or benefits.

The company established a transparent audit process and an internal control system, with complaint-making channels. It also expects all employees to monitor compliance. Furthermore, Aikchol has an explicit internal risk reporting system via the intranet to access and report risk information.

The implemented guidelines consist of:

- Formulate policies to prevent and counter corruption by establishing risk assessment in various aspects and communicating to Aikchol's employees and outsiders to encourage Aikchol's social responsibility commitment.
- Formulate procedures to control and prevent risks, such as regulations on procurement, disbursement of expenditure budget approval, for charitable donation, entertainment, and gifts, which must be recorded for transparency to prevent the abuse of Aikchol's properties.
- Communicate policies to prevent and combat corruption to all departments within the Company via various channels such as employees' training, orientations, supervisor meetings, as well as communication via the intranet and Aikchol's website.
- Aikchol provides channels for reporting any signs of corruption activities as whistleblowing. If anyone witnesses violation, unlawful or unethical act, or non-compliance with Aikchol's policies which could lead to corruption, the Company will provide protection to individuals who provides relevant reports and will strive to prevent further done harm to him or her.
- The Audit Committee is responsible for reviewing and formulating annual plans to ensure that Aikchol exercises sufficient corporate governance in line with its policies.

3. Respect for Human Rights

The company conducts business by adhering to virtues and humanity. It respects human rights and dignity, which are the fundamental rights and lead it to equally treat all personnel and stakeholders. It enables employees with lawful rights and freedom by allocating the right jobs for their competence and potential. Furthermore, Aikchol

continuously generates income for the disabled by employing them based on their competence.

It focuses on efficient and effective treatment, has a policy on patients' rights, and publicly announces it so that all patients may be aware of their rights and responsibilities. It also defines a policy to safeguard confidential information and privacy of patients and all employees.

4. Fair Treatment of Employees

Aikchol, valuing employees as corporate growth engine, focuses on fair employee treatment. It applies equity and non-discrimination principles and ethically treats all employees. This leads to the company's solid foundation as well as steady and sustainable corporate development.

The company treats all employees in compliance with laws and internal regulations. It not only respects their rights and responsibilities, but also offers equal employment opportunities. It does not employ child labor. Instead, it offers everyone an equal chance regardless of race, religion, political view, gender, or disability. Moreover, Aikchol creates a positive work environment by keeping the workplace safe and hygienic, which meets the principles of occupational health, and fosters a supportive corporate culture.

Recognizing the importance of employment, Aikchol offers fair and appropriate compensation and welfare management so that the employees may receive competitive payment that is suitable for their talents and specialized skills while enjoying a good quality of life. To encourage them to put their full efforts into working effectively, it fairly promotes, rotates, rewards, and disciplines them. Additionally, the company focuses on employee development by offering each of them a chance to attend continuing training, which enhances their skills, capability, competencies, and work experience.

5. Accountability to Consumers

Focusing on efficient and effective work systems that meet standards to gain patients' trust in its quality of service, Aikchol applies hospital-related standards in patient service, such as JCI and HA. It established a dedicated committee to regulate and review the standards and employ fair marketing practices without propaganda. It also provides accurate and comprehensive information before treatment, such as causes of symptoms, treatment methods, medical expenses, preventive guidelines, and post-treatment instructions. Furthermore, it gives patients a chance to decide and a right to choose, such as other treatment options and choices of accommodation, to optimize their

satisfaction. It also collects the patients' comments and complaints for continual improvement of healthcare services.

6. Environmental Management

The company is committed to the optimal utilization of natural resources and energy, strictly complies with environmental laws, and promotes employee participation in communities.

It appointed an Environmental, Occupational Health and Safety Committee to supervise, monitor, and scrutinize the hospitals' safety and environmental operation. It constructed a standardized wastewater treatment system, which improves the quality of waste water based on the standard of the Department of Health, Ministry of Public Health, before discharging it into public waterways. It regularly checks the quality of treated water and procures environment-friendly supplies for hospitals, such as products certified by the Thailand Environment Institute (TEI) made from eco-friendly processes which utilize recycled pulp, or both.

7. Community or Social Development

Aikchol has gained public trust and acknowledgment from the community and is able to organize activities for society, which is essential for its sustainable growth. Focusing on communication for good understanding and trust, Aikchol continues social responsibility projects targeting community residents' healthcare for a healthy population. The hospital not only educates people about various diseases and self-protection, but also gives quality medical treatment in parallel. Aikchol appreciates healthcare problems in the community so as to provide health knowledge to people for easy and healthy-living. In addition, under our CSR programs, employees get opportunities to cooperate with residents on community services and environmental conservation.

External CSR

- **Healthcare in the Community (Autism Center)**

Good health starts from hygienic practices, notably how to correctly wash hands. Wrongly washed hands easily lead to infection. The hospital therefore introduced clean habits at "Chon Buri Autism Life Skills Center" in order to help the underprivileged. Since the development of autistic children is slower than normal and learning is typically from repeating, the hospital organized a recreational activity for autistic children to memorize by learning hand-printing pictures and washing dirty hands. Medical personnel teach them and center attendants alike how to properly wash hands in the hope that they enjoyed

imagining their picture printing and learning to wash their hands properly so as to reduce contagious diseases among autistic children. This activity was held for five consecutive months.

- **Healthcare in the Community**

Aikchol emphasizes healthcare in the community and promotes wellbeing by organizing the Healthcare project four times a year on religious days at different places of worship in the province since a lot of people typically gather there for ceremonies. Preliminary health checkups are offered as well as knowledge sharing about healthcare, nutrition, and exercise.

- **Aikchol Environmentally Friendly(BangSaen Beach Cleaning) Project**

BangSaen Beach is one of the tourist beaches for all ages in Chon Buri with large amounts of waste every day. Aikchol, a hospital near eastern beaches, is well aware of problems from waste, especially glass bottles that caused accidents. The “Aikchol Environmentally Friendly Project” not only lessens beach waste and accidents but also restores clean seawater and could save aquatic animals from devouring waste, all of which are ecosystem conservation. Beach cleaning activities got good attention and were well-received by employees and community people. It also produced conscience of social and environment responsibility. The project is successfully continued, as residents could join forces for their communities—clear synergy with Bang Saen Municipality.

- **Aikchol Sharing for Blood Drive**

Blood donation is one of the best ways to save lives. Blood and its components are essential for medical treatment. A single donation could save three patients, so donating blood is admirable sacrifice. Aikchol, in co-operation with the Chon Buri Blood Donation Center, the Thai Red Cross Society, organizes “Aikchol Sharing for Blood Drive” at the hospital for employees and other people who wish to donate, where it is convenient and safe to do so, administered by experienced personnel. Blood Drive is organized 3-4 times a year as a public service for saving patients’ lives.

Internal CSR

- **Aikchol Mindfulness Meditation**

When working with various people with several emotions associated with their illnesses, some staff develop strain; however, good services must be carried on, which result in work stressfulness. Aikchol therefore organized mindfulness and consciousness activities to improve mental health for a better life, Dhamma practice, concentration meditation, praying, and listening to Dhamma talk under topics of Dhamma at work for employees as a relief from work stress. Advice is



also given to employees to apply to their daily lives in order to work efficiently with sanity.

- **Our Home Project**

Since we spend most of our time each day at the workplace as our second home, we certainly want to live in a clean home. Our Home Project is organized for employees to participate in cleaning up their workplaces. Employees from various sections do the activity together, which not only creates a clean workplace but also “breaks the ice”, and might also give good examples to others. Groups of employees from different sections work together as an “ant army”. The project was organized twice in 2019, in which all employees volunteered to clean the floor around the hospital and collect big amounts of garbage.



