



ANNUAL REPORT 2019

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

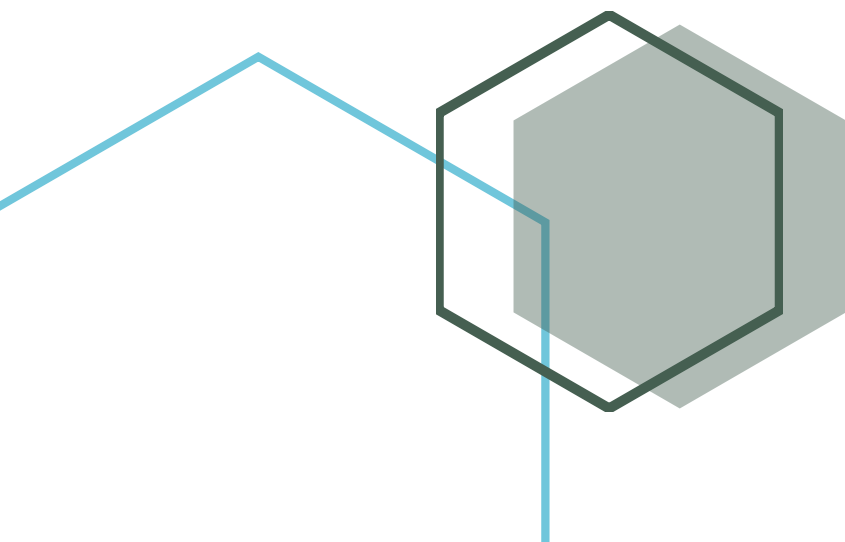
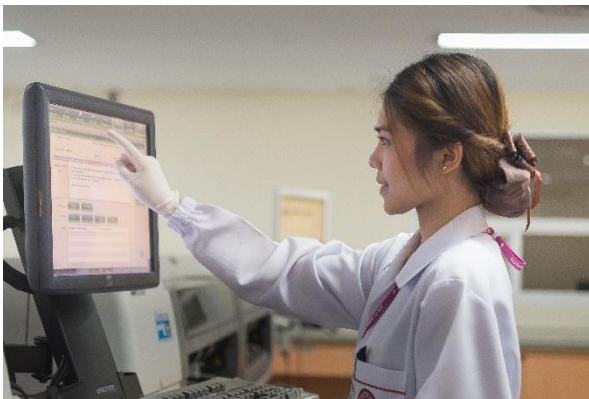


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VISION

Leading private hospital with high-quality treatment and medical service in Phra-Nakhon Si Ayutthaya and central region

MISSION

Providing services of medical standards and professional ethics under the patient-focus approach

VALUES

1. **Quality:** working up to standard, accuracy, safety, swiftness without flaw which satisfied the patients' expectation.
2. **Unity:** working in harmony with generosity and smooth cooperation
3. **Pride:** Confident on and taking pride in our organization which cultivate the bond between staff and organization to build "Rajthanee as our home"

FINANCIAL HIGHLIGHTS

Rajthanee Hospital Public Company Limited and Subsidiary

	2019	2018	2017
Financial Position (THB, Million)			
Total assets	1,685	1,879	1,901
Total liabilities	285	570	235
Total shareholders' equity	1,400	1,309	1,666
Financial Performance (THB, Million)			
Revenues from hospital operation	1,771	1,587	1,403
Total revenues	1,902	1,611	1,424
Net profit	396	258	256
Net profit attributable to equity holders of parent co.	396	255	231
Key Financial Ratios			
Gross profit margin (%) 1/	31.5	30.6	29.7
Net profit margin (%)	20.9	16.0	18.0
Return on average assets (%)	23.5	13.7	13.5
Return on average equity (%)	28.3	19.7	15.4
Total Debt to equity (x)	0.2	0.4	0.1
Interest coverage (x) 2/	113.7	32.6	113.3
Per-share information			
Earnings per share (THB)	1.32	0.85	0.77
Book value per share (THB)	4.7	4.4	5.6
Closing price at the end of year (THB)	25.25	18.60	25.00
Number of shares (million shares)	300	300	300

Note: 1/ Gross profit margin = Gross profit/ Revenues from hospital business

2/ Interest coverage ratio = EBITDA / interest expenses

1. GENERAL AND OTHER IMPORTANT INFORMATION

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

Nature of business	Private hospitals with inpatient admission: Rajthanee Hospital and Rajthanee Rojana Hospital
Head Office	111 Moo 3, Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya 13000
Company Registration No.	0107538000509
Tel.	035-335-555-71
Fax.	035-335-555 ext. 878
Website	www.rajthanee.com

SECURITIES REGISTRAR

Company's name	Thailand Securities Depository Co., Ltd. (TSD)
Head Office	62 The Stock Exchange of Thailand Building 11/F., Rachadapisek Road, Klongtoey, Bangkok 10110
Tel.	02-229-2800
Fax.	02-359-1259

EXTERNAL AUDITOR

Company's name	CWWP CO., LTD.
Head Office	128/334-335 Phayathai Plaza Building 31th Floor, Phayathai Road, Thung Phayathai, Ratchathewi, Bangkok 10400
Tel.	02-216-2265, 02-216-2268-9, 02-216-2279
Fax.	02-216-2286

INTERNAL AUDITOR

Company's name	RESOURCEFUL CO., LTD.
Head Office	45/6 Pechwongwan (Soi 9) Kanchanapisek Road, Bangbon, Bangbon, Bangkok, 10150
Tel.	02-415-7779, 02-895-0738
Fax.	02-895-2442

2. POLICY AND BUSINESS OPERATION

2.1 Company Background and Major Milestones

2.1.1 Incorporation of the Company

Rajthanee Hospital Public Company Limited (“the Company”) was established in 1990 to operate health care business. At the onset, the company’s name was “Ayutthaya Wetchakarn Co., Ltd.”. It was founded by a team of doctors, mostly graduated from Siriraj Hospital, together with leading businessmen in Phra Nakhon Si Ayutthaya. These founding members remained current major shareholders such as Doctor Wachira Wudhikulprapan, Doctor Porntip Wudhikulprapan and Doctor Surin Prasithirun. There were many industrial estates in Phra Nakhon Si Ayutthaya whereas supplies were relatively limited comparing to demand. Therefore, they established Rajthanee Hospital in Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya. The hospital’s location is in the high-growth area which near main roads such as Asian Highway and Rojana Road. Since the start of operation in 1990, the hospital has been well-accepted by Phra Nakhon Si Ayutthaya ‘s community and nearby provinces.

Moreover, the promulgation of Social Security Act B.E. 2533 (1990) which promoted public healthcare and basic security for the insured members, has brought about the company business opportunity. The company has participated Social Security Project in 1994 and ever since, the Social Security income has become one of the company’s main sources of income.

Since the establishment in 1990, the company has been consistently focusing on development of service quality and human quality in order to deliver satisfied services to all patients. The company’s business philosophy is reflected in its motto: “Warm as home, service as family at our Rajthanee”

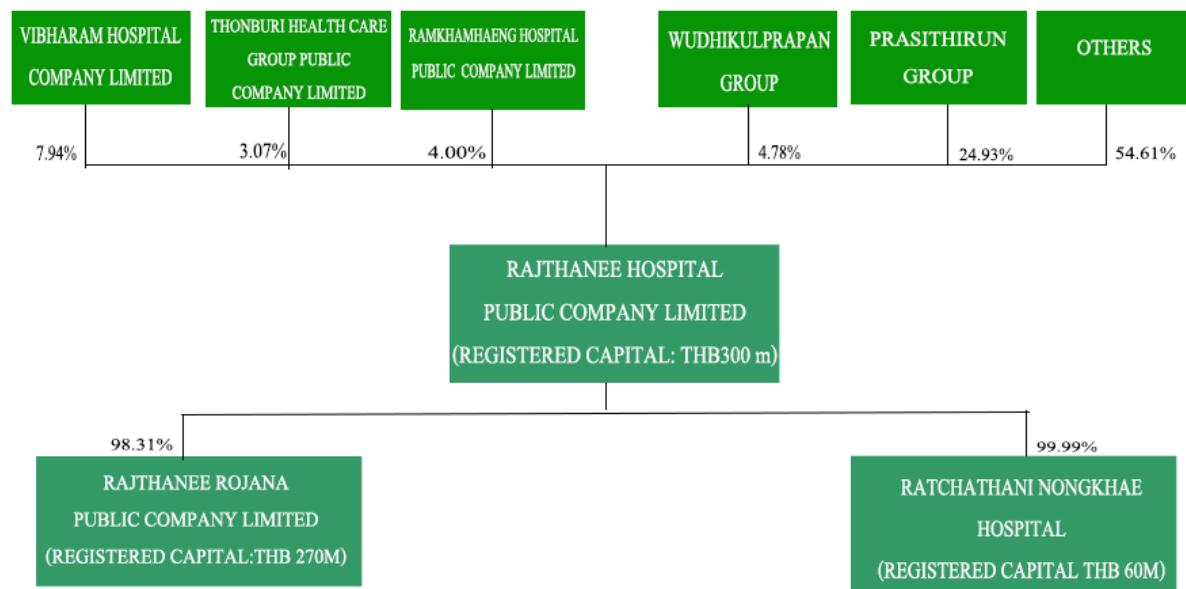
2.1.2 Major Milestones

Year	Major Milestones
1990	- Ayutthaya Vechakarn Company Limited was founded to operate hospital business under the name “Rajthanee Hospital”, with initial registered capital of Baht 10,000,000, at Baht 10 per share. The hospital is located on Rojana Road near Asia Highway and the City Hall of Phra Nakhon Si Ayutthaya.
1992	- The operation was commenced on June 29, 2012, with a total capacity of 33 patient beds.
1994	- The company applied for Social Security Program under Social Security Act B.E. 2537 (1994). With the confidence on Rajthanee hospital, number of insured persons have been increasing.
1995	- The company was converted to public company and renamed “Rajthanee Hospital Company Limited” to prepare for the listing on the Stock Exchange of Thailand. In addition, the registered capital was raised to Baht 180,000,000 with the paid-up capital of Baht 140,000,000 for the public offering. However, due to the unfavorable economy and capital market, the listing plan was inevitably postponed.
1999	- December 29, 1999, the Company was awarded ISO 9002: 1994 Certification.
2002	- October 8, 2002, the Company was awarded ISO 9001: 2000 Certification.
2005	- The Company decreased the previously approved capital to Baht 83,514,000 which was the unsold portion. As such, the paid-up capital was Baht 96,486,000.
2009	- Due to crowded facilities, the Company invested new building (Building C)
2010	- The Company was awarded the Environmental and Health Impact Assessment (EHIA), by the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment - Building C was open on 8 December 2010 for social security patients, pediatric patients, dental clinic and pharmacy store.
2012	- The Company was awarded the accreditation for Level 1 Hospital Accreditation (HA) on June 22, 2012. - The Company achieved the acknowledgement for Level 2 Hospital Accreditation (HA) on November 29, 2012.
2013	- The Company was awarded the accreditation for Level 2 Hospital Accreditation (HA) on November 21, 2013.

Year	Major Milestones
2014	<ul style="list-style-type: none"> - The Company acquired 12 million shares of Rajanavej Hospital Company Limited, at Baht 10.50 per share, equivalent to 52.17% stake. This company was subsequently renamed to Rajthanee Rojana Hospital Company Limited and the hospital name was changed to Rajthanee Rojana Hospital. The hospital has 100 registered beds. Its location is on Rojana-Wangnoi Road near Ronaja Industrial Estate. This hospital is to capture growing healthcare demand from the nearby industrial estates.
2015	<ul style="list-style-type: none"> - The Company launched cardiac catheterization service on January 7, 2015 and was granted permission as a cardiac referral center for National Health Security Office (NHSO) which enabling it to treat patients referred from other nearby hospitals under the National Health Security Scheme. - The par value was changed from Baht 10 per share to Baht 1 per share and consequently number of shares were increased from 9,648,600 shares to 96,486, 000shares. - The registered capital was raised by 203,514,000 shares, from Baht 96,486,000 to Baht 300,000,000 for the issuance of 128,514,401 dividend shares and for the initial public offering of 74,999,599 shares. The paid-up capital stood at Baht 96,486,000. - The payment of interim dividends for 2014 performance consisted of cash dividend at Baht 0.14799/share and dividend shares at the ratio of 0.75077 existing shares : 1 dividend share or equivalent to Baht 1.33195 per share. The issued dividend shares totaling 128,514,401 shares, with a par value of Baht 1. As a result, the paid-up capital amounted to Baht 225,000,401. - The Company was awarded the accreditation for Step 3 of HA for 2-year period on February 27, 2015.
2016	<ul style="list-style-type: none"> - The Company listed its shares on the Stock Exchange of Thailand on September 1, 2016. - The subsidiary increased its registered capital from Baht 230 million to Baht 270 million on November 15, 2016. The 4,000,000 new ordinary shares were offered to the existing shareholders at the ratio of 23 existing ordinary shares to 4 new ordinary shares, at Baht 25 each. Following this capital increase, the Company held a 53.93% stake in the subsidiary.
2018	<ul style="list-style-type: none"> - The Company was awarded the re-accreditation for Step 3 of HA for 3-year period on June 27, 2017.
2018	<ul style="list-style-type: none"> - January 2018, the Company opened MRI Center, the first and only MRI center in Ayutthaya province. - The company has been selected by Thaipat Institute to be one of ESG100 (Environmental, Social and Governance) ie a listed company with outstanding dedication to environment, society and good governance. - The Company has acquired additional shares in subsidiary which ultimately increased its holding to 98.31%.
2019	<ul style="list-style-type: none"> - The Company established a new subsidiary as "Ratchathanee Nong Khae Hospital Company Limited" in Nong Khae district, Saraburi province to invest new hospital for both social security patients and general patients.