CSR

CORPORATE SOCIAL RESPONSIBILITY



"Big Cleaning Day – Beautiful Home by Our Hands"

This project encouraged all employees to keep the hospital and the environment clean and lessen garbage volume to make the hospital clean and attractive.





CSR

CORPORATE SOCIAL RESPONSIBILITY



“Aikchol Environmentally Friendly (Bang Saen Beach Cleaning)”

Aikchol Hospital and Saen Suk Municipality jointly organized this activity at Bang Saen Beach to keep the beach clean and sustainable for Chon Buri Province.



CSR

CORPORATE SOCIAL RESPONSIBILITY



“Aikchol Sharing for Blood Drive”

Aikchol, in cooperation with the Chon Buri Blood Donation Center, the Thai Red Cross Society, organized “Aikchol Sharing for Blood Drive” to help extend human lives through sacrifice.



CSR

CORPORATE SOCIAL RESPONSIBILITY

“Aikchol Healthy”

Aikchol organized exercising activities twice a week for health promotion and relaxation.





CSR

CORPORATE SOCIAL RESPONSIBILITY



“Aikchol Mindfulness Meditation”

This activity was organized for employees of Aikchol Hospital, including Dhamma practice and Dhamma talks by monks, to improve self-mindfulness.



"Healthcare in the Community"

This cleaning activity was organized at temples together with preliminary health checkups, blood pressure monitoring, and health advice to participants.



CSR

CORPORATE SOCIAL RESPONSIBILITY



"Healthcare in the Community (Autism Center)"

Aikchol jointly organized this activity at the "Chon Buri Autism Life Skills Center" to improve the development of autistic children. The activity included proper handwashing demonstration and arts and music as tools for teaching autistic children to reduce contagious diseases while entertaining and relaxing them.



Internal Control and Risk Management

The Board of Directors assessed Aikchol's internal control system sufficiency based on the Internal Control System Sufficiency Evaluation Form, posted on the Securities and Exchange Commission (SEC) website, divided into five components:

1. Control Environment

The Board agrees that Aikchol has demonstrated commitment to show integrity and ethical values. The business directions and operations are based on integrity and a code of conduct for daily routine operation and decision-making, The and treatment of trade partners, clients and other parties. The written rules, regulations, prohibitions and appropriate penalties are provided to ensure that executives and employees perform their duties with integrity and ethics. The monitoring and assessment are conducted by an internal as well as external audit unit. The Board demonstrates independence of the management, and its members are knowledgeable, competent and command skills beneficial to Aikchol's business.

Aikchol defines its organizational structure and objectives accordingly to appropriate business functions. It has policies and practices to recruit, develop and retain competent personnel and regularly reviews such policies and practices together with personnel's career paths. Aikchol sets suitable indicators for performance appraisal and provides incentives and rewards to executives and employees to achieve both short-term and long-term objectives.

2. Risk Assessment

The Board considers and assesses the potential for all fraud and carefully reviews the operational objectives, taking into account current situations and ensures that financial statements complied with generally accepted accounting principles and are suitable for the current business. Aikchol has presented accurate and appropriate financial statements and disclosed accurate as well as complete information. The Risk Management Committee was appointed to consider and screen risk management policy and guidelines, define Aikchol's risk management strategy. The committee also monitor and assesses risks at acceptable levels under its risk management policy.

3. Control Activities

Aikchol commands written internal control measures covering all procedures that are suitable to its risks and characteristics. Policies and procedures on financial transactions, procurement, and general administration are in place. It also gives a clear scope of authority and approval hierarchy of each management level to prevent fraudulence. Duties and responsibilities are clearly segregated. The suitable control measures are defined for the infrastructure of technology systems which cover safety, development, and maintenance.

4. Information and Communications

Aikchol produces effective internal communication channels, and the important information is discussed by the Board. It also has appropriate channels of communication with external stakeholders. A Share Registration unit was set up to serve as an investor relationship center for communication between the shareholders and Stock Exchange Center (SEC). The meetings of the Board are conducted to consider important agenda.

5. Monitoring Activities

In reviewing the operation and monitoring the internal control system, Aikchol establishes inspection of compliance with internal control procedures by self-assessment and independent assessment by internal and external auditors. The company conducts a process to monitor compliance with the code of conduct and prohibitions for executives and employees. If there is an incident or suspicion of serious fraudulence, law violation, or other wrong doing that could interrupt Aikchol's reputation and financial position, the Executive Committee must report to the Board immediately.

On the whole, based on SEC's Internal Control System Sufficiency Evaluation Form, the Board agrees that Aikchol performs an adequate system for internal control and risk management and is equipped with independent directors serving as members of the Audit Committee and Risk Management Committee. On the whole, the company personnel are responsible for the implementation of internal controls and risk management with efficiency, appropriate, and adequate monitoring of business circumstances.

Summary of the Board's Views on Internal Control

At Board Meeting No. 320 on February 13, 2020, attended by four independent directors, all of whom are also Audit Committee members, the Board reviewed the five components of Aikchol's Internal Control System Sufficiency Evaluation Form. They agreed that Aikchol's internal control system was indeed adequate and suitable for its business, and that the Company had ensured an adequate internal control system and manpower to operate efficiently under its operation processes. Therefore, Aikchol has put in place a monitoring and supervision system for its business implementation that complies with a sound internal control system, as well as suitable measures for preventing transactions of potential conflicts of interest.

Audit Committee's Views

The Audit Committee agreed with the external auditor that Aikchol's financial statements were accurate and materially reliable as well as in compliance with generally accepted accounting principles with adequate disclosure of information. Aikchol has also a suitable, efficient and adequate internal control system to keep its risks manageable. There is no violation of laws or applicable regulations. The Audit Committee has also supported corporate governance in order that the shareholders and employees can directly report to the Audit Committee or the



Management suspicious matters on financial reporting or internal control, or complaints, as stated in the Company's code of conduct, or at E-mail : cg@aikchol.com

Chief of Internal Audit

The Board has appointed Ms.TaweepornKaewsailert Chief of Internal Audit. The Audit Committee has provided its views on her qualifications as suitable for efficiently heading the unit. Under the Audit Committee Charter, the appointment, removal, transfer, and dismissal of the Chief of Internal Audit must have the approval of the Audit Committee.

Summary of Financial Information

	(Unit : Thousand Baht)		
	<u>2562</u>	<u>2561</u>	<u>2560</u>
Summary of Financial Information			
Total Revenues	1,696,770	1,671,771	1,584,015
Medical Service Income	1,656,021	1,636,781	1,547,838
Gross Profit Margin	221,713	253,097	231,378
Net Profit	133,146	140,716	127,867
Total Assets	1,905,736	1,841,053	1,756,979
Total Liabilities	286,004	289,675	300,808
Total Shareholders' Equity	1,619,732	1,551,377	1,456,171
Financial Ratios			
Liquidity ratios			
Current Ratio (times)	4.59	3.86	3.23
Quick Ratio (times)	4.32	3.64	3.04
Average Collection Period (days)	15.57	16.65	16.36
Average Inventory Period (days)	12.91	12.21	11.14
Average Payable Period (days)	19.53	19.92	20.90
Profitability Ratios			
Gross Profit Margin Ratio (%)	13.39	15.46	14.95
Net Profit on Sales (%)	7.85	8.42	8.07
Return on Equity (%)	8.40	9.36	8.85
Efficiency Ratios			
Return on Assets (%)	7.11	7.82	7.37
Financial policy ratio			
Debt to Equity Ratio (times)	0.18	0.19	0.21

Management Discussion and Analysis: MD&A

Performance and Profitability

Hospital Operating Revenue

The year 2019, the total revenue from both hospitals were Baht 1,696.77 million, an increase of Baht 25.00 million or 1.5% from last year. The cause of an increase in revenue reflected from out-patients and in-patients of Baht 9.88 million or 1.0% and the increasing revenue from the Social Security Program of Baht 9.36 million or 2.3%.

Other Revenues

Other revenues in year 2019 totaled Baht 40.75 million, an increase of Baht 5.76 million or 16.5% from last year. The increase came mainly from interest income, rental and dividend.

Cost of Medical Treatment

The total medical care costs and administrative expenses relating to both hospitals in year 2019, including depreciation and amortization, showed at Baht 1,531.58 million, an increase of Baht 34.33 million, 2.3% year-on-year.

The growth in medical care cost was Baht 50.62 million, primarily due to rising costs of medicines, medical supplies and physician fees as a consequence of the increasing number of patients, purchasing medical equipment, building renovation, increasing of healthcare providers' salary and wage. Moreover, according to Thailand's National Legislative Assembly (NLA), amend the current Labour Protection Act (LPA) included a new and higher severance entitlement of 400 days wages for employees with over 20 years' service, which impacted one-time expense for Baht 13.13 million (Baht 10.50 million after-tax).

On the other hand, the administrative expenses decreased by Baht 16.29 million, mainly due to company has improved managing expenses.

This resulted in an EBITDA of Baht 228.51 million, a decrease of Baht 6.46 million or 2.8%. Its EBITDA margin stood at 13.5%, against 14.1% of 2018.

Interest Expenses

Aikchol has no outstanding debt. Therefore it is free from any interest expense burden.

Income Tax

In year 2019, Aikchol's corporate income tax equaled Baht 32.04 million, a decrease of Baht 1.76 million or 5.2%, which represented expenses as a function of profits.

Annual Net Profit

In year 2019, a net profit of Baht 133.15 million was recorded, a decrease of Baht 7.57 million or 5.4%. The net profit per share equaled Baht 0.89 compared to Baht 0.94 of 2018.

Total Comprehensive Profit

In year 2019, comprehensive profit was Baht 140.11million, a decrease of Baht 20.87 million or 13.0% over the previous year due to the decline in last year's net profit of Baht 7.57 million and the decrease in the fair value of available-for-sale securities, namely those of Bangkok Dusit Medical Services Plc., which underwent revaluation to decrease by Baht 14.67 million.

Asset Management Ability

Financial Position

Assets

Key components relating to significant changes in assets and asset quality as of December 31, 2019, are detailed below:

- Cash and cash equivalents was Baht 708.14 million , up Baht 65.78 million year-on-year, in line with the incoming cash flow and the net spent on public financial instruments with high liquidity.
- Current investment was Baht 1.39 million, an increase of Baht 1.32 million due to the Provincial Electricity Authority deducted the deposit guarantee by Baht 1.32 million
- Account receivables in net trade were Baht 66.29 million, a decrease of Baht 6.01 million from the previous year. This represented current account receivables under Aikchol's average of 16 days of debt collection period. Note that these debtors were considered high-grade account receivables, such as government agencies, insurance companies, life assurance companies, and corporate contracts to receive medical services at the hospital. Aikchol has reviewed its allowance for doubtful accounts and bad debts in line with the defined financial reporting standard on a quarterly basis.
- Inventory was Baht 53.84 million, an increase of Baht 6.21 million, was intended to accommodate the growing number of out-patients, in-patients, and medical check-up programs. In this case, Aikchol considered the entire inventories of high quality – that is, constantly circulated goods with an average turnaround of 13 days. Therefore,Aikchol decided not to book an allowance for deteriorated or expired inventory.
- Long-term investment on available-for-sale securities represented those of Bangkok Dusit Medical Services Plc. valued at Baht 171.67 million, recorded at book value at the end of 2019.
- Land, buildings and equipment totaled Baht 756.59 million net, a drop of Baht 0.99 million from last year. Aikchol kept investing in medical equipment and improving facilities to enhance its service performance and accommodate growth. In 2019 the investment was valued at Baht 30.95 million.

Liabilities and Sources of Funds

Suitability of Capital Structure

The financial structure of Aikchol remained robust, respectively. As of December 31, 2019 and 2018, the debt-to-equity ratios were 0.18 and 0.19 respectively. It firmly maintained a strict management policy and control over its financial structure, keeping financial ratios and liquidity appropriate.

Liabilities

Aikchol was completely free of short-term and long-term loans. Most liabilities were from account payables with timely payment. Non-current liabilities were in the form of retirement benefits for employees, accounting for Baht 66.04 million and deferred liabilities of Baht 20.41 million.

Equity

As of December 31, 2019 and 2018, total equity stood at Baht 1,619.73 million and Baht 1,551.38 million, respectively. Equity has steadily increased largely because of Aikchol's consistent profitability.

Liquidity and Capital Adequacy

Cash Flow

As of December 31, 2019, Aikchol held net cash and cash equivalents of Baht 708.14 million, a net increase of Baht 65.78 million compared to Baht 642.37 million in December 31, 2018, which was sufficient for timely account payable payment and juristic-person income tax, dividends and other expenses. Loans were therefore unnecessary. Aikchol provided cash investment under its business plan for efficient and modern medical services, such as medical equipment and facilities renovation to accommodate a steadily rising number of patients.

Key Ratios

In 2019 and 2018, Aikchol maintained current ratios of 4.59 and 3.86, respectively. Whereas quick ratios were 4.32 and 3.64, respectively. Considering all these ratios, it was found that Aikchol's key current ratios remained robust, demonstrating its high competency in short-term financial obligation payment.

Liability Obligations and Off-Balance Sheet Liability Management

As of December 31, 2019, Aikchol engaged in bank guarantee obligation with a certain commercial bank. It leveraged its fixed deposit to guarantee the use of electricity provided by the Provincial Electricity Authority and the Social Security Office, a total amount of Baht 22.43 million.

Key Factors Affecting Future Performance and Financial Status

The hospital business is expected to show a steady growth and offers security and relatively low levels of risk. Changing in Thai demographic, including an aging society, complicated diseases, continuing urbanization, the growth of the middle-class, health-awareness and the continuous improvement of medical technology, is the positive support factors. As a result, private hospital and new operators expand the investment to accommodate the comprehensive set of full-integrated services to strengthen medical services standards and enhance competitiveness.

Higher hospital business competition is fully expected, thus compelling Aikchol to correspondingly develop higher treatment quality with a focus on clinical excellence of the Joint Commission International (JCI)'s standard requirements. This includes greater development of both services and modern facilities to satisfy and retain customers with our service delivery.

Currently, the entire domestic hospital business is encountering a shortage of medical personnel and nurses. Graduation of these human resources is highly dependent on the government, causing Aikchol to compete with other medical business operations, but the company can retain its medical personnel, nurses and experts. These result in a sharp increase in operating costs, such as salary adjustment, welfare and other benefit packages. Also, the hospital has set a standard of its welfare that is competitive with other hospitals in the vicinity together with a clear-cut and fair evaluation measure for all its medical staff.

The Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. The management of the company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted to maintain profitability.

Although, the healthcare demand remains resilient and provide more advance medical treatment for specific customer, Thailand's economic is still going through a middle-income transition phase and domestic power purchasing has not fully recovered, company expect to see increased demand in the mid-tier patients and social security patient segment and subscribe to health insurance companies. This will impact on the revenues and expenses. Therefore, company aims to improve in process management and implement innovation to reduce cost and expand to new segments of service.