2.2 Structure of Company Group and Business Overview

Rajthanee Hospital Public Company Limited has two subsidiaries ie. Rajthanee Rojana Hospital Co., Ltd. and Ratchathanee Nongkae Hospital Co.,Ltd. The shareholding structure is shown in the diagram.



Note:

1. Shareholding in the company is as of 12 December 2019
2. Shareholding in Rajthanee Rojana Hospital Co., Ltd is as of 29 December 2019
3. Shareholding in Ratchathanee Nongkae Hospital Co., Ltd is as of 13 August 2019

2.3 Hospital Business Operation

The Company operates two hospitals, namely Rajthanee Hospital and Rajthanee Rojana Hospital. Both are in prime locations of Phra Nakhon Si Ayutthaya Province. Ayutthaya is surrounded by Pathum Thani, Suphan Buri, Ang Thong and Saraburi Provinces. There are 3 large industrial estates, namely Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate located in Phra Nakhon Si Ayutthaya Province. Meanwhile, there are two industrial parks ie. Factory Land Wangnoi and Rojana Industrial Park. Therefore, Ayutthaya is one of densely populated provinces. The industrial employees are the company's main patients. In addition, the Company has policy to allow social security patients to conveniently visit either hospital of the group regardless of which hospitals they insured.

The Company provides medical services, health improvement, rehabilitation and medical prevention encompassing both general and acute illness by general practice and specialty physicians. The 9 main areas of expertise are as follows:

1. Medicine
2. Surgery and Orthopedics
3. Pediatrics
4. Obstetrics and gynecology
5. Otolaryngology
6. Ophthalmology

7. Anesthesiology

8. Radiology

9. Dentistry

The Company and its subsidiary have 353 registered beds with various types of patient rooms such as, VIP rooms, single rooms, special single rooms, common rooms, ICU and nursery, etc.

Business summary as of December 31, 2019

Company	Registered Capital (Baht million)	shareholding (%)	Registered Hospital Beds
Rajthanee Hospital Public Company Limited	300	-	253
Rajthanee Rojana Hospital Company Limited	270	98.31	100
Group Total			353

3. CHARACTERISTICS OF BUSINESS OPERATION

3.1 Revenue Structure

Rajthanee Hospital Group's revenues have consistently increased during the past 3 years as illustrated in the table below.

Revenue from hospital business	Consolidated financial statements					
	2017		2018		2019	
	Bht mil.	%	Bht mil.	%	Bht mil.	%
Revenue from general patients^{1/}						
Revenue from out-patients (OPD)	420	29.94	472	29.72	522	29.50
Revenue from in-patients (IPD)	353	25.14	439	27.68	519	29.30
Total revenue from general patients	773	55.08	911	57.40	1,041	58.80
Social Security scheme	630	44.92	676	42.60	730	41.20
Grand Total	1,403	100.00	1,587	100.00	1,771	100.00

Note: 1/ Included revenue from self-pay, insurance, corporate contract, civil servant, Universal Coverage, Universal Coverage for Emergency Patients (UCEP) etc.

3.2 Characteristics of products or services

3.2.1 Scope of medical services

(1) Heart Center

Year 2015, the Company launched the Heart Center providing medical treatment for cardio vascular system and heart diseases, such as Ischemic heart disease (IHD), Valvular heart disease, Cardiac arrhythmia and Hypertension, etc. The scope of medical services encompasses initial diagnosis, medication, cardiac catheterization, cardiac surgery. The Company became one of the referral centers of heart diseases in the area of Phra Nakhon Si Ayutthaya and nearby provinces.

The essential scope of services of the Heart Center includes:

- Echocardiography;
- Exercise stress test (EST);
- Holter monitor;
- Cardiac Catheterization or coronary artery angiography (CAG) and percutaneous coronary intervention (PCI);
- Electrophysiology;
- Coronary Artery Bypass Graft, Valve Replacement Atrial Septal Defect
- Cardiac Pacemaker

(2) Emergency medicine and brain neurosurgery center

The Company's hospitals are located on main roads, namely Rojana Road and Asian Highway (AH 1) road where accidents frequently take place posing risk of brain injuries. Therefore, the emergency medicine and brain neurosurgery center were established in 1992. With the emergency call center and

team of physicians available for 24/7. A rescue team can be at the scenes of the accidents in a timely manner.

(3) Other specialized centers

- **Hemodialysis Center:** taking care of patients suffering from acute and chronic kidney diseases
- **Health Check- up Center:** equipped with occupational physicians and check- up programs customized for customers of various ages. The services have included annual check-up programs and pre-employment check-up programs.
- **Dental Center:** complete scope of dental services such as scaling, filling, Pediatric dentistry, Orthodontics, Endodontic, Prosthesis, Periodontal Disease Treatment, oral surgery and dental implant with sterilized equipment
- **Orthopedics Center:** examination and surgery for patients with traumatic and degenerative change of bones, Arthroscopic Shoulder, Back and Knee Surgery, Arthroplasty Replacement Surgery for hip and knee and medical treatments for osteoarthritis and osteoporosis, etc.
- **Phacoemulsification Center:** provide operations for patients with cataract and provide treatments for patients with glaucoma and pterygium.

(4) Surgery clinics

- **General surgery clinic:** provide open/ laparoscopic cholecystectomy, appendectomy, rhinoplasty and excision operation with state-of-the-art equipment.
- **Plastic surgery clinic:** provide corrective surgery for traumatic patients and also for aesthetic purpose.
- **Neurosurgery clinic:** provided examination and investigation for risks which may cause cerebrovascular disease and traumatic brain injury, including operations and medical service for patients with hemorrhagic stroke, and rehabilitation treatment to improve their activities in daily life.
- **Urology clinic:** provide examination and treatment for patients with diseases related to genitourinary system such as, Benign Prostatic Hyperplasia (BPH), erectile dysfunction in male patients, including calculi in urinary system.

(5) Internal Medicine Clinics

- **Internal Medicine Clinic:** provide examination and treatment for infectious diseases, pulmonary and respiratory systems, renal system, endocrine system, etc.
- **Medicine clinic - gastroenterology:** provide examination and treatment for gastrointestinal system and liver disease, etc., which includes esophagogastroduodenoscopy (EGD) and colonoscopy.
- **Medicine clinic - dermatology:** provide examination and treatment for skin diseases, including aesthetics.
- **Medicine clinic - hematology:** provide examination and treatment for patients with blood diseases resulting from cancers and genetic blood diseases, including bone marrow aspiration.
- **Medicine clinic - neurology:** provide examination and treatment for patients with cerebrovascular diseases (stroke), degenerative disease of brain and spinal cord.
- **Medicine clinic - nephrology:** provide examination and treatment for patients with acute and chronic renal diseases and provide renal replacement therapy with hemodialysis.

(6) Healthcare clinics and other services

- **General practice clinic:** provide examination and treatment for general diseases such as upper-respiratory infections, acute gastroenteritis, etc.
- **Obstetrics and gynecology clinic:** provide examination, treatment and advice for gynecologic diseases and obstetric patients for various age groups, including antenatal care which has 4D ultrasound scans to detect for any fetal abnormalities, high-risk pregnancy, contraception, infertility and menopause.
- **Pediatrics clinic:** provide examination, treatment and advice for sick children (from newborn to teenage) and well-baby's growth and development, including vaccination program.
- **Otolaryngology clinic:** provide advice, examination and treatment for patients with diseases related to ears, noses and throats such as otitis media and sinusitis, plus operation such as tonsillectomy, nasal polypectomy, tympanoplasty and Fiberoptic laryngoscope.
- **Ophthalmology clinic:** provide examination and treatment for eye disease such as eye infection, cataracts and glaucoma plus operation.
- **Acupuncture clinic:** provide Chinese alternative medicine such as acupuncture, cupping and Chinese herbal medicine.
- **Radiology Department:** provide general x-ray, special x-ray, mammogram, ultrasound equipped with picture archiving and communication system (PACS).

(7) Occupational medicine clinic

Provide complete occupational medicine services to elevate the standard of well-being and safety of industrial workers which include risk assessment for health hazard in workplaces. The services include eye examination, lung function test, audiogram, etc.

3.2.2 Medical services capacity

(1) Number of examination rooms and beds in service

OPD capacity is evaluated by number of examination rooms (Including emergency room, dental and hemodialysis beds) while IPD capacity is evaluated by number of beds in service.

The Company's service capacity as of 31 December 2019 is as follows:

Hospital	Number of OPD rooms		Registered Hospital Beds
	Examination rooms	Hemodialysis units	
Rajthanee Hospital Public Company Limited	59	27	253
Rajthanee Rojana Hospital Company Limited	10	20	100
Total	69	47	353

(2) Utilization rate

Utilization rate is evaluated by number of services granted to patients compared to the maximum capacity.

Service capacity of the Out-Patient Department (OPD)

	2017	2018	2019
Number of examination room (average)*	63	65	68
Number of Hemodialysis units (average)*	44	47	47
Utilization rate (%)	80.4	81.6	81.6

Service capacity of the In-Patient Department (IPD)

	2017	2018	2019
Number of beds in service *	208	234	260
Utilization rate (%)	77.8	76.2	75.5

Remarks: * The number of examination rooms and hospital beds are annual average.

3.3 Marketing and Competition

The group's hospitals are located in Phra Nakhon Si Ayutthaya Province which is surrounded by Pathum Thani, Suphan Buri, Ang Thong and Saraburi Provinces. These provinces are considered as high potential area for medical services. Three large industrial estates, namely Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate, are in Phra Nakhon Si Ayutthaya Province. There are two industrial parks, namely Factory Land Wangnoi and Rojana Industrial Park located in this province. Moreover, the nearby province, Pathum Thani, is the location of Nava Nakorn Industrial Estate

As of December 31, 2019, there are over 400,000 insured persons under Social Security program in Ayutthya of which 160,438 and 30,771 insured persons registered with Rajthani hospital and Rajthanee Rojana hospital respectively.

3.3.1 Industry Outlook**3.3.1.1 Overview of healthcare business in Thailand**

Healthcare is one of the government important policies. A number of welfare programs have been established to cater needs of varied groups including (1) welfare scheme for state and state enterprise employees; (2) social security scheme for employees in private sector; and (3) universal health coverage scheme for the people who are not eligible for any other healthcare schemes. The government has continuously expanded the benefits and coverage of the schemes to ensure the country's healthcare security in the long term.

Compared with other businesses in Thailand, the healthcare business is less affected by volatility of global economy. While Thailand's economy was negatively impacted by global economic fluctuations and the heavy floods in 2011, the growth of healthcare spending continues to grow. Additionally, Thailand's healthcare business is considered as competitive in this region due to high quality of treatment at relatively lower medical cost. The characteristics of tourism destination and aviation hub also help support Thailand's medical tourism. Moreover, Thai population structure is entering to elderly society. This elderly group is more health conscious and has affordable purchasing power. Therefore, healthcare business growth appeared to be promising.

3.3.1.2 Structure of healthcare service in Thailand

(1) Characteristics of healthcare service providers

The healthcare services in Thailand can be categorized into two main groups, i.e. state and private sectors, the details of which are as followed

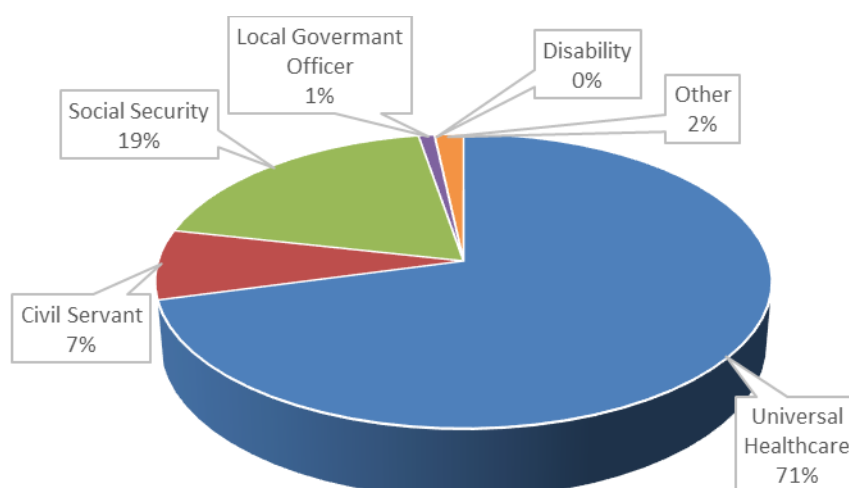
- **State sector:** Healthcare services in Thailand are provided mostly by state hospitals, which can be categorized by their strengths and treatment capacity, e.g., university hospitals (i.e. medical schools) , hospitals in Bangkok, state provincial hospitals, district hospitals, community healthcare center. Generally, the medical fees charged by state hospitals are lower than those charged by private hospitals as they are subsidized by the government. In addition, these hospitals provide free examination and treatment according to the government's Social Security Scheme.
- **Private sector:** The healthcare services can be categorized by sizes, e.g. , large private hospitals, medium private hospitals, and private clinics. Each offers different services, based on the capacity. As some large private hospitals possess high potential to attract foreign patients with high purchasing power.

(2) Healthcare schemes in Thailand

The country's healthcare schemes are specially designed to ensure that people from all walks of society can have access to medical services. At present, there are three major healthcare schemes.

- **Social Security:** Provided by the Social Security Office under supervision of the Ministry of Labor, this scheme offers healthcare benefits to employees in the private sector. The benefits cover sickness, disability, injuries from hazardous incidents and death, both from work or non- work. Moreover, the social security benefits also cover maternity, child allowance, old-age and unemployment. Thailand kicked off the social security scheme in 1972 by establishing a compensation fund to take care of those suffered by occupational hazard in Bangkok. The coverage of the scheme expanded nationwide on July 1, 1988. Later, the Social Security Act B.E. 2533 (1990) has come into effect since September 2, 1990.
- **Universal Health Coverage Scheme:** Under management of the National Health Security Office, the Universal Health Coverage Scheme was established under the National Health Security Act B. E. 2545 (2002). It was aimed to provide healthcare services for those who are not in any other healthcare schemes. The scheme focuses mainly on medical services provision for general sickness
- **Welfare scheme for state and state enterprise employees:** Under supervision of the Comptroller General's Department, the Ministry of Finance, the program offers healthcare services for state workforce, including government officials and state enterprises' employees. The benefits for government officials cover medical allowance for spouses, parents and children not attaining of majority.

Chart 1-1: Segmentation of capitation schemes as of 31 December 2019



Source: National Health Security Office (NHSO)

3.3.1.3 Business outlook

(1) Growth potential of the medical service industry

- Below-average healthcare expenditure:** According to World Bank, Thailand's expenditure on healthcare compared to GDP, stood at 3.7% in 2016, which was still below the Asia and global average of 6.77% and 9.90%, respectively. The government's promotion of accessibility to public health services and trend of health consciousness should play key roles in boosting spending on healthcare. Currently, Thailand can be considered one of the leaders in the healthcare service industry in ASEAN.
- Larger proportion of the elderly in Thai society:** An improved public health system has raised the average age of Thai people. Meanwhile, the country's birth rate has been decreasing continuously. Consequently, the proportion of the elderly (aged over sixty years) to the total population has been on the rise. According to the National Economics and Social Development Board (NESDB), it is estimated that the proportion of the elderly is likely to increase from 16.8% in 2017 to 26.6% in 2027. A larger proportion of the elderly will lead to a rise in spending on healthcare, which will in turn support the expansion of the medical service industry in the future.
- Expansion of social security services:** According to the Social Security Office, the Ministry of Labour, the amount of subsidies and compensations granted by the Social Security Fund to the healthcare industry has been continuously rising and the uptrend is likely to continue in the future. On average, during 2013-2019, the amount increased by approximately 13.6% CAGR. Moreover, the number of the Social Security Fund's insured persons, according to the National Statistics Office (NSO), the Ministry of Digital Economy and Society, showed a continuous growth on average, at the growth rate of 6.0% CAGR during the same period. Hence, the medical service industry is likely to expand further to serve bigger numbers of population and the Social Security Fund's insured persons.

- **Growth in Medical Tourism:** Foreigners that receive medical services in Thailand are 1-2 million per year and 80% of these are medical tourists. Thailand's major medical tourist markets include Myanmar, Japan, the Middle East and Europe. Currently, competition in this sector is accelerate especially ASEAN and China market. Our major competitors in this region are Singapore and Malaysia.
- **Expatriate worker:** The increase of expatriates who work or do business in Thailand and CLMV is an opportunity for private hospitals. The healthcare supplies of our neighbor countries are not adequate comparing to the demand while Thailand can provide high quality healthcare at competitive price.

(2) Negative factors to the growth of medical service industry

- **Shortage of medical personnel:** A rapid growth of the medical service industry has led to a shortage of medical personnel. Thus, medical personnel in both public and private sectors are headhunted by private hospitals. This situation indirectly raises private hospitals 'costs as they have to offer higher remuneration to attract skillful medical professionals, especially expertise which is a key to business success.
- **Competition:** Beside the competition among private hospitals, several state hospitals also upgrade their services to capture high-income patients previously gained by private hospital. For international competition, even though Thailand is a leading medical tourism, most of healthcare professionals are inferior in term of foreign language. This could be a big challenge for Thailand to become the medical hub of Asia.
- **Economic slowdown:** the economic slowdown has more or less adverse impact on healthcare spending, especially for private hospital. Mid to low income customers turn to utilize social security welfare or buy medicine instead.
- **Official Regulations :** the regulations of Department of Internal Trade required hospitals to report the increased price of medicines, medical supplies and service fees before the new price take effect. This is likely to impact hospital's operation.

3.3.2 Marketing and competition

3.3.2.1 Medical service standards

Medical service provider standards are classified into three levels, based on patient service capacity, as follows:

- (1) **Primary care:** Healthcare service providers capable of providing treatment for patients with low-severity and low-complication illness, e. g. clinics or small-sized healthcare service providers
- (2) **Secondary care:** Healthcare service providers capable of providing treatment for patients with illness with greater severity and complication as well as hospitals capable to serve both outpatients and inpatients
- (3) **Tertiary care:** Healthcare service providers reaching the highest standards, equipped with modern medical equipment and specialty clinics for treatment of illness that need specialized health professionals

Currently, the Company's two hospitals, i.e. Rajthanee Hospital and Rajthanee Rojana Hospital, are categorized as secondary care hospitals. Nonetheless, the Company's Heart center is able to provide tertiary care.

3.3.2.2 Target customers

(1) General customers

- **Self-pay customers** are customers who paying their own medical bills. The Company's target groups include middle income earners who live or work near the Company's hospitals
- **Contract customers:** consists of employees from corporate who have contracts with the Company and patients under healthcare. The Company directly charges medical bills to corporate or insurance companies. Note that the number of corporate contract customers is likely to increase in tandem with the growth of the insurance business and the rising popularity of the health-conscious trend.
- **Customers according to the Protection for Motor Vehicle Accident Victims Act B.E. 2535 (1992):** These customers include the injuries from motor vehicle accidents under Protection for Motor Vehicle Accident Victims Act B.E. 2535 (1992). The Company's hospitals are located on main roads, namely Asian Highway and Rojana Road, where road accidents take place regularly. The Group's hospitals do not charge these customers but send medical bills to the insurance companies of the customers or their parties that have insurance policies according to the Act.
- **Customers according to the Workmen Compensation Fund:** These customers are employees of companies or industrial factories who are injured by accidents at work according to the Workmen's Compensation Act B.E. 2537 (1994). The hospital does not charge the customers but send medical bills to charge Employment Injury Compensation Fund.

(2) Capitation customers

- **Customers under Social Security Scheme:** According to the Social Security Act B.E. 2533 (1990), for every payment of wages, the employer shall deduct wages of an insured person to be paid for contributions to the Social Security Fund and the insured person shall be able to receive free medical services from one of the contracted hospitals that he or she has chosen. There are two types of payments that the Social Security Office gives to the hospitals participating in the Social Security Scheme, i.e. 1) capitation payment (note: as of 2017, the capitation payment amounted to Baht 1,500 per year); and 2) additional payment
- **Customers under Universal Healthcare Scheme:** According to the National Health Security Act. 2002, The National Healthcare Policy is one of the policy that the government has considered important. This policy also mechanism to cover people that cannot accessible to healthcare services under Social Security, Civil Servants or other state welfare. It is one of the policies that the government has always considered important and is the main mechanism for the care of people without the right to medical treatment. Social Security or other medical benefits provided by the state. Provide access to health services as needed. It covers both preventive, health services and rehabilitation with mostly cover with disease

that high medical cost. Currently, Rajthanee Hospital Group service this customer only Heart Center and Hemodialysis Center.

- **Customers under Universal Coverage for Emergency Patients (UCEP):** According to the Government policy which announced in April 1, 2017 that demands compulsory emergency healthcare for up to 72 hours in any hospital in Thailand, both private and state hospitals. The patients who require emergency medical care and assistance to be able to access it wherever they are in the country at whichever hospital is closest to them for a period of up to 72 hours and no cost.

3.3.2.3 Competition

Phra Nakhon Si Ayutthaya Province has high potential for healthcare business as the area is densely populated with large economy. In addition, there are several big industrial estates in the province. Comparing to the competitors in Ayutthaya, the Company's hospitals are regarded as leading private hospitals given the competent medical staff, innovative medical equipment, as well as long-term reputation and consumer confidence. The Company's competitors are large government hospitals and private hospitals as follows:

Hospital	Operated by	Location	Social Security Scheme	Capacity (No. of registered bed)
Phra Nakhon Si Ayutthaya	Gov't	Phra Nakhon Si Ayutthaya District	✓	526
Sena Hospital	Gov't	Sena District	✓	180
Peravech Hospital	Private	Phra Nakhon Si Ayutthaya District	-	53
Karunvej Ayutthaya Hospital	Private	Bang Pa-in District	✓	105
Supamitrsena Hospital	Private	Sena District	-	100

Comparing to the competitors, the Company appears to have competitive edges:

- Medical service capability: The Company has wide range of state-of-the-art medical equipment. Number of examination rooms and hospital beds are considered sufficient.
- Both of the Company's hospitals are situated in prime locations which are conveniently accessible by patients and their relatives.
- The Company's medical team has extensive experience and is specialized in wide range of diseases.

The Company nevertheless has to compete with hospitals in Bangkok's suburb area such as Paolo Rangsit or Phatra Thonburi which have renowned reputation. However, these suburb hospitals are located distant to Ayutthaya clients comparing to the Company's hospitals, the Company remain to be more competitive.

3.3.2.4 Competition strategy

Quality of service

Quality of service is an important factor in patients' decision making when they choose a hospital. With realization of the importance of this factor, the Company ensures that all of its staff have a service mindset to maintain the quality of its service in the long term. Meanwhile, the Company regularly organizes training courses to review the process and procedure of service to reach its standards. Moreover, the Company's management emphasize that the staff must always consider the patients' safety to be a priority. The Company also set standards of performance in accordance with the World Health Organization's (WHO) code of practice, which is applied along with its quality of service enhancement system. Apart from the quality of service of its staff, the Company also focuses on the improvement of its medical service quality. The Company always keeps up with the new trends of medical equipment technology to increase its examination and treatment capacity. At the same time, the Company recruits knowledgeable and experienced medical staff and nurses to join its team.

With continuous effort to enhance its quality of service, the Company's flagship hospital, i. e. Rajthanee Hospital, was awarded the Level 3 Hospital Accreditation (HA) on February 27, 2015 and was renewed on June 27, 2017. Meanwhile, Rajthanee Rojana Hospital was awarded Level 2 Hospital Accreditation (HA) on January 21, 2018.

Cost management

The Social Security revenue contributed approximately 40%-45% of Company's hospital revenue whereby 40% of Social Security revenue was from fixed payment per insurer. Therefore, the hospitals and clinics under the scheme must be capable of cost management while keeping the quality of treatment to meet the standards and ensure medical ethics. Under the circumstance, the Company has policies to reduce expenses that are not related to medical service provided to its patients. In addition, the Company benefits from economies of scale as its two hospitals are located in the same area and can share certain types of resources, which improve efficiency and mutual benefits. For instance, they are able to share certain types of medical equipment and inventory management which enable them to use the other's equipment when in short. Likewise, their medical staff can rotate to work at both hospitals.

Location

The group's hospitals are located in Phra Nakhon Si Ayutthaya Province which is surrounded by Pathum Thani, Suphan Buri, Ang Thong and Saraburi Provinces. These provinces are considered as high potential area for medical services. Three large industrial estates, namely Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate, are in Phra Nakhon Si Ayutthaya Province. There are two industrial parks, namely Factory Land Wangnoi and Rojana Industrial Park located in this province.

Diversified Income Portfolio

The company's income stream is from varied segments ie self-pay patients, contractual patients, patients under Workmen Compensation Fund and other capitation patients. This diversified portfolio helps mitigate risk when some segments are unfavorable for example the economic

downturn tends to discourage self-pay patients' spending but the company has capitation patients to fulfill this loss.

3.4 Sources of supply

3.4.1 Medicines and medical supplies

Medicines and medical supplies are the main products used in hospitals. The Company has a policy to purchase medicines and medical supplies from varied manufacturers and distributors to prevent risk of product shortage. Note that the Company's purchase of medicines and medical supplies from each manufacturer and distributor did not exceed 30 % of the total value of the medicine and medical supply. Furthermore, the Company does not make a commitment with any distributor to purchase medicines or medical supplies that are worth more than 30 % of the total value of its future procurement.

The Company runs an efficient drug and medical supply management system. The staffs at the Company's drug storage keep track of the maximum and minimum levels of each type of medicines and medical supplies to ensure efficient orders and inventory management and to minimize overdue or expired medicines. However, the Company is able to ask the distributors for replacement or return of expired or nearly-expired drugs. Furthermore, the Company's medicines and medical supplies are stored at appropriate temperature conditions, up to international standards, to ensure the quality and efficiency of the medicines and medical supplies when they are used in treatment.

Despite the efficient medicine and medical supply management system, there could be unexpected events, e.g. physicians need to use certain medicines and medical supplies but the Company does not have such products in stock as they have run out, are in short supply or face a delay in delivery from suppliers. The Company has various solutions, e.g. urgent procurement, supply borrowing from nearby hospitals and from the hospitals under its umbrella, including Rajthanee Hospital and Rajthanee Rojana Hospital. This ensures that the Company's customers receive medicines and medical supplies in a timely manner.

3.4.2 Medical equipment

Modern and efficient standard medical equipment is a significant factor to enhance the quality of treatment. With realization of its importance, the Company requests physicians to closely follow technological advancements of medical equipment. Moreover, the Company minutely selects solely manufacturers and distributors who have reach its standards. Only high-quality medical equipment with reasonable prices and good after-sale services shall be selected.

3.4.3 Medical staff

Important human resources of a hospital are medical staff, including physicians, nurses and practical nurse. The Company places great importance on these medical personnel and has policies to encourage them to work for the Company in the long run. For example, the Company offers justified and competitive rates of remuneration and fringe benefits, i.e. medical treatment expenses and accommodation for physicians and nurses. Furthermore, the Company creates

favorable organizational culture and pleasant work atmosphere as well as building a good relationship among its employees .Also, the Company provides its staff with scholarships and also encourages them to attend related training courses to widen their knowledge .Moreover, thanks to a strong and long relationship between the Company and medical schools and medical training organizations, the Company always gets attention from medical staff who likes to join its team.

3.5 Environmental and safety management

The Company attaches importance to its service areas ' surroundings to ensure that its patients and employees are in appropriate and safe environment .

3.5.1 Environment and health promotion

The Company's policies are to organize activities that will help to improve eating habits .The Company sets up exhibitions to publicize information about appropriate choices of food and, at the same time, sells toxin-free vegetables and healthy food to the employees and patients .