Report of the Audit Committee

The Audit Committee was appointed following a resolution of the Board of Directors of Aikchol Hospital Pcl. The committee executed Board-assigned duties under its charter, with a focus on reviewing the financial statements, corporate governance, risk management system, internal control system, internal audit system, and reviewing compliance with securities and exchange laws, SET's requirements, and applicable laws. The committee exercised its due competency, care, and freedom to ensure that Aikchol always operates under transparent and credible management.

The Audit Committee is made up of

- | | | |
|----------------------------|----------------|----------|
| 1. Asst. Prof. Krisada | Banchuin, MD | Chairman |
| 2. Asso. Prof. Dr. Atirek | Chivabongs, MD | Member |
| 3. Ms. Thitawat | Pothanant | Member |
| 4. Asst. Prof. Dr. Sarayut | Rueangsuwan | Member. |

All four are independent directors, two of whom are knowledgeable in finance and accounting. This year the committee held 12 meetings.

The highlights of the committee's performance under its charter are as follows:

1. Reviewed the quarterly and annual financial statements for 2019, which had undergone the external auditor's review and audit, before submission for the Board's approval. The reviews were attended by the committee and the external auditor in the absence of the management.

The committee agreed with the external auditor that Aikchol's preparation of these financial statements was materially accurate and credible under generally accepted accounting principles, and the statements were duly disclosed.

2. Proposed the appointment of external auditors attached to Dharmniti Auditing Co., Ltd., and proposed the audit fee for 2020.

The committee regarded this past year's performance as properly executed with due freedom for Dharmniti Auditing's performance as an external auditor.

3. Reviewed the efficiency and adequacy of the internal control system.

The committee regarded Aikchol's internal control system as suitable, efficient, and adequate to mitigate its risks to manageable levels.

For 2020, the committee proposed the hiring of P&L Corporation Co., Ltd., to verify Aikchol's internal control system.

4. Approved the 2020 audit plan submitted by Internal Audit and, each quarter, reviewed audit findings while ensuring that Internal Audit monitored



assigned matters to ensure proper corrections or improvements as recommended by the committee or Internal Audit.

5. Reviewed Aikchol's compliance with securities and exchange laws, SET's requirements, and applicable laws.

The committee regarded Aikchol's practices as being in full compliance with applicable laws, regulations, and other requirements.

6. Reviewed Aikchol's related-party transactions or those that could involve conflicts of interest with Aikchol to ensure compliance with normal business practices under applicable laws.

The committee found no related-party transactions or those that could involve conflicts of interest this year.

7. On January 27, 2020, the committee held an exclusive, non-executive meeting with the external auditor for the benefit of the external auditor's freedom in reporting problems or limitations arising from its audit of financial statements.
8. The committee advocated corporate governance for shareholders and employees to, under the whistleblower system, directly provide tips on complaints or suspicious items in financial reports or the internal control system direct to the committee and the management as stated in Aikchol's code of conduct, or at E-mail: cg@aikchol.com.

On behalf of the Audit Committee

(Assistant Professor Krisada Banchuin, MD)

Chairman

January 27, 2020

Responsibilities of the Board for the Financial Report

The Board of Directors of Aikchol Hospital are responsible for financial statements and financial information revealed in this annual report prepared in accordance to Thai generally accepted accounting standards. The Company applies proper accounting policies on a consistent basis with utmost discretion on judgement and estimation.

The Board establishes and maintains an effective financial internal control system to reasonably ensure that its accounting reports are correct, complete, and sufficient for protecting the hospital's assets. The system could also identify weaknesses within the organization, in order to prevent any irregularity or significant business misconduct.

The Board has appointed the Audit Committee, which comprises non-management members, to take charge of the quality of financial reports and financial internal control system. The recommendations of Audit Committees have appeared in this annual report.

Considering the management structure and the internal control system as well as the findings of the certified external auditor, the Board believes that information involving financial status, business performance, and cash flow presented in Aikchol's financial statements as of December 31, 2018, are essentially and reasonably accurate under generally accepted accounting principles.



Mr. Apirag Vanich
Chairman of the Board



Ms. Phortchana Manoch
Chairman of the Executive Committee



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Aikchol Hospital Public Company Limited

Opinion

I have audited the financial statements of Aikchol Hospital Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aikchol Hospital Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition from general medical treatment

The revenue from medical service is the core transaction that affects the operation and has material value, representing 73% of total revenues. The revenue from hospital operations has several components such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc. Therefore, I have paid special attention with respect to the amount, value and timing of the Company's revenue recognition.

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

Revenue recognition of medical treatment from Social Security

The Company has medical treatment revenue from the Social Security Office on the part of the insured who select medical treatment at the hospital and in-patient cases burden with high-cost diseases as presented in the financial statements, representing 24% of total revenues. Receiving money from such revenue in each time has to be approved from the Social Security Office and the consideration process by the Social Security Office takes long time. Regarding the measuring process of the revenue amount to be recognized, it requires significant judgment of the management due to the uncertainty related to the amount to be received which depends on the allocation of the Social Security Office in each year. The Company will receive cash income from the Social Security Office according to the method of calculation and rate determined by the announcement of the Medical Board issued under the Social Security Act, B.E. 2533. To ensure that the medical service fee revenue from social security is recognized in the accounts correctly and appropriately. Accordingly, I have paid special attention to the revenue recognition of medical service fee from social security because the transaction is a risk to the financial statements.

I made an understanding for the process of estimating the medical service revenue for in-patient cases with burden of high-cost disease by investigating the sources and reliability of the insured persons' information used in calculating the revenue estimate, assessing the appropriateness of the severity rate of the disease by comparing with the rules, method and conditions as announced by the Social Security Office, testing the completeness of the recording of the use of Social Security service against the recording system of the Social Security, testing the accuracy of the estimates of the management by comparing between the basis of the management and the basis, procedures and conditions announced by the Social Security Office and testing the items in the journal entries prepared by the management with respect to the recognition of revenue estimate. This also includes comparing of receipts during the period and analyzing the difference cause compared to the estimated medical service revenue and reviewing the receiving of medical service fee for the cases with burden of high-cost disease after the end of the accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's

report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Roongnapha Saengchan.



(Miss Roongnapha Saengchan)

Certified Public Accountant

Registration No. 10142

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 13, 2020

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2019**

<u>ASSETS</u>			
	Note	Baht	
		2019	2018
Current assets			
Cash and cash equivalents	7	708,143,626	642,366,984
Current investments	8	1,386,731	62,296
Trade accounts receivable	9	66,287,969	72,302,416
Accrued income		82,604,621	85,237,223
Inventories	10	53,840,004	47,633,289
Other current assets		3,852,959	3,547,502
Total current assets		916,115,910	851,149,710
Non-current assets			
Fixed deposit pledge as collateral	8	22,427,200	23,460,761
Long-term investment	8	171,666,495	164,666,502
Property, plant and equipment	11	756,588,718	757,580,833
Intangible assets	12	38,748,932	43,505,728
Other non-current assets		189,190	689,189
Total non-current assets		989,620,535	989,903,013
Total assets		1,905,736,445	1,841,052,723

Notes to financial statements form an integral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht	
		2019	2018
Current liabilities			
Trade accounts payable		78,441,540	75,051,656
Other payable		6,037,401	3,876,456
Accrued expenses	14	85,765,590	117,301,018
Accrued income tax expenses		6,884,771	5,559,436
Other current liabilities	15	22,421,653	18,816,999
Total current liabilities		199,550,955	220,605,565
Non-current liabilities			
Deferred tax liabilities	13	20,410,773	23,022,276
Employee benefits obligation	16	66,041,927	46,047,616
Total non-current liabilities		86,452,700	69,069,892
Total liabilities		286,003,655	289,675,457