Moreover, the Company sets up outdoor exercise areas and also allocates some space inside the hospitals to build indoor gardens as rest spots .The pleasant environment helps speed up the recovery of the patients and boost happy sentiment in the workplace of the employees .

3.5.2 Environment conservation

The Company is aware of environmental impacts of the hospitals 'patient treatment process and other activities .The Company, therefore, sets up environmental care guidelines on pollution prevention and on natural resource saving .Initial steps are as follows :

- **Wastewater treatment**

Wastewater from the hospitals is treated until its quality meets standards before it is disposed outside the hospitals. The Company uses two wastewater treatment systems, namely, oxidation ditch and wastewater treatment tank .Both systems have a combined capacity to treat 360 cubic meters of wastewater per day, which matches the hospitals ' current capacity . Tests indicate that the quality of the hospitals 'wastewater meets required standards .

- **Hazardous material and waste management**

The hospitals ' hazardous materials and waste are mostly syringes, sharps, chemical waste and infectious materials . The Company has standards of waste sorting, measures on wearing personal protection equipment, procedures for spills of hazardous materials as well as route maps and schedules for waste transportation .Trainings are also provided to the parties concerned to minimize risks.

3.5.3 Safety measures

The Company pays attention to safety measures to minimize risks as safety issues could be harmful to patients 'and staff's health .In terms of policy, the Company has certified occupational safety staff to monitor and give advice on safety measures . In addition, the Company conducts EVN Rounds on a regular basis to proactively determine risks, find their causes and prepare preliminary solutions .The data derived from the EVN Rounds is proposed to the monthly meeting

of the safety, occupational health and work environment committee . Moreover, safety training is provided to the representatives of each department so that they can assess risks in their own departments .

- **public utilities reserve:** In case of emergencies, e.g. fires or floods, the Company has reserves of public utilities for the patients until the situations return to normal or until the patients are safely transferred to other hospitals. The details are as follows:
- **Power reserve:** The Company has a 448-KVA generator which is able to run 16 hours continuously. Moreover, fuel can be re- filled to keep the generator working. The generator's capacity is sufficient to serve key departments, e.g. Emergency Center, Surgery Center and Labor & Delivery Center, and other emergency systems, e.g. elevators, patient beds, refrigerators, water treatment system, lighting system. The generator starts generating electricity within five minutes after the main power system stops functioning.
- **Water reserve:** The Company's water storage is sufficient to satisfy demand for two days. There are also ground water resources in case of emergency.
- **Oxygen reserve:** In case the normal oxygen system does not function properly, the Company has oxygen reserve that is sufficient for around 24 hours of usage.

4. RISK FACTORS

1. Risk in retaining medical personnel or key executives

Providing medical services is heavily dependent on quality of medical personnel in relevant fields of specialization. However, the supply of new medical personnel remains rather limited currently. Moreover, as the medical service industry is in an expansionary territory, demand for high quality and experienced medical staff is on the rise. Nonetheless, it takes a long time for these staff to enhance their knowledge and develop necessary capabilities. Given such a circumstance, the Company may be negatively impacted by possible shortages of medical personnel in various fields of specialization in the future.

However, the Company has not been confronted with any problem related to a shortage of medical personnel, thanks to its policies on appropriate remuneration packages and fringe benefits as well as its provision of pleasant working environment and well-being at work to the personnel. Furthermore, the Company has a policy to provide training and scholarships for qualified medical personnel, with an objective to enhance their skills and knowledge in various fields of specialization. This policy should help create a bond between the personnel and the Company, and the Company believes that this policy will help reduce exposure to the risk related to medical personnel scarcity.

2. Risk of intense competition in the medical service market

At present, the medical service market sees more intense competition as major players in the market have continuously consummated mergers and acquisition. The moves for merger and acquisition bring about cost advantages as well as broadening service channels. Furthermore, an increasing number of new comers have taken over revenue sharing from existing operators. Consequently, operators have become more enthusiastic on competing to provide better services and apply pricing strategies to attract potential customers.

Being aware of the risk concerning intense competition in the market, the Company has a policy to enhance its service quality by providing medical services according to the standard of Hospital Accreditation (HA) to be well prepared for providing medical services for patients. The hospital has received the third level of HA since February 27, 2015. And received the re-accreditation on 27 June 2017

3. Risk of being filed lawsuits by patients or relatives

Medical service providers are at risk of being sued by patients or their relatives if the service standard or the result of medical treatment fails to meet their expectations. Addressing this risk, the Company has attempted to continuously enhance its medical service standard, both in terms of examination and treatment evaluation practices. In light of this, the Company provides an evaluation form to survey customers' satisfactions on its service as well as managing risk by responding to customers' complaints in order to prevent lawsuits. This practice should help mitigate possible impacts from this risk factor. It is worth highlighting that as of December 31, 2019 there were no significant lawsuits filed by customers who sought compensations from the Company.

4. Risk of possible default on payments of medical service fees

In addition to patients under the capitation scheme, the Company also provides medical services to non-capitation patients. According to the ethics of medical service provision, the Company provides medical treatments to patients first before collecting the medical service fees. This practice can be risky as there is a possibility that the Company may be unable to collect the medical service fees from the patients after the completion of the medical treatments.

In regard to the quality of the Company's accounts receivables which were mostly attributed to accounts receivables from the Social Security Office, life insurance firms and non-life insurance firms. As these accounts demonstrate low default risk; therefore, the Company accordingly sees low risk of collection of medical service fee payments.

5. Risk of changes in the policies on the Social Security Scheme

At present, the Company's exposure to medical service revenue under the Social Security Scheme is rather high, at approximately 40-50% of the total revenue. This high exposure means that the Company is at risk of being affected by possible changes in the policy regarding the Social Security Scheme. However, the Company's management is confident that Thailand's social security system is relatively established both in terms of the reimbursement and the fund's financial status. Possible changes in the policy may involve upward adjustments to the additional medical service fees to reflect actual service costs borne by participating hospitals, and this possibility will benefit the Company. The Company's management closely monitors relevant government policies through the Hospital Association for Development of Social Security System; therefore, they can express opinions and make suggestions before any new policies are to be implemented.

6. Risk of receipt from Social Security scheme short of the Company's projections

There are uncertainties of the final amount received from Social Security payment for patients with high risks and high-cost treatments which are subject to the country's budget. To make a revenue projection, the Company compiled the historical data and the most recent actual amount received, coupled with the updated conditions from the Social Security Office. As the Company adopted a conservative policy in recording social security revenue, the actual revenue received usually exceeded the record.

5. INFORMATION ON SECURITIES AND SHAREHOLDERS

5.1 Registered Capital and Paid-up Capital

The Company is a listed company with the ticker of “RJH ” and have registered and paid-up capital of Baht 300,000,000, dividing into 300,000,000 shares at a par value of Bath 1 per share. There is no issuance of any other class of shares of which rights and conditions are different from those of ordinary shares, and there is no issuance of any other securities other than ordinary shares.

5.2 Shareholders

The names of the top-10 major shareholders of the Company as of 12 December 2019, are as follows:

No.	Shareholders	No. of shares	(%)
1	Prasithirun Group	74,790,382	24.93%
1.1	Mr.Surin Prasithirun	40,661,805	13.55%
1.2	Ms.Phitraphee Prasithirun	9,591,800	3.20%
1.3	Ms.Phitramphai Prasithirun	9,327,800	3.11%
1.4	Ms.Phitrapha Prasithirun	9,327,800	3.11%
1.5	Mrs.Smorn Prasithirun	5,881,177	1.96%
2	Wudhikulprapan Group	14,353,919	4.78%
2.1	Mr.Wachira Wudhikulprapan	7,200,549	2.40%
2.2	Mrs.Pornthip Wudhikulprapan	4,652,385	1.55%
2.3	Mr.Wanat Wudhikulprapan	2,500,985	0.83%
3	Vipharam Hospital Company Limited ⁽¹⁾	23,815,039	7.94%
4	Ramkamhaeng Hospital Public Company Limited ⁽²⁾	12,000,000	4.00%
5	Bualuang Long Term Equity Fund	10,297,300	3.43%
6	Thai NVDR Company Limited	10,183,076	3.39%
7	Thonburi Healthcare Group ⁽³⁾	9,220,745	3.07%
8	Bualuang Basic Dividend LTF	6,782,600	2.26%
9	Bangkok Life Assurance Public Company Limited	4,965,200	1.65%
10.	Mrs.Nantana Sricharoenmueng	4,660,000	1.55%

Source: The Stock Exchange of Thailand

Notes:

(1) Vibharam Hospital Company Limited

Vibharam Hospital Company Limited is a private hospital that held 7.94% of the Company’s registered & paid up capital. Its major shareholders are Ramkhamhaeng Hospital Public Company Limited, Vibhavadi Medical Center Public Company Limited and Synphaet Company Limited, who held 41.10%, 40.76% and 12.25% respectively of Vibharam Hospital Company Limited.

(2) Ramkhamhaeng Hospital Public Company Limited is a private hospital and has top-10 shareholders, as of 29 November 2019, as follows:

Ramkhamhaeng Hospital Public Company Limited,			
No.	Shareholders	No. of shares	(%)
1.	F&S 79 Co.,Ltd.	55,002,095	22.92
2.	CYPRESS CONSOLIDATED HEALTHCARE PTE.LTD.	48,000,000	20.00
3.	Chiangmai Ram Hospital Company Limite	17,246,000	7.19
4.	Synphaet Company Limited	15,782,069	6.58
5.	Vibhavadi Medical Center Public Company Limited	11,713,736	4.88
6.	Mr.Pichaya Somboonsin	6,666,040	2.78
7.	Mr.Siripong Leuagwarinkul	5,699,440	2.37
8.	Mr.Trut Chen-im	4,328,840	1.80
9.	Ms.Reukkhagee Kanchanapitak	4,213,720	1.76
10.	Ms.Rhuechit Kanchanapitak	3,614,500	1.51

Shareholdings of Ramkhamhaeng Hospital Public Company Limited's holding companies are :

2.1 F&S 79 Company Limited is a private hospital operating "Eye Ear Nose Throat Hospital" and has shareholders that held more than 5% of the paid-up capital, as of 30 September 2019, as follows:

F&S 79 Company Limited			
No.	Shareholders	No. of shares	(%)
1	Ms.Chutima Angkachart	36,840	7.31%
2	Ms.Rhuechit Kanchanapitak	30,000	5.95%
3	Dr.Sakaorat Kunawitsarut	27,308	5.42%

2.2 Chiangmai Ram Hospital Company Limited is a private hospital and has shareholders that held more than 5% of paid-up capital, as of 27 April 2019, as follows:

Chiangmai Ram Hospital Company Limited			
No.	Shareholders	No. of shares	(%)
1	Chiang Mai Medical Business Company Limited	22,546,250	56.37
2	Ramkhamhaeng Hospital Public Company Limited	17,156,667	42.89

2.3 Synphaet Company Limited Limited is a private hospital and has shareholders that held more than 5% of paid-up capital, as of 21 August 2019, as follows

Synphaet Company Limited			
No.	Shareholder	No. of shares	(%)
1	Sinthanee Place Company Limited	42,287,949	42.29%
2	Ramkhamhaeng Hospital Public Company Limited	32,948,889	32.95%
3	Vibhavadi Medical Center Public Company Limited	10,000,000	10.00%

2.4 Vibhavadi Medical Center Public Company Limited is a private hospital and has top-10 shareholders, as of 9 May 2019, as follows:

Vibhavadi Medical Center Public Company Limited			
No.	Shareholders	No. of shares	(%)
1.	Mr.Chaiyasit Wiriyaemmetakul	1,959,000,000	14.84

Vibhavadi Medical Center Public Company Limited			
2.	F&S 79 Company Limited	1,928,242,766	14.61
3.	Synphaet Company Limited	1,167,239,166	8.84
4.	Ramkhamhaeng Hospital Public Company Limited	932,497,800	7.06
5.	Chaophya Hospital Public Company Limited	803,634,195	6.09
6.	Vibharam Hospital Company Limited	564,043,133	4.27
7.	Mr.Pijit Wiriyaemttakul	380,800,000	2.88
8.	Mr.Pisut Wiriyaemttakul	299,600,000	2.27
9.	Thai NVDR Company Limited	194,752,045	1.48
10.	Ms.Niramol Wiriyaemttakul	172,480,000	1.31

The shareholdings of Vibhavadi Medical Center Public Company Limited's holding company are :

2.4.1 Chaophya Hospital Public Company Limited is a private hospital and has strategic shareholders that held more than 5% of the paid-up capital, as of 30 April 2018, as follows:

Chaophya Hospital Public Company Limited			
No.	Shareholders	No. of shares	(%)
1	Mahachai Hospital Public Company Limited	13,529,477	22.22%

(3) Thonburi Healthcare Group Public Company Limited

Thonburi Healthcare Group Public Company Limited , a health-care company, held 3.07% in the Company. Its paid-up capital and major shareholders, as of 28 July 2019, are as follows:

Thonburi Healthcare Group Public Company Limited			
No.	Shareholders	No. of shares	(%)
1.	Mrs..Jaruwan Wanasin	107,976,162	12.72
2.	Mrs.Nawara Wanasin	49,872,663	5.87
3.	Dr. Amnuay Aunnanan	43,510,970	5.12
4.	WJ INTERNATIONAL HOSPITAL MANAGEMENT COMPANY LIMITED	34,783,890	4.10
5.	Ramkhamhaeng Hospital Public Company Limited	26,844,500	3.16
6.	WJ INTERNATIONAL HOSPITAL MANAGEMENT COMPANY LIMITED	25,216,110	2.97
7.	Global Health Investment Co., Ltd.	21,413,340	2.52
8.	Ms. Sonsang Meaksawan	20,046,582	2.36
9.	Thai NVDR Company Limited	14,860,279	1.75
10.	Mr.Autchart Kanchanapitak	14,786,000	1.74

Notes: 1. Dr.Bun Wanasin and Mrs. Jaruwan Wanasin hold shares in WJ International Hospital Management Co., Ltd. for 30% and 60%, respectively.

2. Global Health Investment Co., Ltd. is under Wanasin family who are major shareholders of Thonburi Healthcare Group Public Company Limited.

5.3 Dividend Policy

5.3.1 Dividend Policy of the Company

The Company has a dividend payout policy of 40% of the net profit after tax and appropriation of legal reserve, based on its separated financial statement. Nonetheless, the Company's payout may

in a different manner from that defined in the policy, depending on its operating performance, financial position, financial liquidity, cash requirement for business operation and expansions, and economic conditions.

The annual dividend payment is subject to approvals from shareholders ' meetings; while the interim dividend payment can be approved by the Company's board of directors, with the details of the interim dividend payment being subsequently reported to the following shareholder's meeting.

5.3.2 Dividend Policy of the Subsidiary

The subsidiary shall pay out dividends to its shareholders at rate of not less than 40% of net profits after tax and appropriation of legal reserve. However, the subsidiary may consider paying out dividends in a different manner from that defined in the policy, depending on operating performance, financial position, liquidity, cash requirement for business management and expansion of the subsidiary's business, including economic condition.

The annual dividend payment is subject to approvals from the subsidiary's board of directors and shareholders ' meetings; while the interim dividend payment can be approved by the subsidiary's board of directors, with the details of the interim dividend payment being subsequently reported to the following shareholder's meeting.

6. STRUCTURE OF ORGANIZATION

The structure of organization comprised of 4 committees which are the Board of Directors, the Executive Committee, the Audit Committee and the Nomination and Remuneration Committee. The members of the Board of Directors and the executives are highly-qualified persons that meet all requirements pursuant to Section 68 of the Public Limited Company Act, B.E. 2535 (1992) and relevant notifications of the Capital Market Supervisory Board. The name list and the scope of authorities, duties and responsibilities as follows:

6.1. Board of Directors

As of 31 December 2019, the Board of Directors comprised of 11 directors as follows:

Names			Board of Directors	The Audit Committee	Independent Director	The Nomination Committee
1.	Mr.Aurchart	Kanchanapitak	Chairman	-	-	-
2.	Ms. Vilailak	Aunyamaneerat	Vice Chairman of the Board of Directors	Chairman	Chairman	Chairman
3.	Mr. Wachira	Wudhikulprapan	Director	-	-	-
4.	Mrs. Porntip	Wudhikulprapan	Director	-	-	-
5.	Mrs. Smorn	Prasithirun	Director	-	-	-
6.	Ms. Phitraphee	Prasithirun	Director	-	-	-
7.	Mr.Charoonsak	Sripochsomboon	Director	-	-	-
8.	Mr. Sarun	Supaksaran	Director	Member	-	Member
9.	Mr. Teerasak	Naranong	Director	Member	-	Member
10.	Mr.Thanatip	Suppradit	Director	-	-	-
11.	Ms.Sudtida	Jirapatsakul	Director	-	Member	-

And Ms. Kamolporn Boonprakob as the secretary of the Board of Directors and sub-committee

The Audit Committee is considered to be knowledgeable and have experience of accounting and finance in order to review the Company's financial statements.

6.1.1 The Company's authorized directors

The Company's authorized directors are two out of three directors to jointly sign with the Company's seal affixed.

1. Dr. Wachira Wudhikulprapan
2. Dr.Surin Prasithirun
3. Mr. Charoonsak Sripochsomboon
4. Ms. Phitraphee Prasithirun

Dr.Surin Prasithirun and Ms Phitraphee Prasithirun are not allowed to co-sign as they are father and daughter

6.1.2 The Board of Directors 'meetings

In 2019, the Company held meetings of committees and details of attendance of each director are as follows.

Name of Directors			AGM 2019	BOD	AC	NC
1.	Dr.Aurchart	Kanchanapitak	1/1	6/7	-	-
2.	Ms.Vilailak	Aunyamaneerat	1/1	7/7	4/4	2/2
3.	Dr.Wachira	Wudhikulprapan	1/1	7/7	-	-
4.	Dr.Porntip	Wudhikulprapan	1/1	7/7	-	-
5.	Dr.Surin	Prasithirun	-	4/7	-	-
6.	Ms. Phitraphee	Prasithirun	1/1	7/7	-	-
7.	Mr.Charoonsak	Sripochsomboon	1/1	7/7	-	-
8.	Mr. Saran	Supaksaran	1/1	7/7	4/4	2/2
9.	Mr. Teerasak	Naranong	1/1	7/7	4/4	2/2
10.	Dr.Thanatip	Suppradit	-	3/7	-	-
11.	Ms.Sudtida	Jirapatsakul	-	3/7	-	-

Remark : Dr.Surin Prasithirun, Dr.Thanatip Suppradit and Ms.Sudtida Jirapatsakul were appointed as the Company's directors by 2019 Annual General Meeting. The number of attendances started after the appointment.

6.1.3 Shareholding of the Board of Directors

As of 12 December 2019, the directors hold shares as follows:

Names			Number of shares	%
1.	Dr.Aurchart	Kanchanapitak	2,908,500	0.96
2.	Ms.Vilailak	Aunyamaneerat	92,000	0.03
3.	Dr.Wachira	Wudhikulprapan	7,200,549	2.40
4.	Dr.Porntip	Wudhikulprapan	4,652,385	1.55
5.	Dr.Surin	Prasithirun	40,661,805	13.55
6.	Ms. Phitraphee	Prasithirun	9,591,800	3.20
7.	Mr.Charoonsak	Sripochsomboon	1,015,577	0.34
8.	Mr. Saran	Supaksaran	160,000	0.05
9.	Mr. Teerasak	Naranong	-	-
10.	Dr.Thanatip	Suppradit	-	-
11.	Ms.Sudtida	Jirapatsakul	-	-
Total			66,282,616	22.098

There are no directors who hold shares more than 25% of the Company's issued shares

6.1.4 Remuneration of the Directors

Monetary remuneration (only for the position as director)

The Board of Directors of the Company are entitled to the following remuneration:

- Meeting allowance of Baht 20,000 per person for each attendance.
- Bonus of Baht 360,000 per person

The Audit Committee and the Nomination Committee are entitled to the following remuneration:

- Meeting allowance of Baht 20,000 per person for each attendance

Names			Meeting allowance for the year 2019			Bonus for the year 2018
			Board of Directors	The Audit Committee	Independent Director	
1.	Mr.Aurchart	Kanchanapitak	120,000	-	-	360,000
2.	Ms. Vilailak	Aunyamaneerat	80,000	80,000	20,000	360,000
3.	Mr. Wachira	Wudhikulprapan	140,000	-	-	360,000
4.	Mrs. Porntip	Wudhikulprapan	140,000	-	-	360,000
5.	Mrs. Smorn	Prasithirun	60,000	-	-	360,000
6.	Ms. Phitraphee	Prasithirun	140,000	-	-	360,000
7.	Mr.Charoonsak	Sripochsomboon	140,000	-	-	360,000
8.	Mr. Sarun	Supaksaran	140,000	80,000	20,000	360,000
9.	Mr. Teerasak	Naranong	140,000	80,000	20,000	360,000
10.	Mr.Thanatip	Suppradit	60,000	-	-	-
11.	Ms.Sudtida	Jirapatsakul	60,000	-	-	-
12.	Dr.Surin	Prasithirun	80,000	-	-	-

Remark: Dr.Surin Prasithirun, Dr.Thanatip Suppradit and Ms.Sudtida Jirapatsakul has been appointed as the Company's directors by 2019 Annual General Meeting so they did not receive bonus for the year 2018

The Board of Directors of the subsidiary are entitled to the following remuneration:

- Meeting allowance of Baht 2,000 per person for each attendance and not exceeding Baht 20,000 for each person per year.
- Bonus for the year 2018 of Baht 150,000 per person

Other remuneration

The Company granted other remuneration such as training allowances, discounts for medical expenses

6.2 The Executive Committee

As of 31 December 2019, the Company's Executive Committee comprised of 5 members:

Names	Positions
1. Mr. Surin Prasithirun	Chairman of the Executive Committee
2. Mr. Krisada Manoonwong	Vice Chairman of the Executive Committee
3. Ms. Chatcharin Pinsuwan	Member of the Executive Committee
4. Mr. Tanavit Intara	Member of the Executive Committee
5. Ms. Manassa Lartdumrongrak	Member of the Executive Committee

6.3 Executives

As of 31 December 2019, the Company's executives are as follows:

Names	Positions
1. Mr. Surin Prasithiru	Managing Director
2. Mr. Krisada Manoonwong	Hospital Director
3. Mr. Chatcharin Pinsuwan	Deputy Hospital Director
4. Mr. Thanavit Inthara	Assistant Hospital Director (Marketing)
5. Ms. Kulyanat Pinkajay	Assistant Hospital Director (Nursing)
6. Ms. Manassa Lartdumrongrak	Assistant Hospital Director (Accounting and Finance)
7. Ms. Benja Ruengsri	Accounting Manager

The Company's executive positions are Managing Director, Hospital Director, Deputy Hospital Director, Assistant Hospital Director. The 4th level of executive positions are Assistant Hospital Director and Accounting Manager.

6.3.1 Monetary remuneration

In 2019, the Company paid the remuneration to executives which includes salaries, bonuses, contributions to the social security fund, provident fund and other remuneration (not include director remuneration) totaling of Baht 24.34 million

The Company did not have policy to pay any other remuneration to the executives.

6.4 Company Secretary

The Board of Directors appointed Ms. Kamolporn Boonprakob as the Company Secretary to be responsible for administering the Board of Directors' meetings, sub-committee's meeting and shareholders' meetings, for preparing minutes of each meeting annual report, and for safekeeping documents as required by rules and regulations. In addition, Company Secretary is responsible for advising the Board of Directors and management regarding rules and regulations related to listed companies and corporate governance policies.

6.5 Staff

6.5.1 Number of Staff

The number of physicians and employees as of 31 December 2019 are :

The Company's number of staffs	December 31, 2019	
	Full-time Physicians / Employees	Part-time Physicians / Employees
Physicians	46	203
Nurses	397	71
Medical service support staff	65	30
Pharmacists	71	20
Others	273	25
Total	852	349

The Subsidiary's number of staffs	December 31, 2019	
	Full-time Physicians / Employees	Part-time Physicians / Employees
Physicians	7	72
Nurses	60	9
Medical service support staff	18	9
Pharmacists	11	9
Others	79	4
Total	175	103

6.5.2 Remuneration for physicians and employees

In 2019, the Company paid the total amount of Baht 602 million to physicians in form of doctor fees and to employees in forms of salaries, bonuses, overtime, contributions to the social security fund provident fund

Moreover, there are other remunerations to the employees which are employee uniforms and medical welfare, including Baht 0.50 weight of gold to employees who have been working for 10 years so as to promote the working morale.

6.5.3 Provident Fund

The Company established the provident fund pursuant to the Provident Fund Act B.E. 2530 (1987) (as amended) since 2003 which has been managed by BBL Asset Management Co.,Ltd. with the main purpose to promote the morale of the employees and motivate the employees to work for the Company on a long-term basis. For the employees who participate in the provident fund, the Company will make a contribution of 3-15% of the salary rate of the employee, and the employee will make a contribution to the fund at a rate of 3% of the salary rate.

6.5.4 Policy on staff development

The Company realizes the importance of its staff development. Therefore, the Company's policy is to consistently promote the staff development by educating them in terms of work process and

work techniques so as to allow them to work systematically and efficiently, including introducing evaluation system based on clear and efficient key performance index and reviewing the work process to be in line with the business plan.

The Company has a policy to appropriately appoint or promote the employees as per their performances each year in order to support those who are knowledgeable and capable and a policy to encourage the employees to attend various training courses and seminars in relation to their works.

6.5.5 Employee Retirement

The company was originally the retirement age is 55 years old, but the Company has a policy to support the shortage of personnel in the future. The new retirement schedule for employees aged is 60 and over starts on January 1, 2015.

7. CORPORATE GOVERNANCE

The Company realizes the importance of good corporate governance, and is committed to follow the Principles of Good Governance Guideline in order to manage its business with transparency, to build confidence for all stakeholders and to compete efficiently at the international level. The Company therefore would like to report the following

7.1 The Rights of Shareholders

The Company realizes and emphasizes basic rights of the shareholders, both as an owner and an investor. Such basic rights include the right to buy or transfer their existing shares, the right to receive adequate information about the Company, the right to receive shared profits from the Company, general rights regarding shareholders' meetings, the right to express their opinions, and the right to make decisions on the Company's crucial matters, e.g., dividend payment, appointments or dismissal of directors, appointments of authorized auditors, approvals of significant transactions that might affect the Company's business operation outlook, and etc.

Apart from the aforementioned rights, the Company also facilitates the right exercises for the shareholders, with the details discussed below:

1. An annual general meeting (AGM) is organized annually, within four months from the end of the previous fiscal year. The meeting invitation letters, attached by agenda details, are sent to the shareholders seven days prior to the AGM date. In addition, the AGM details are publicized on newspapers for three consecutive days beforehand. Each meeting agenda also includes comments from the Board of Directors.
2. Related details on meeting agenda are publicized on the Company's website in advance, with clarifications on the rights for meeting attendance and voting rights being provided.
3. Any shareholder who is unable to attend the AGM is eligible to ask an independent director or any individual to act as his or her representative, provided that he or she submitted any of the proxy forms attached to the AGM invitation letter.
4. A map of the AGM venue is shown in the invitation letter and the AGM date and time are appropriately set at the convenience of the shareholders. In addition, sufficient time is allocated for the AGM in order to facilitate the shareholders.
5. The shareholders are allowed to submit their comments, suggestions, and queries prior to the AGM.
6. During the AGM the shareholders are given time to make queries, provide suggestions or express their opinions independently and equally. In each AGM, the Company's directors and relevant executive management are present and be prepared to provide answers and clarification on discussed issues.