Notes to financial statements form an integral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Baht	
	2019	2018
Shareholders' equity		
Share capital		
Authorised share capital		
150,000,000 ordinary shares of Baht 1 each	150,000,000	150,000,000
Issued and paid-up share capital		
149,909,264 ordinary shares of Baht 1 each	149,909,264	149,909,264
Share premium	74,000,000	74,000,000
Retained earnings		
Appropriated to legal reserve	14,990,926	14,990,926
Unappropriated	1,245,259,401	1,182,503,871
Other components of equity		
Unrealised gain on long-term investments	135,573,199	129,973,205
Total shareholders' equity	1,619,732,790	1,551,377,266
Total liabilities and shareholders' equity	1,905,736,445	1,841,052,723

Notes to financial statements form an integral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	Baht	
		2019	2018
Revenues			
Medical service income		1,656,021,463	1,636,781,435
Other income	19	40,748,463	34,989,541
Total revenues		1,696,769,926	1,671,770,976
Expenses			
Cost of medical services		1,434,308,163	1,383,684,179
Administrative expenses		97,276,308	113,568,493
Total expenses		1,531,584,471	1,497,252,672
Profit before income tax expenses		165,185,455	174,518,304
Income tax expenses	21	32,039,053	33,802,618
Profit for the year		133,146,402	140,715,686
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on long-term investment		6,999,993	25,333,308
Income tax relating to be reclassified	21	(1,399,999)	(5,066,661)
		5,599,994	20,266,647
Item that will not be reclassified to profit or loss			
Gain from changing actuarial estimates		1,705,970	-
Income tax relating to be reclassified	21	(341,194)	-
		1,364,776	-
Other comprehensive income for the year		6,964,770	20,266,647
Total comprehensive income for the year		140,111,172	160,982,333
Basic earnings per share (Baht per share)	25	0.89	0.94

Notes to financial statements form an integral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht					
		Issued and	Share	Retained earnings		Other components equity	Total
		paid-up	premium	Appropriated	Unappropriated	Unrealised gain	shareholders'
		share capital		to legal reserve		from long-term	equity
	Note					investment	
Beginning balance as at January 1, 2019		149,909,264	74,000,000	14,990,926	1,182,503,871	129,973,205	1,551,377,266
Dividend	18	-	-	-	(71,755,648)	-	(71,755,648)
Profit for the year		-	-	-	133,146,402	-	133,146,402
Other comprehensive income-net from income tax							
Gain on long-term investment		-	-	-	-	5,599,994	5,599,994
Gain from changing acturial estimates		-	-	-	1,364,776	-	1,364,776
Balance at December 31, 2019		149,909,264	74,000,000	14,990,926	1,245,259,401	135,573,199	1,619,732,790
Beginning balance as at January 1, 2018		149,909,264	74,000,000	14,990,926	1,107,564,196	109,706,558	1,456,170,944
Dividend	18	-	-	-	(65,776,011)	-	(65,776,011)
Profit for the year		-	-	-	140,715,686	-	140,715,686
Other comprehensive income-net from income tax							
Gain on long-term investment		-	-	-	-	20,266,647	20,266,647
Balance at December 31, 2018		149,909,264	74,000,000	14,990,926	1,182,503,871	129,973,205	1,551,377,266

Notes to interim financial statements form an integral part of these statements.

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENTS OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2019**

	Baht	
	2019	2018
Cash flows from operating activities		
Profit for the year	133,146,402	140,715,686
Reconciliations of net income to net cash received (paid)		
from operating activities :		
Depreciation and amortization	63,326,616	60,451,677
Interest income	(7,370,280)	(5,573,619)
Bad debt written off and allowance for doubtful accounts	594,172	1,185,205
Gain on sale of fixed assets	(120,962)	(19,992)
Loss on assets written off	335,937	241,319
Dividend income	(2,933,330)	(2,399,997)
Employee benefits obligation cost	24,526,215	8,672,090
Income tax expense	32,039,053	33,802,618
Profit provided by operating before in operating	243,543,823	237,074,987
(Increase) decrease in operational assets		
Trade accounts receivable	5,420,275	1,593,531
Accrued income	2,633,056	(277,347)
Inventories	(6,206,715)	(2,659,012)
Other current assets	(305,458)	(299,458)
Other non-current assets	499,999	(624,999)
Increase (decrease) in operational liabilities		
Trade accounts payable	3,389,884	(918,906)
Accrued expenses	(31,535,428)	644,458
Other current liabilities	3,604,654	(15,291,351)
Cash flows received operating activities	221,044,090	219,241,903
Income tax paid	(35,066,414)	(41,638,770)
Employee benefits paid	(2,825,934)	(4,256,150)
Net cash provided by operating activities	183,151,742	173,346,983

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

**AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED****STATEMENTS OF CASH FLOWS (CONT.)****FOR THE YEAR ENDED DECEMBER 31, 2019**

	Baht	
	2019	2018
Cash flows from investing activities		
Interest received	7,369,827	5,568,453
Dividend received	2,933,330	2,399,997
(Increase) decrease in current investments	(1,324,435)	100,932,425
(Increase) decrease in fixed deposit pledge as collateral	1,033,561	(322,565)
Purchase of land, plant and equipment	(55,409,830)	(30,403,265)
Purchase of intangible assets	(687,935)	(9,980,304)
Sale of equipment	177,130	25,154
Receipt from purchase of intangible assets	288,900	-
Net cash provided by (used in) investing activities	(45,619,452)	68,219,895
Cash flows from financing activities		
Dividends paid	(71,755,648)	(65,776,011)
Net cash used in financing activities	(71,755,648)	(65,776,011)
Net increase (decrease) in cash and cash equivalents	65,776,642	175,790,867
Cash and cash equivalents at beginning of the year	642,366,984	466,576,117
Cash and cash equivalents at end of the year	708,143,626	642,366,984
<u>Supplement disclosures of cash flows information</u>		
Reconciliation of proceed from purchase of property, plant and equipment		
Purchase of property, plant and equipment	(57,570,775)	(33,189,836)
Other payable from acquisition of fixed asset increase	2,160,945	2,786,571
Cash paid from purchase of property, plant and equipment	(55,409,830)	(30,403,265)

Notes to financial statements form an integral part of these statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. GENERAL INFORMATION

Aikchol Hospital Public Company Limited, “the Company”, is incorporated in Thailand. A registered office is at 68/3 Moo 2, Phrayasatja Road, Amphoe Muang, Choburi and a branch is at 31/2 Moo 3, Tambol Samed, Amphoe Muang, Choburi. The Company operates in Choburi Province. And it is well known in medical and nursing care services under the trademark namely, “Aikchol Hospital”.

The Company was listed on the Stock Exchange of Thailand on January 10, 1992.

The principal activities of the Company are providing full hospital services including diseases protection, medical treatment, health strengthening and health rehabilitation services with 340 beds in service.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

3. FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT YEAR

During the year, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

4. FINANCIAL REPORTING STANDARDS THAT WILL BECOME EFFECTIVE IN THE FUTURE

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, savings accounts and current accounts and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

5.2 Trade and other accounts receivable

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

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

5.3 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

5.4 Investment

Investment in debt securities which the Company intent and able to hold investment in debt securities to maturity is classified in current investment. Investment in debt securities is stated at amortisation cost net from impairment loss (if any). Interest income is recognized by using the effective interest rate method in statement of comprehensive income.

Investment in equity security in a marketable equity security is classified as being available-for-sale and is stated at fair value, with any resultant gain or loss being recognised directly in equity, and recorded as gains as losses in the statement of comprehensive income when the securities are sold.

The fair value of security available for sale is determined as the quoted bid price at the statement of financial position date.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

5.5 Property, plant and equipment

Property at cost, plant and equipment are stated at cost less accumulated depreciation.

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

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:-

Buildings and building improvements	10 - 50	Years
Medical equipment	10	Years
Furniture and fixtures	5 - 10	Years
Office equipment	5 - 10	Years
Vehicles	8 - 10	Years

The Company has reviewed the residual value and useful life of the assets on a regular basis.

No depreciation is provided on freehold land or assets under construction and installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

5.6 Intangible asset

Computer software with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the period for which the Computer software are expected to generate economic benefit from 5 to 10 years

5.7 Impairment

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

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

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

5.8 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

5.9 Provision

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.10 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

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

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

5.11 Revenue

Revenue from medical service is exempt from value added taxes and is arrived at after deduction of trade discounts.

Revenues from medical service

Revenues from medical service, mainly consisted of medicine and medical supplies, patient room service charge, medical profession charge and other service are recognised as income when the services are delivered, based on an accrual basis.

Revenues from social security is recognised on an accrual basis.

Interest and dividend income

Interest income is recognised in the statement of comprehensive income as it accrues. Dividend income is recognised in the statement of comprehensive income on the date the Company's right to receive payments established. In the case of quoted securities is usually the ex-dividend date.

Others income

Others income is recognised on an accrual basis.

5.12 Expense

Expenses are recognised on an accrual basis.

5.13 Operating lease

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

5.14 Income tax

Current tax

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Deferred tax

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

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

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

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

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

5.15 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Accrued revenues from hospital operations

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

Leases

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

Property, plant and equipment/Depreciation

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

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

Intangible assets

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

Deferred tax assets

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Post-employment benefits under defined benefit plans

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

6. SEASONAL OPERATION

The company's business is not affected significantly by seasonal or cyclical factor during the year.

7. CASH AND CASH EQUIVALENTS

Consisted of :-

	Baht	
	2019	2018
Cash on hand	2,960,366	1,779,568
Cash at bank - savings accounts and current accounts	240,695,813	135,747,683
Short-term investment not over 3 months	464,487,447	504,839,733
Total	708,143,626	642,366,984

As at December 31, 2019 and 2018, cash at bank-savings accounts have interest at the floating rates at 0.38% per annum and 0.38% per annum, respectively.

As at December 31, 2019 and 2018, short-term investment is investment in government securities money market mutual funds with high liquidity which has return at the rate of 1.25% and 1.17%, respectively. Investment units are stated at fair value.

8. INVESTMENTS

Consisted of :-

	Baht	
	2019	2018
Current investment		
Fixed deposit	1,323,888	-
Mutual fund fixed income (hold to maturity within 1 year)	62,843	62,296
Total	1,386,731	62,296
Fixed deposit pledge as collateral		
Fixed deposit pledge as collateral	22,427,200	23,460,761
Total	22,427,200	23,460,761
Long-term investment		
Equity security available for sale	171,666,495	164,666,502
Total	171,666,495	164,666,502

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

As at December 31, 2019 and 2018, fixed deposits have interest rate at 1.00% per annum and 1.25% per annum, respectively, and investment in mutual fund fixed income which the Company intends to hold to maturity within 1 year and has return at the rate of 0.79% per annum and 0.63% per annum, respectively.

As at December 31, 2019 and 2018, fixed deposits in the amount of Baht 22.43 million and 23.46 million, are pledged as collateral for the letters of guarantee issued by a commercial bank.

As at December 31, 2019 and 2018, the Company invests in available for sale securities. Investment units are stated at fair value.

Equity security available for sale consisted of:-

	Holding of interest (%)		Million Baht			
	2019	2018	2019		2018	
			Cost	Market value	Cost	Market value
Bangkok Dusit Medical Services Plc.	0.06	0.06	2.20		2.20	164.67
<u>Add</u> unrealised gain from revaluation of security			169.47		162.47	
Total			171.67		164.67	

9. TRADE ACCOUNTS RECEIVABLE

Consisted of :-

	Baht	
	2019	2018
Within credit terms	49,763,723	54,605,621
Overdue:		
Less than 3 months	14,339,336	14,725,854
3-6 months	1,809,246	2,497,606
6-12 months	753,025	1,047,979
Over 12 months	993,344	732,866
	67,658,674	73,609,926
<u>Less</u> allowance for doubtful accounts	(1,370,705)	(1,307,510)
Net	66,287,969	72,302,416

The normal credit term granted by the Company ranges from 30 days to 120 days.



AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

10. INVENTORIES

Consisted of :-

	Baht	
	2019	2018
Medicine and medical supplies	45,038,667	39,935,381
Supplies	8,801,337	7,697,908
Total	53,840,004	47,633,289

11. PROPERTY, PLANT AND EQUIPMENT

Consisted of :-

	Baht				
	Balance per book as at Dec. 31, 2018	Additions	Transfer in (Transfer out)	Deductions	Balance per book as at Dec. 31, 2019
<u>Cost</u>					
Land	108,160,300	-	-	-	108,160,300
Buildings and building improvement	917,675,140	4,253,365	17,463,129	(467,737)	938,923,897
Medical equipment	299,339,560	13,289,164	-	(11,577,294)	301,051,430
Furniture and fixture	34,078,539	630,664	-	(250,957)	34,458,246
Office equipment	64,241,870	6,787,946	168,196	(1,576,201)	69,621,811
Vehicles	22,747,174	400,000	-	(508,250)	22,638,924
Assets under construction and installation	19,017,784	32,209,636	(17,460,125)	-	33,767,295
Total	1,465,260,367	57,570,775	171,200	(14,380,439)	1,508,621,903
<u>Less accumulated depreciation</u>					
Buildings and building improvement	393,096,125	32,462,536	171,200	(408,892)	425,320,969
Medical equipment	218,313,369	18,912,597	-	(11,367,697)	225,858,269
Furniture and fixture	30,532,297	752,224	-	(245,794)	31,038,727
Office equipment	49,443,413	4,656,333	-	(1,457,702)	52,642,044
Vehicles	16,294,330	1,387,095	-	(508,249)	17,173,176
Total	707,679,534	58,170,785	171,200	(13,988,334)	752,033,185
Net	757,580,833				756,588,718

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

	Baht				Balance per book as at Dec. 31, 2018
	Balance per book as at Dec. 31, 2017	Additions	Transfer in (Transfer out)	Deductions	
Cost					
Land	108,160,300	-	-	-	108,160,300
Buildings and building improvement	901,317,230	7,051,481	9,662,180	(355,751)	917,675,140
Medical equipment	298,015,809	3,538,276	-	(2,214,525)	299,339,560
Furniture and fixture	33,645,225	704,057	-	(270,743)	34,078,539
Office equipment	62,293,367	2,987,171	59,056	(1,097,724)	64,241,870
Vehicles	22,747,174	-	-	-	22,747,174
Assets under construction and installation	9,830,169	18,908,851	(9,721,236)	-	19,017,784
Total	1,436,009,274	33,189,836	-	(3,938,743)	1,465,260,367
Less accumulated depreciation					
Buildings and building improvement	362,569,518	30,878,971	-	(352,364)	393,096,125
Medical equipment	201,510,258	18,815,304	-	(2,012,193)	218,313,369
Furniture and fixture	29,763,004	1,036,808	-	(267,515)	30,532,297
Office equipment	45,598,051	4,905,552	-	(1,060,190)	49,443,413
Vehicles	14,867,573	1,426,757	-	-	16,294,330
Total	654,308,404	57,063,392	-	(3,692,262)	707,679,534
Net	781,700,870				757,580,833

Depreciation of the plant and equipment for the years ended December 31, 2019 and 2018 which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2019	2018
Cost of medical services	51,360,793	49,677,286
Administrative expenses	6,809,992	7,386,106
Total	58,170,785	57,063,392

As at December 31, 2019 and 2018, certain equipment and vehicle items of the Company have been fully depreciated but are still in use of cost in amount of Baht 289.91 million and Baht 285.45 million, respectively.