7.2 The Equitable Treatment of Shareholders

The Company offers equal opportunities for all shareholders and determines Their voting rights in the AGM in accordance with their stake-holding. The holding of one share is equal to one voting right. No actions limit/infringe the rights of the shareholders regardless of categories, i.e., major shareholders, minor shareholders, institutional investors, and foreign shareholders. The Company assigns independent directors to take care of minority shareholders. In light of this, the minority shareholders may express their suggestions, opinions or complaints to the independent directors who will consider the matters and take appropriate action. For the case of complaints, for instance, the independent directors examine the facts and accordingly seek

appropriate solutions. Regarding the case of suggestions on crucial matters that may affect the overall stakeholders or the Company's business operation, the independent directors shall consider proposing such matters as AGM meeting agendas.

The minority shareholders are eligible to nominate directors or propose additional agendas prior to the AGM date, with the Company providing clear guidelines of how to nominate directors and criteria for considerations of additional agendas suggested by the minority shareholders.

The AGM is conducted in compliance with the Company's rules and regulations, with the agendas being discussed in order. All relevant information for each agenda is clearly provided. No uninformed agendas, especially those relating to important matters that shareholders may require some time to study the details before making decisions, are unnecessarily added in the AGM agenda. Shareholders are allowed to ask an independent director or any individual to act as their representative in case they are unable to attend the AGM by themselves, provided that they submit any of the proxy forms attached to the AGM invitation letter. In terms of the voting procedure, the voting is conducted with transparency according to the agenda. On the agenda about direction nomination, each shareholder has the right to vote to select a director(s).

Moreover, the Company asks the directors to report the details about stake-holding in particular agenda before considering such matters in the Board of Directors' meetings and the details about stake-holding are recorded in the minute of the meeting. Any directors who involve stake-holding in particular matters and have a tendency to provide bias comments are not allowed to participate in that particular agenda.

Furthermore, the Company also determines the measures to prevent insider trading involved by connected persons, including directors, executives, employees whose duties relate to the Company's internal information (including their spouses and minority children). These particular individuals are not allowed to trade the Company's shares one month before the reports of the Company's quarterly and annual financial statements are released. They are subsequently allowed to trade the Company's shares 24 hours after publicizing the aforementioned financial statement reports. In addition, they are not allowed to reveal such information to outsiders.

The Company provides the directors and executives with information regarding the requirements that they have to report their stake-holding, according to the Securities and Exchange Act B.E. 2535 as well as the regulation set by the Stock Exchange of Thailand. Directors or executives who engage in trading transactions of the Company's securities are required to report their stake-holding, their spouses' holding and their minority children's holding to the Security Exchange Commission of Thailand and the Stock Exchange of Thailand within three working days, according to the Securities and Exchange Act B.E. 2535; such information is subsequently publicized.

7.3 The Roles of Stakeholders

The Company emphasizes the importance of the rights of all stakeholders, both internal ones, i.e., the Company's employees and executives, and external ones, e.g., competitors, trade partners, customers, and etc. Having been well aware that support and comments from all stakeholders will benefit the Company's operation and business development, the Company thus complies with relevant rules and regulations to ensure that all stakeholders are treated decently. Furthermore, the Company promotes collaborations between the Company and all groups of stakeholders to ensure the business sustainability. The details are discussed below:

- a) **Shareholders:** The Company is committed to driving steady growth, raising its revenue and earnings, adding the Company's values, and thus maximizing returns for the shareholders.
- b) **Customers:** The Company emphasizes quality and standards of the products while taking care of and being responsible for customers faithfully and fairly.
- c) **Trade partners:** The Company has a policy to treat trade partners fairly in accordance with the mutually agreed trade conditions in order to tighten business relations that benefit all parties.
- d) **Competitors:** The Company promotes free and fair competition and behaves well within the decent competition rules.
- e) **Employees:** The Company has a policy to treat employees with equality and fair, providing them with appropriate remuneration and benefit packages as well as supporting their skill development programs.
- f) **Communities and Society:** The Company places great emphasis on the responsibility of the communities and society, running business with ethics and appropriately supporting social activities.
- g) **Environment:** The Company strictly follows environmental rules and regulations and continues to draft policies to control environmental impacts.

It should be highlighted that the Company follows relevant rules and regulations to ensure that the rights of stakeholders are well provided and that they are decently treated.

7.4 Disclose and Transparency

The Company realizes the importance of disclosure of accurate, adequate, and transparent information concerning financial information, general information, in accordance with the principles sent forth by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand, and other information that might have an impact on the Company's securities prices. Such information is important to decision making of the investors and stakeholders. After the Company was listed to the Stock Exchange of Thailand, the Company has publicized its information for shareholders, investors, and public through the following channels:

- General information through the websites of the Stock Exchange of Thailand and the Security Exchange Commission of Thailand
- Financial information through the website: www.setsmart.com
- Annual Information Disclosure Form (56-1) and the Company's annual report
- The Company's website <http://www.rajthaneer.com>

Furthermore, the Company has also set up the Investor Relations Department to contact and communicate with investors, shareholders, stock analysts, and relevant state agencies.

The information released to public and stakeholders may also be obtained from the Company's website where information is updated regularly. Users can access to the information promptly and conveniently and gain the highest benefits from such information.

Regarding the financial statement and the financial information in the annual report, the Audit Committee reviews the quality of the financial statement and the internal control system. Sufficient information is disclosed in the footnotes to the financial statement and subsequently reported to the Company's Board of Directors. Also, the report about responsibility of the Board of Directors on the financial reports also accompanies the Audit Committee report in the annual report. Moreover, the Board of Directors also supports the discussions and analysis of the operation department to include in the disclosure of financial statement.

7.5 Responsibilities of the Board of Directors

The Company's Board of Directors consists of qualified members who play a key role in determining the Company's policies and overall organizational direction. In addition, the Board also takes a key role in supervising, auditing, and evaluating the Company's performance, i.e., freely ensuring the Company's performance is well in line with the Company's plans.

The Board of Directors currently consists of eleven directors, one of whom are executive directors, and ten are non-executive directors. The Company's Audit Committee is comprised of three independent members who act as shareholders' representatives, ensuring that the Company's operation is run correctly and transparently.

According to the Company's rules, in an AGM one-third of directors shall leave their positions. In case the total members of the Board could not be divided by three, the number of directors to leave the position shall be the closing number of one-third. In the first and second years after the Company has been listed, the Company shall use a lucky draw method to determine who would have to leave the resign. In the following years, directors who are in the position for the longest duration shall leave the position. It should be noted, however, that resigned directors can be reappointed.

The Company clearly divides roles and responsibilities of Boards of Directors and the executives. To elaborate, the Company's Board of Directors drafts policies and oversees the performance of the executives in the policy level while the executives oversee the Company's management functions in various aspects, ensuring that the Company's management operation is done in the same direction as the set policies. Therefore, the chairman of the Board of Directors and the managing director shall be different persons but both positions are appointed by the Company's Board of Directors who is in charge of seeking the most qualified persons.

Moreover, the Board of Directors also appoints the following committees to oversee the management operation, as the details follows:

- The Audit Committee: The Audit Committee consists of three members who help support the Board of Directors in terms of supervision and audit of the management operation, the internal control and compliance matters. The Audit Committee also completes financial reports in order to ensure that the Company's operation and information disclosure is transparent and reliable.
- The Executive Committee: The Executive Committee comprised of five members who have duties to determine corporate directions and strategies, ensuring that they meet the objectives set by the Board of Directors. In addition, the Executive Committee also helps facilitate flexible management operation.
- The Nomination Committee: The Nomination Committee are consisted of three members who help support the Board of Directors in terms of recruiting directors and high-level

executives with qualifications and ability to match the needs of the company and the principles of good governance.

The secretary to the Board of Directors is appointed to provide suggestions regarding relevant regulations that directors are supposed to know, facilitate Board of Directors' activities, and ensure that all resolutions from the Board of Directors' meetings are followed.

7.6 Roles, duties and Responsibilities of the Board of Directors

The Company's Board of Directors consists of qualified members with extensive knowledge, skills and expertise in various fields and leading characteristics. The Board of Directors takes part in determining the Company's visions, missions, strategies, business policies and directions. In addition, the Board of Directors supervises the Company's operation, ensuring that it complied with the laws, objectives, regulations and the resolutions of the AGMs. In order to closely monitor and supervise the Company's operation, the Board of Directors sets up some committees to work on particular functions.

- **Corporate governance principles**

The Company completes written corporate governance principles in comments from the Board of Directors' meetings being included. The Board of Directors regularly reviews policies and ensures that they are well followed. After the listing to the Stock Exchange of Thailand, the Company has followed the rules and regulations set forth by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand. Its corporate governance report is disclosed in the annual report and the annual information disclosure form (i.e., 56-1 Form).

- **Code of Conduct and Ethics**

The Company determines the code of conduct and ethics for directors, management, and employees; such code of conduct shall be used as a reference for relevant parties so that they perform duties with faithfully, honesty, and fairness, regarding their treatment to all parties, e.g., all stakeholders, public and society. In addition, the Company also regularly sets up monitoring systems for practices on such code of conduct and ethics. Note that the Company announces the code and conduct and ethics for all employees to follow accordingly.

- **Conflicts of interest**

The Company prescribes the policies relating to conflicts of interest, based on the principle that any decision making about business activities must take the Company's maximum benefits into consideration and avoid any transactions that may bring about possible conflicts of interest. In light of this principle, persons who are involved with any connected transactions are required to inform the Company about their relations or connections with such transactions and they are not allowed to participate in the decision making on such transactions, nor are they authorized to approve such transactions.

The Audit Committee reports connected transactions and transactions with conflicts of interest to the Board of Directors. Having been carefully and appropriately reviewed such transactions, Company seriously follows all rules and regulations set forth by the Stock Exchange of Thailand and/or the Security Exchange Commission of Thailand. Furthermore, all details about any connected transactions are disclosed in the financial statement, the annual report and the annual information disclosure form (56-1 Form).

Vibharam Hospital Co., Ltd. and Thonburi Healthcare Group Plc. currently are the Company's shareholders and their businesses are the same as the Company. There might be the conflicts of interest. To mitigate possible conflicts of interest, the Company, thus, states in its charter that the directors, who represent shareholders of any entities engaging in similar or comparable businesses as the businesses run by the Company and/or the subsidiary and/or the controlling company, are not allowed to attend meetings nor consider voting about any connected transactions involving in potential conflicts of interest. This rule is applicable to all kinds of connected transactions, whether or not such transactions would involve the core business operations of the Company, e.g., branch expansions, acquisition deals (both about hospital business and non-hospital businesses) and etc.

It should be noted that the amendment made to the aforementioned charter is subject to approval from an AGM with the majority of the votes cast by the present shareholders. Stakeholders of connected transactions have no right to cast votes.

- **Internal Control System**

The Company emphasizes the internal control system, both in the management and operation levels. For effective operation, the Company clearly identifies functions and scopes of operation authority of employees in the operating level and executives in a written form. Utilizations of the Company's assets are well controlled while duties of operating employees and supervisors, as well as performance appraisal, are clearly separated. The Audit Committee is appointed to oversee and review the Company's internal control system as well as the internal audit, ensuring that such practices are appropriate and effective. Furthermore, independent internal auditors are also appointed to monitor and inspect the Company's internal control system, with their auditing result being reported to the Audit Committee. This practice helps ensure that the Company's core operation is effectively conducted within the set guidelines.

7.7 The Board of Directors Meetings and Self-appraisal

According to the Company's rules, the Board of Directors convene a meeting at least quarterly, with special meetings being called for if needed. The meeting invitation letters are sent to the members of Board of Directors at least seven days prior to the scheduled meetings. Clear agendas of each meeting, coupled with sufficient relevant details, are sent to directors prior to the meetings to allocate adequate time for them to study the agenda details.

As mentioned above, directors receive detailed agendas and relevant documents prior to every meeting so that they have sufficient time to study relevant information. The secretary to the Board of Directors is assigned to attend every meeting; he or she will then complete minutes of the meeting and subsequently submit it to the Chairman of the Board of Directors for his/her acknowledgement and verification. The acknowledged minutes will subsequently be put on the first agenda of the next meeting to seek the meeting's acknowledgement. Furthermore, the secretary to the Board of Directors is also in charge of compiling related information and filing meeting documents for future references.

Meeting resolutions are based on the majority votes. One director holds one voting right. Any directors, who are stakeholders of a matter on agenda, are neither to attend the meetings nor cast votes in that particular agenda. In case of equal votes, the chairman has the final say.

Moreover, the Board of Directors encourages performance evaluation at least once annually in order to enhance the Company's operation. Appraisal points are clearly identified and subsequently proposed to the meetings.

7.8 Remuneration

The Company identifies remuneration policies for directors clearly and transparently. The remuneration package for each director is appropriately determined in accordance with his or her duties and responsibilities. The package is sufficient to attract qualified directors to remain with the Company and such package is subject to approval of the Annual General Meeting.

Note that the Company discloses the remuneration packages offered to the directors and executives in compliance to the regulations provided by the Security Exchange Commission of Thailand and the Stock Exchange of Thailand.

7.9 Development of Directors and Executives

The Company has a policy to provide trainings for those in charge of overseeing the Company's overall operation, including directors, members of the Audit Committee, members of the Executive Committee as well as other executives. This policy is aimed at continued enhancement of the Company's operation. During the transition periods, replacements of the former directors are given clear guidelines and useful information in order to ensure that the new comers can continue to perform effectively under the good corporate governance framework.