A portion of land, building and construction in progress, including future construction were pledged as collateral security for the long-term loan and a bank overdraft with a net book value as at December 31, 2019 and 2018 of approximately amounted of Baht 567.22 million and Baht 584.27 million, respectively.

As at December 31, 2019 and 2018, the Company covered All Risks Insurance Policy (ARIP) with an insurer. The sum insured has already been covered the value of the assets. The ARIP is renewed on an annual basis and a portion of proceeds from insurance claims under the ARIP.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

12. INTANGIBLE ASSETS

Consisted of :-

	Baht			
	Balance per book as at Dec. 31, 2018	Additions	Transfer in (Transfer out)	Balance per book as at Dec. 31, 2019
<u>Cost</u>				
Computer software	71,721,891	687,935	(288,900)	72,120,926
<u>Less</u> accumulated amortization	28,216,163	5,155,831	-	33,371,994
Net	43,505,728			38,748,932

	Baht			
	Balance per book as at Dec. 31, 2017	Additions	Transfer in (Transfer out)	Balance per book as at Dec. 31, 2018
<u>Cost</u>				
Computer software	33,252,837	3,062,754	35,406,300	71,721,891
Computer software in progress	28,488,750	6,917,550	(35,406,300)	-
Total	61,741,587	9,980,304	-	71,721,891
<u>Less</u> accumulated amortization	24,827,878	3,388,285	-	28,216,163
Net	36,913,709			43,505,728

Amortisation of intangible assets for the years ended December 31, 2019 and 2018, which were included in cost of medical services and administrative expenses, consisted of :-

	Baht	
	2019	2018
Cost of medical services	4,882,442	3,156,439
Administrative expenses	273,389	231,846
Total	5,155,831	3,388,285

As at December 31, 2019 and 2018, certain intangible assets items of the Company have been fully amortised but they are still in used of cost in the amount of Baht 20.83 million and Baht 18.26 million, respectively.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets (liabilities) for the year ended December 31, 2019 and 2018 are summarized as follows:

	Baht			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 18	In profit or loss	In other comprehensive income	Dec. 31, 19
Deferred tax assets:				
Trade account receivables	261,502	12,639	-	274,141
Employee benefit obligation	9,209,523	4,340,057	(341,194)	13,208,386
Total	9,471,025	4,352,696	(341,194)	13,482,527
Deferred tax liabilities:				
Unrealized gain on remeasuring available for sale				
Investments	(32,493,301)	-	(1,399,999)	(33,893,300)
Total	(32,493,301)	-	(1,399,999)	(33,893,300)
Deferred tax assets (liabilities)-net	(23,022,276)			(20,410,773)

	Baht			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 17	In profit or loss	In other comprehensive income	Dec. 31, 18
Deferred tax assets:				
Trade account receivables	120,208	141,294	-	261,502
Employee benefit obligation	8,326,335	883,188	-	9,209,523
Total	8,446,543	1,024,482	-	9,471,025
Deferred tax liabilities:				
Unrealized gain on remeasuring available for sale				
Investments	(27,426,640)	-	(5,066,661)	(32,493,301)
Total	(27,426,640)	-	(5,066,661)	(32,493,301)
Deferred tax assets (liabilities)-net	(18,980,097)			(23,022,276)

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

14. ACCRUED EXPENSES

Consisted of :-

	Baht	
	2019	2018
Accrued directors and management's remuneration	-	4,400,000
Accrued doctor fee	43,439,108	45,851,389
Accrued wages	9,245,936	9,991,411
Accrued Bonus	12,233,997	37,711,217
Accrued electricity	972,902	1,000,755
Accrued expenses - Social Security	6,995,692	3,112,407
Accrued other expenses	12,877,955	15,233,839
Total	85,765,590	117,301,018

15. OTHER CURRENT LIABILITIES

Consisted of :-

	Baht	
	2019	2018
Withholding tax	2,081,316	1,882,751
Advance received	9,309,203	9,177,891
Retention payable	2,424,137	2,003,885
Others	8,606,997	5,752,472
Total	22,421,653	18,816,999

16. EMPLOYEE BENEFITS OBLIGATION

The statements of financial position

	Baht	
	2019	2018
Defined benefits obligations at beginning balance	46,047,616	41,631,676
Benefits paid by the plan	(2,825,934)	(4,256,150)
Gain from changing actuarial estimates	(1,705,970)	-
Past service costs and interest change a post		
-Employment plan amendment	12,804,826	-
Current service and interest costs	11,721,389	8,672,090
Defined benefits obligations at ending balance	66,041,927	46,047,616

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Expenses recognised in statements of comprehensive income

	Baht	
	2019	2018
For the year ended December 31		
Past service costs and interest	12,804,826	-
Current service cost	10,453,582	7,697,289
Interest on obligation	1,267,807	974,801
Total	24,526,215	8,672,090

Principal actuarial assumptions at the reporting date

	%	
	2019	2018
Discount rate	2.44	2.44
Salary increase rate	6	6
Employee turnover rate	8 - 22	8 - 21
Disability rate	5**	5*

* reference to mortality rate in B.E. 2008

** reference to mortality rate in B.E. 2017

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018, are summarized below:

	Baht	
	2019	2018
Discount rate		
1% increase	(4,965,998)	(3,748,058)
1% decrease	5,716,485	4,307,596
Salary increase rate		
1% increase	6,046,802	4,954,592
1% decrease	(5,334,345)	(4,344,783)
Employee turnover rate		
1% increase	(5,549,555)	(4,196,185)
1% decrease	5,723,527	4,316,955

17. RESERVES AND LEGAL RESERVES

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Unrealised gain/loss

Unrealised gain/loss recognised in shareholders’ equity relate to cumulative net changes in the fair value of available for sale investment.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

18. DIVIDENDS

Year 2019

At The ordinary shareholders' meeting held on April 23, 2019, the shareholders approve the appropriation of dividend from operating results of 2018 of Baht 0.48 per share, 149.91 million shares, amounting to Baht 71.76 million. The dividend will be proposed to pay to shareholders on May 17, 2019.

Year 2018

At The ordinary shareholders' meeting held on April 23, 2018, the shareholders approve the appropriation of dividend from operating results of 2017 of Baht 0.44 per share, 149.91 million shares, amounting to Baht 65.78 million. The dividend will be proposed to pay to shareholders on May 18, 2018.

19. OTHER INCOME

Consisted of :-

	Baht	
	2019	2018
Revenue from sharing of kidney hemodialysis	12,342,900	12,976,562
Rental space income	9,212,714	8,304,393
Interest income	7,370,280	5,573,619
Others	11,822,569	8,134,967
Total	40,748,463	34,989,541

20. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2019 and 2018 are a follow:-

	Baht	
	2019	2018
Personnel	555,492,332	549,248,281
Directors and management's remuneration	30,447,642	32,187,834
Doctor fee	383,494,037	365,382,123
Medicine, medical supplies and supplies	291,099,879	279,430,353
Depreciation and amortisation	63,326,616	60,451,677
Others	207,723,965	210,552,404
Total	1,531,584,471	1,497,252,672

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

21. INCOME TAX EXPENSE

21.1 Major components of tax expense

For the year ended December 31, 2019 and 2018 consisted of:

	Baht	
	2019	2018
Income tax expense shown in profit or loss :		
Current tax expense:		
Income tax expense for the year	36,391,749	34,827,100
Deferred tax expense :		
Changes in temporary differences relating to the original recognition and reversal	(4,352,696)	(1,024,482)
Total	<u>32,039,053</u>	<u>33,802,618</u>
Income tax relating to components of other comprehensive income:		
Deferred tax relating to:		
Remeasuring available for sale investments	1,399,999	5,066,661
Gain from changing actuarial estimates	341,194	-
Total	<u>1,741,193</u>	<u>5,066,661</u>

21.2 A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate

For the year ended December 31, 2019 and 2018 which are summarized as follows:

	Baht	
	2019	2018
Accounting profit for the year	165,185,455	174,518,304
The applicable tax rate (%)	20	20
Tax expense (income) at the applicable tax rate	<u>33,037,091</u>	<u>34,903,661</u>
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	216,147	127,059
Tax effect of income or profit that are not required in determining taxable profit:		
Exemption of non - taxable dividend income	(586,666)	(480,000)
Other	(627,519)	(748,102)
Total reconciliation items	<u>(998,038)</u>	<u>(1,101,043)</u>
Total tax expense (income)	<u>32,039,053</u>	<u>33,802,618</u>

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

21.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the year ended December 31, 2019 and 2018 are summarized as follows:

	Baht			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	165,185,455		174,518,304	
Tax expense at the applicable tax rate	33,037,091	20.00	34,903,661	20.00
Reconciliation items	(998,038)	(0.60)	(1,101,043)	(0.63)
Tax expense at the average effective tax rate	32,039,053	19.40	33,802,618	19.37

22. PROVIDENT FUND

The defined contribution plans comprise provident funds established by companies in the Company for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 3% of their basic salaries and by the Company at rates 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager. The Company's contributions for the years ended December 31, 2019 and 2018 in the amount of to Baht 4.74 million and Baht 4.02 million, respectively.

23. DIRECTORS AND MANAGEMENT'S REMUNERATION

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

Directors of the Company is consisted of board of directors, audit committee and nomination and remuneration committee.

Management of the Company is consisted of executive board, chief medical officer and hospital administrator.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

24. SEGMENT INFORMATION

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

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

Information about major customers

The groups of the Company's major customers include individuals, group of policyholders of the insurance company, group of contract parties' company and group of insured on social security who requires using the hospital service at the package rate from the government sectors.

25. EARNINGS PER SHARE

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

	2019	2018
Profit for the year (Baht)	133,146,402	140,715,686
Weighted average number of ordinary share (Shares)	149,909,264	149,909,264
Earnings per share (Baht per share)	0.89	0.94

26. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2018 and 2017, the Company's debt-to-equity ratio was 0.18 : 1 and 0.19 : 1, respectively.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

27. FINANCIAL INSTRUMENTS

27.1 Financial risk management policies

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

27.2 Interest rate risk

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

27.3 Credit risk

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

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

27.4 Liquidity risk

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

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

27.5 Fair value of financial instruments

The Company has a policy to manage The financial risks that affect the normal course of business such as changes in interest rate, the possibility of uncollectible debts, the ability to maintain the liquidity of working capital and the difference between the fair value and carrying value of financial assets and liabilities, etc. Nevertheless, the management expects the effects of these risks to be similar to the year ended December 31, 2018.

Fair value

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

Fair value hierarchy

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

Level 2 - Use of Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As of December 31, 2019, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Baht			
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
- Fixed deposit	1,323,888	-	-	1,323,888
- Mutual fund fixed income	-	62,843	-	62,843
Long-term investments				
- Equity	171,666,495	-	-	171,666,495
Total	172,990,383	62,843	-	173,053,226

Fair valuation techniques and inputs to Level 2 fair valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

During the period, there were no transfers within the fair value hierarchy.

AIKCHOL HOSPITAL PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

28. COMMITMENTS WITH NON-RELATED PARTIES

As at December 31, 2019 and 2018, the Company has commitments as follows :-

		Baht	
		2019	2018
28.1	Letters of guarantee issued by a commercial bank to the government unit and the state enterprise.	22,427,200	23,164,000
28.2	Construction and equipment installation agreements	17,532,591	12,572,150
28.3	Operating lease commitments, the company has entered into an agreement in respect of lease of computer and equipment from a company. The term of the agreement is generally 3 years, future minimum rental payable was as follows:-		
	Payable within 1 year	2,274,606	2,423,550
	Payable within 2 to 3 years	1,466,756	3,741,362
		3,741,362	6,164,912

29. RECLASSIFICATION

Certain amounts in the financial statements for the year 2018 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications were as follow :

		Baht	
		As previously reported	As reclassified
			Increase (decrease)
The statement of financial position			
At as December 31, 2018			
Trade accounts receivable	81,312,424	(9,010,008)	72,302,416
Other current liabilities	27,827,007	(9,010,008)	18,816,999

30. TO APPROVED THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by Board of Directors of the Company on February 13, 2020.

Related Transactions

Related transactions

In 2019, the Company was engaged in no connected transaction, as regulated by the Office of The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

Measures and approval procedures for connected transactions

The Company has in place measures and approval procedures for connected transactions, as regulated by SEC and SET. Connected transactions are subjected for approval of the Board of Directors or at shareholders' meeting, or both, depending on the case.

Policy and trends for connected transactions

With strictly adherence to SEC and SET regulations, Aikchol manages its business with transparency under its strong Corporate Governance policy.

Changes in portfolios of directors and the management

Data as of December 31, 2019

No.	Name	Position	Number of shares held as of December 31, 2018	Number of shares held as of December 31, 2019	Change of shareholding during 2018	% shareholding
1	Mr. Apirag Vanich	Chairman of the Board	16,327,392	16,327,392	-	10.89
	Spouse and minor children		2,692,692	2,692,692	-	1.79
2	Mrs. Phorthana Manoch	Vice Chairman of the Board	3,389,808	3,389,808	-	2.26
	Spouse and minor children		987,600	987,600	-	0.66
3	Dr. Krisada Banchuin	Director	215,268	215,268	-	0.14
	Spouse and minor children		-	-	-	-
4	Mrs. Kanchana Chitrudiamphai	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
5	Ms. Oranuj Vanich	Director	5,801,016	5,801,016	-	3.87
	Spouse and minor children		-	-	-	-
6	Dr. Sanit Charkrit	Director and Medical Director, Aikchol Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
7	Associate Prof. Dr. Atirek Chirabongs	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
8	Mrs. Thitawat Pothanant	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Assistant Professor Sarayut Rueangsuwan Ph.D.	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Mr. Sawaek Weerakiet M.D.	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
11	Mr. Kudun Sukhumananda	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
12	Mrs. Prapaphan Tanthavirat	Administrative Director, Aikchol Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
13	Mrs. Somporn Permsuk	Administrative Director, Aikchol 2 Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
14	Dr. Pichai Siripompanich	Medical Director, Aikchol 2 Hospital	-	-	-	-
	Spouse and minor children		-	-	-	-
15	Mrs. Pariyanath Chalermchuang	Accounting and Finance Director	-	-	-	-
	Spouse and minor children		-	-	-	-
16	Mr. Siriphot Mamoch	Business Development Director	1,700,496	1,720,496	-	1.15
	Spouse and minor children		-	-	-	-