7.10 Supervisions of the Subsidiary

Furthermore, the Company's representative directors or management must ensure that the subsidiaries disclose information, i.e., about all connected transactions and connected persons, acquisitions and disposal of assets and any other transactions involved by the subsidiaries, accurately and completely. Also, the representatives have to make sure that such information disclosure and aforementioned transactions are conducted well under the Company's set principles. Finally, the representative directors or management also have to supervise the subsidiaries regarding complete, accurate and auditable financial statement, which can be completed within the identified deadline.

In supervising the operations of Rajthanee Rojana Hospital Company Limited, the Company appointed its representatives namely Mr. Wachira Wudhikulprapan, Mrs. Smorn Prasithirun, Mr. Charoonsak Sripochsomboon, and Ms Phitraphee Prasithirun to control and oversee the operations of the subsidiary.

Moreover, the Company also has a policy to assign an independent auditor to inspect the operations of the subsidiary in order to prevent any mistakes and ensure transparent operations as necessary and appropriate. The auditing is periodically performed, with auditing reports being submitted to the Audit Committee.

7.11 Auditor Fees

The Company paid audit fees to CWWP Company Limited (the "auditor"), details as follow :

Year 2019	RJH	Two subsidiaries	Total
Annual audit and review of quarterly financial statements	1,320,000	680,000	2,000,000
Other non-audit fee ie travelling and overtime	225,089	158,943	384,032
Total expenses	1,545,089	838,943	2,384,032

8. COPORATE AND SOCIAL RESPONSIBILITIES

8.1. Policy overview

The Company recognizes the importance of sustainable growth of the Company's business while integrating anti-corruption measures with its corporate social responsibility. The Company aims to run a business with concern for stakeholders, economy, society and environment based on ethics and moral principles. The Company believes that running a business with social responsibilities will benefit both society and the Company's growth.

8.2. Operation and reporting

8.2.1 CSR in process

It is the Company's policy to operate its business with responsibilities for society, environment and stakeholders.

1. Fair business practices

The Company realizes the importance of honesty and fairness in all aspects, including general procurement, medicine and medical supply procurement, medical equipment selection and internal management at the hospitals. The whole work process is transparent and accountable.

Moreover, the Company supports fair competition and opposes any behavior that obstructs such competition. The Company does not offer any bribe to vendors in procurement of medicine, medical supplies or medical equipment. In addition, the Company recognizes intellectual property rights and requires its employees to follow laws or regulations related to intellectual property. For example, the Company uses genuine computer software. Meanwhile, the Company runs campaigns against corruption, extortion and bribery.

2. Anti-corruption

The Company puts an emphasis on tackling dishonest behavior, corruption and bribe offering or accepting. Meanwhile, the Company encourages all of its staff to come up against all types of dishonest behavior and corruption. The guidelines fighting corruption are set as follows:

2.1 Announcement of anti-corruption policies

To tackle corruption, the Company draws up written guidelines, which is recorded in "the hospital's work rules and regulations" and conveys the message to its directors, executives and employees for acknowledgement and practice. Furthermore, anti-corruption is one of the topics that are emphasized the Company's new staff orientation to ensure their acknowledgement and practice. If an employee is found guilty of corruption, his or her employment will be terminated.

2.2 Corruption risk evaluation

- The Board of Directors made a list of the Company's risks sorted by level of the risk in order to prepare internal audit and operational risk management plans.

- Internal audit is carried out according to the risk evaluation plan. Internal auditors are outsourced from experienced audit firms. The qualifications of the auditors comply with laws and regulations to ensure their efficient and transparent auditing. The auditors work together with the Company's Audit Committee.

2.3 Corruption control and prevention

- The Company has regulations governing procurement, employment, contract signing and disbursement with specifications of budget limits, authorized parties and objectives of each item which requires clear evidence. Moreover, internal audit is carried out by experienced and qualified internal auditors.
- The Company's internal control ranges from finance, accounting, data recording to other procedures related to finance and accounting, to ensure that all financial transactions are performed as authorized and transparent.
- Money donation to charity or to public shall be for public charity only and clear evidence shall be presented. The donation procedure shall be in accordance with the Company's rules and regulations.
- Gift presentation or acceptance and business meal hosting shall be transparent, legal and follow normal business practice or traditions with appropriate value.

2.4 Corruption risk report

The Company's directors, executives and employees have a duty to report of any corrupt practices that are related to the Company to their supervisors and cooperate in any investigation.

2.5 Screening and tackling corruption

The Company's Audit Committee makes examinations and re-checks to ensure the Company's good governance that is in accordance with anti-corruption policies for hospitals and related laws. If the audit committee finds or have doubts of any cases of suspected fraud that may affect the Company's transparency, the Audit Committee is free to report what it has found to the directors or the managing directors for timely problem solving. If any director, executive or employee does not comply with the Company's policies or violate their code of ethics, the Company will find an appropriate way or measure to treat that person. The measures range from disciplinary punishment based on the Company's code of conduct to legal actions.

2.6 Protection of the person who informed corruption clues

The Company protects and treats fairly the person who informed corruption clues and the person who cooperates in the corruption reporting and investigation to save him or her from possible impact.

8.3 Respect for human rights

The Company pays attention to and respect for human rights. The Company's physicians, nurses and staff are requested to treat the patients and customers with equality, without any discrimination.

- 8.3.1 All of the patients are treated equally, disregard for their race, skin color, sex, age, religion, physical status, mental status or social status. Stakeholders can express their opinions and complaints can be made through appropriate channels.
- 8.3.1 The Company focuses on and respects rights of the patients. Rights of the patients are informed at the new staff's orientation to ensure that the staff acknowledge and understand the rights of patients for appropriate practice. Meanwhile, the declaration of patients' rights are displayed across the hospitals.
- 8.3.3 The Company monitors its business to ensure that it is not involved in human rights violation, e.g. child labor and sexual harassment.

8.4 Fair treatment to employees

The Company attaches importance to human resource development and fair treatment of employees.

- 8.4.1 The Company complies with labor laws and respects the employees' human rights-based rights.
- 8.4.2 The Company ensures fair hiring process and hiring conditions. Compensation and performance appraisal are considered under a fair evaluation process.
- 8.4.3 The Company supports employees in knowledge expansion to ensure highest efficiency. The Company has human resource development plans, according to the organization's strategies, provides the employees with internal and external training, fosters positive attitude and professional ethics as well as building the spirit of teamwork.
- 8.4.4 The Company provides its employees with welfare benefits as required by laws, e.g. social security, compensation fund, provident fund, as well as other additions to the legal requirements, e.g. additional medical expenses to social security benefits, group insurance for accident-prone staff, funeral expenses, uniforms, accommodation for medical staff, annual leaves, etc.
- 8.4.5 The Company provides favorable work environment, e.g. air-conditioning system on underground floor and laundry service room, to ensure that its staff work in a safe and happy atmosphere.
- 8.4.6 The Company provides annual check-ups, according to their age, sex and work environment, to all of its staff. Also, the Company promotes prevention of epidemic and easily-transmitted diseases, e.g. flu and hepatitis B virus, by having all staff vaccinated.
- 8.4.7 To ensure safety and hygiene at workplace, the Company hires professional-level safety officers and sets up the committee of safety, occupational health and work environment. Accident-prevention measures and safety awareness are raised while training and hygiene promotional campaigns are conducted. In addition, the Company sets up a 5S committee to ensure hygienic conditions and safety at workplace.

- 8.4.8 The Company allows its staff to express their opinions by dropping their notes at the opinion boxes or writing a letter of complaints about unfair practice, which are delivered directly to the hospitals' directors, while giving protection for the reporters of the issues.
- 8.4.9 The Company strengthens the staff's bond with the organization by holding the "Happy Work Place" activity.

8.5 Responsibilities for consumers

The Company attaches importance to and has determined effort to develop its operations and services to meet quality standards and consumers' satisfaction with a sense of responsibility, honesty and attention.

- 8.5.1 The Company's physicians and medical staff are knowledgeable and have expertise in various fields to provide quality treatment and service at fair charges.
- 8.5.2 The Company stresses the importance of patient confidentiality and does not violate patient confidentiality.
- 8.5.3 The Company aims to create relationship between the Company and consumers by holding activities to provide knowledge about healthcare and to ensure sustainable relationship.
- 8.5.4 The Company is open for consumers' opinions to get feedback for further improvement to meet requirements and expectations of consumers. The consumers are able to give their feedback via several channels, e.g. opinion box, phone, letter, email and the hospitals' website.
- 8.5.5 The Company aims to properly provide the patients with quality and standard services and consistently complies with hospitals' standards and regulations. The Company receives the hospital accreditation (HA) and the laboratory accreditation (LA).

8.6 Environmental care

The Company is determined to be an environmentally-friendly organization and strictly follows related environmental laws and regulations. Furthermore, the Company establishes policies and sets up the committee of safety, occupational health and work environment to monitor and examine safety- and environment-related units of the hospitals, with realization that safe and hygienic buildings in good environment will enable the staff to work efficiently while the patients will receive convenient services.

Environment in society and community is another aspect to which the Company pays attention. The Company's projects are designed to be in a good environment and obtained the environmental and health impact assessment (EHIA) approval on December 23, 2010 from the Office of Natural Resources and Environmental Policy and Planning, the Ministry of Natural Resources and Environment. Naresuan University is the Company's consultant. The Company focuses on constructing buildings without impact on the environment, the public or the community nearby. Moreover, the Company keeps up with improvement and reports environment impact to the Office of Natural Resources and Environmental Policy and Planning and authorities involved every six months up until now.

In addition, the Company strictly follows the Ministry of Public Health's ministerial regulations on infectious waste disposal B.E. 545 (2002) and the Ministry of Natural Resources and Environment's

announcement on types of buildings and sources of pollution of which wastewater disposal to public water resources shall be monitored and other related laws.

8.7 Development of society and community

The Company attaches importance to responsibilities for community and society. Therefore, the Company formulates policies on social cooperation and development with an emphasis on services and campaigns for healthcare in society. Moreover, the Company has policies to support educational institutes.

- 8.7.1 The Company provides staff for the mobile health units advocated by state agencies in Phra Nakhon Si Ayutthaya province, e.g. Governor, Provincial Red Cross, Provincial Social Security Office, to improve public knowledge about healthcare.
- 8.7.2 The Company gives lectures on health-related topics, e.g. high blood pressure, cervical cancer, hepatitis virus, children and allergies and expectant mother care, at its hospitals. The public and those interested are invited to attend the lectures.
- 8.7.3 The Company holds health promotion activities to companies at the nearby industrial estates, at nearby communities.

8.8 Technology and medical technology

As the Company operates healthcare service business, treatment of patients is its important mission. Apart from attaining the hospital accreditation (HA), the Company organizes activities for its medical staff to apply medical technology and other technology in treatment of the patients to achieve higher safety standards, better results and appropriate examination and treatment. Technological innovations are as follows:

- 8.8.1 Underpants for women's pelvic exam: Beforehand sarongs were used but they did not cover some body parts and the patients felt embarrassed and lacked confidence. The underpants make all patients very satisfied.
- 8.8.2 Little pillows: Small pillows help prevent pressure sores and obviously reduce the chances of pressure sores.
- 8.8.3 Cushions for patients who have wounds at anus or buttocks: The cushions help relieve the patients' pain.
- 8.8.4 "Warning calendar": The calendar shows the expiry dates of disinfectants and sterilized medical equipment to meet infectious control standards.
- 8.8.5 CR Plate: The CR Plate is used for skull and cervical spine lateral cross table to reduce the radiation exposure to the patients and the staff.
- 8.8.6 Contrast media injection into 16-slice computed tomography helps to clarify the images which improve the accuracy of diagnosis.

8.9 Activities for social and environmental benefits (CSR after Process)

The company regularly carries out activities for social and environmental benefits. The activities include:

- Expanding the green areas at the hospitals, including small parks in front of the hospitals' buildings, wards and other suitable areas

- Donation
- Allowing the disabled to use the hospitals' areas to sell their goods without charging rents
- Awarding scholarships to medical nurse students every year
- Awarding scholarships to employee's children from kindergarten to bachelor's degree

9. INTERNAL CONTROL AND RISK MANAGEMENT

9.1 Overview of Internal Control System

The Company's Board of Directors and management are directly responsible for internal control system. The internal control system covers financials, operation, corporate governance and risk management. The Board of Directors authorizes the Audit Committee to perform several functions. First, the Audit Committee is assigned to review the Company's financial reports, ensuring their accuracy and adequacy. Second, the Audit Committee is also authorized to review the Company's internal control system in order to ensure that it is appropriate and effective. Third, the Committee is also in charge of examining whether the Company's risk assessment and management operation is conducted appropriately. Finally, the Audit Committee is also responsible for ensuring that the Company's business operation complies with the laws relating to securities and the securities market, the regulations set by the Stock Exchange of Thailand as well as other relevant laws concerning the Company's business.

An independent internal auditor is responsible for independent inspection and assess of the Company's internal control operation as well as reviewing whether the Company complies with regulatory. For the year 2019 the Company has appointed Resourceful Co., Ltd. as its independent internal auditor to inspect and assess the internal control system within the Company. The independent internal auditor provided suggestions and the Company continued to improve its internal control, taking such suggestions from the independent internal auditor into consideration.

All members of the Audit Committee attended to review the adequacy of the Company's internal control system, according to an assessment form provided by the Securities and Exchange Commission of Thailand. The assessment covers five factors that are significant to the efficiency and effectiveness of the internal control:

1. Warehouse Management System
2. Revenue System
3. Human Resource Management System
4. Procurement System
5. Information Technology

The preliminary opinions provided by the Audit Committee, coupled with the information obtained from queries with the management, suggested that the Company's internal control system was adequate and accorded with the internal control assessment form provided by the Securities and Exchange Commission of Thailand. This was particularly true for the case of the internal control regarding the transactions involved by major shareholders, directors, executives and connected persons.

Moreover, the Company's auditor, i.e., CWWP Co., Ltd. performed the auditing of the Company's financial statements for fiscal years 2019 there are no observations on the internal control system of the Company's financial accounting

9.2 Internal Control System

The Company employed Resourceful Co., Ltd. as its independent internal auditor who inspected the operations of all departments within the Company and its subsidiary. The reports of inspection results were presented to the Audit Committee in every meeting. The Audit Committee was the body to review the internal control inspection result reports, in collaboration with the independent internal auditor. After reviews, the Audit Committee provided suggestions necessary for

improvement of the independent internal auditor's policies as well as enhancement of the Company's internal control system. It should be noted that the Audit Committee shall convene at least four meetings annually and complete the Audit Committee's report, which will be subsequently reviewed by the Board of Directors and disclosed in the Company's annual reports.

The Company completed a written guideline for scopes of budget approval authorization. The guideline clearly indicates scopes of responsibilities, decision-making power, as well as authority of each position, according to a chain of command. The Company has a policy to review such guideline annually in order to fine-tune it to suit the future business operation outlook.

10. CONTROL OF INSIDER INFORMATION

The Company has a policy and procedure to supervise directors and executives regarding insider trading information. The policy and procedure aimed at preventing directors or management from using undisclosed insider information for their own benefits are discussed below:

- Inform directors and management of their duties to report details about securities possessions of their own, spouses, and minority children to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59, and Penalties according to Article 59 and Penalties according to Article 275 of the Securities and Stock Exchanges Act B.E. 2535.
- Directors and executives are required to report any changes made to their securities possessions to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, according to Article 59 of the Securities and Stock Exchanges Act B.E. 2535, within three working days from the date the changes are made. A copy of such report shall also be submitted to the Company on the same day when such report is submitted to the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.
- The Company ensures that all directors, management and relevant persons in the operation level are informed of significant information, which may trigger changes in the Company's share price. Trading on the Company's shares shall be suspended for at least one month before the financial information and insider information is disclosed to the public and at least 24 hours after such information is publicized. Disclosure of significant information to other persons is also prohibited.

Anyone who violates the aforementioned rules and takes advantages of insider information is subject to penalty, e.g., written warnings, salary cuts, employment suspensions without pay and permanent employment termination. Degrees of penalties are determined, based on intentions and degrees of violence.

11. RELATED PARTY TRANSACTION

The connected transactions involved among the Company, subsidiary, persons/juristic persons during the year ending 31 December 2018 and as of 31 December 2019 can be summarized below:

1. Details of persons and juristic persons with potential conflicts of interest

Persons / juristic persons involving in potential conflicts of interest and transactions with the Company and/or the subsidiary		Nature of Business	Relationship
1	Vibharam Hospital Co., Ltd.	Medical service provider	<ul style="list-style-type: none"> As of 28 August 2018, Vibharam Hospital Co., Ltd. held 7.94% of the Company's paid-up capital. The two major shareholders, i.e., Ramkhamhaeng Hospital Plc. and Vibhavadi Hospital Plc. held shares in Vibharam Hospital Co., Ltd. at 41.10% and 40.75%, respectively, of the paid-up capital. The Company and Vibharam Hospital Co., Ltd. shared one director, i.e., Dr. Auchart Kanjanapitak. Dr. Auchart Kanjanapitak appointed the Company's director on 27 April 2018
2	Ramkhamhaeng Hospital Plc.	Medical service provider	<ul style="list-style-type: none"> Ramkhamhaeng Hospital Plc. was the Company's shareholder through Vibharam Hospital Co., Ltd, with a stakeholding of 7.94% of the paid-up capital, as of 15 March 2019, and as of 27 June 2019, directly holding the Company's shares at 4.00% of the paid-up registered capital. The Company and Ramkhamhaeng Hospital Plc. shared one director, i.e., Dr. Auchart Kanjanapitak. Dr. Auchart Kanjanapitak appointed the Company's director on 27 April 2018
3	The Medicpharma Co., Ltd	Distributor of medicine and medical supplies	<ul style="list-style-type: none"> The Company and The Medicpharma Co., Ltd. shared one director, i.e., Dr. Auchart Kanjanapitak. Dr. Auchart Kanjanapitak appointed the Company's director on 27 April 2018
4	Charoenpaiboon City Co., Ltd.	Distributor of electrical appliances	<ul style="list-style-type: none"> The major shareholder of Charoenpaiboon City Co., Ltd., i.e., Sripochsomboon Group, also held shares in the Company. As of 28 August 2018, Sripochsomboon Group held 2.96% of the Company's paid-up capital and 100% of Charoenpaiboon City Co., Ltd.'s paid-up capital.

Persons / juristic persons involving in potential conflicts of interest and transactions with the Company and/or the subsidiary		Nature of Business	Relationship
5	La Cremongs Publishing Ltd., Part.	Printing service provider	<ul style="list-style-type: none"> The major shareholder of La Cremongs Publishing Ltd.,Part., i.e., Wudhikulprapan Group, also held shares in the Company. As of 28 August 2018, Wudhikulprapan Group held 5.74% of the Company's paid-up capital and 90% of La Cremongs Publishing Ltd., Part's paid-up capital.
6	Bophit Vejchakarn Co., Ltd.	Hemodialysis service provider	<ul style="list-style-type: none"> A shareholder of Bophit Vejchakarn Co., Ltd., i.e., Wudhikulprapan Group, also a shareholder of the Company. Wudhikulprapan Group held 5.74% of the Company's paid-up capital and 8% of paid-up capital in Bophit Vejchakarn Co., Ltd. Prior to the commercial operation in March 2015, Wudhikulprapan Group held 20% of Bophit Vejchakarn Co., Ltd.'s paid-up capital. Later in July 2015, the Group sold some shares to a group of doctors, i.e., existing shareholders of Bophit Vejchakarn Co., Ltd., in order to reduce conflicts of interest. Consequently, Wudhikulprapan Group has, since then, held 8% of the paid-up capital in Bophit Vejchakarn Co., Ltd.
7	Sabuy Technology Public Company Limited	Online top up machine	<ul style="list-style-type: none"> The Company and Sabuy Tachnology PLC. shared one director, i.e., Mr.Saran Supaksaran Mr.Saran Supaksaran has appointed the Company's director on 27 April 2017
8	Pairoj Pharmacy	Distributor of modern medicine	<ul style="list-style-type: none"> Mr. Pairoj Watcharakornytin, the owner of Pairoj Pharmacy, is a husband of Mrs. Chuleewan Watcharakornytin, i.e., a deputy director of the Technical Service Department. Currently she retired
9	Rajthanee Rojana Hospital Co., Ltd. ("the subsidiary")	Medical service provider	<ul style="list-style-type: none"> Rajthanee Rojana Hospital Co., Ltd. is the Company's subsidiary with a holding of 98.31% of paid-up capital. As of 31 December 2019, the Company and the subsidiaries shared the following four directors: <ol style="list-style-type: none"> 1. Dr.Wachira Wudhikulprapan 2. Ms Smorn Prasithirun 3. Mr.Charoonsak Sripochsomboon 4. Ms.Phitraphee Prasithirun 5. Dr.Surin Prasithirun
10	Dr. Porntip Wudhikulprapan	-	<ul style="list-style-type: none"> The Company's director The Company's consultants of which the contract period ended on 31 December 2018
11	Dr. Surin Prasithirun	-	<ul style="list-style-type: none"> The Company's major shareholder and Rajthanee Rojana Hospital Director he Company's consultants of which the contract period ended on 31 January 2019

Persons / juristic persons involving in potential conflicts of interest and transactions with the Company and/or the subsidiary		Nature of Business	Relationship
12	Rangsipan Co., Ltd.	Providing installation services for industrial machinery and equipment	<ul style="list-style-type: none"> The Company and Rangsipan Co., Ltd. shared one director, i.e., Dr. Auchart Kanjanapitak. Dr. Auchart Kanjanapitak appointed the Company's director on 27 April 2018
13	Coffee Planet Co., Ltd	Drink and bakery service	<ul style="list-style-type: none"> The Company and Coffee Planet Co., Ltd. shared one director, i.e., Dr. Surin Prasithirun Dr. Surin Prasithirun appointed the Company's director on 22 April 2019

2. Connected transactions involved by the Company and the subsidiary and connected persons in fiscal year ending 31 December 2018 and 31 December 2019

2.1 General transactions or transactions to support the Company's core business that will continue in the future

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
1. Vibharam Hospital Co., Ltd.	<p><u>Expenses related to patient referral cases towards Vibharam Hospital Co., Ltd. (Supra)</u>: The Company referred patients, those mostly with heart diseases, to Vibharam Hospital Co., Ltd.</p> <p><u>Outstanding payable at the end of the period</u></p>	-	0.003	<p>In the past, the Company had to refer patients to Vibharam Hospital Co., Ltd, i.e., Supra hospital, in order to ensure that the patients, especially those with heart diseases, received more appropriate and better treatment. The rates as well as pricing terms and conditions were set in line with the market's conditions, equivalent to the rates Vibharam Hospital Co., Ltd. charged to other patients with similar conditions. It should be noted, however, that the number of referral cases towards Vibharam Hospital Co., would decrease significantly in the future as the Company already launched its own Heart Center in 1Q15.</p> <p>Comments from the Audit Committee The transaction was necessary and justified as the pricing was set in line with the market's conditions. It was a normal transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
		-	-	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
2. Bophit Vejchakarn Co., Ltd.	<u>Expenses related to hemodialysis services:</u> The subsidiary, in collaboration with Bophit Vejchakarn Co., Ltd. provided patients with hemodialysis services, based on the agreed revenue sharing basis.	19.66	21.21	<p>Bophit Vejchakarn Co., Ltd was founded by a group of medical personnel, e.g., doctors, nurses and etc., with extensive experience and knowledge in provision of hemodialysis services under the set standard. The Company's subsidiary partnered with Bophit Vejchakarn Co., Ltd to provide hemodialysis services. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the rates Bophit Vejchakarn Co., Ltd agreed with other juristic persons.</p> <p>Comments from the Audit Committee The transaction was necessary and justified, with agreed revenue sharing. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Outstanding payable at the end of the period</u>	5.03	6.46	
3. La Cremongs Publishing Ltd.,Part.	<u>Expenses related to purchase of printing matters:</u> The Company and its subsidiary hired La Cremongs Publishing Ltd.,Part. to produce some paper documents, such as purchase order forms and etc.	0.77	0.76	<p>La Cremongs Publishing Ltd.,Part. provided printing services concerning general paper documents that were necessary for The Company's day-to-day operation, such as purchase order forms and etc. The pricing as well as terms and conditions was set in line with the market's conditions, equivalent to the service prices quoted to the Company by other general service providers.</p> <p>Comments from the Audit Committee The transaction was necessary and justified. The pricing, as well as terms and conditions, was equivalent to the service prices quoted by other general service providers. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Outstanding payable at the end of the period</u>	0.33	0.06	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
4. Charoenpaiboon City Co., Ltd	<p><u>Expenses related to electrical appliances :</u> The Company purchased office electrical appliances from Charoenpaiboon City Co., Ltd to support its business operation.</p> <p><u>Outstanding payable at the end of the period</u></p>	0.31	0.89	<p>Charoenpaiboon City Co., Ltd distributed electrical appliances. The group consisted of distributors of electrical appliances in Phra Nakhon Si Ayutthaya. The company had been in the market for a long time with good credibility and agreed roduct warranty. Being located nearby the Company, Charoenpaiboon City Co. , Ltd managed to deliver products a timely manner. The Company purchased electrical products to support for its hospital business operation. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the prices for products that the Company purchased from other sellers in general.</p> <p>Comments from the Audit Committee The transaction was necessary and justified. The pricing, as well as terms and conditions, was equivalent to the prices for the products sold by other sellers. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
5. Pairoj Pharmacy	<p><u>Medicine expenses:</u> The Company purchased general medicines from Pairoj Pharmacy to provide treatment for patients.</p> <p><u>Outstanding payable at the end of the period</u></p>	-	-	<p>The pricing, as well as terms and conditions, was set in line with the market's conditions, equitant to the prices of medicines that the Company purchased from other general sellers. The payment was made by petty cash. Due to small purchase volume, the medicines purchased from this retailer were not kept as sizeable inventory, and thus risk about expiries was rather low.</p> <p>However, the management discontinued the policy to purchase medicines from Pairoj Pharmacy from 3Q15 onwards, except for emergency cases. The purchases of medicine on emergency cases were done upon price comparisons and approval from authorized persons as indicated by the Company's rules and regulations.</p> <p>Comments from the Audit Committee The transaction was necessary and justified as the Company needed medicines for treatment purposes. The pricing, as well as terms and conditions, was equivalent to that for other transactions done with other general sellers. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
6. The Medicpharma Co., Ltd.	<u>Medicine expenses</u> : The Company and its subsidiary purchased medicine from The Medicpharma Co., Ltd. to provide treatment for patients.	1.77	2.30	<p>The Medicpharma Co., Ltd. distributed high-quality medicine and medical supplies. The Company needed such products for providing treatment services for its patients. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the prices for products that the Company purchased from other distributors.</p> <p>Comments from the Audit Committee The transaction was necessary and justified. It was a normal business transaction with general trade terms and conditions and it was already approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Outstanding payable at the end of the period</u>	0.95	0.75	
7. Directors, Executive Directors and Shareholders	<u>Medical service fee discounts</u> : The Company offered discounts to the Company's directors, executive directors and shareholders, as indicated in the guideline about discount rules, as well as other connected persons	0.55	1.15	<p>In 2015, the Company offered medical fee discounts as a working motivation to the following persons. The details are as follows:</p> <ul style="list-style-type: none"> A) The Company's directors and executive directors B) Direct relatives, i.e., parents, spouses and children, of directors and executive directors C) Siblings directors and executive directors D) Shareholders as indicated in the guideline about medical fee discounts <p>Since January 2016, the Company has amended conditions of medical fee discounts, e.g., discount limits. Persons eligible for the discounts are as follows:</p> <ul style="list-style-type: none"> A) Company's directors B) Direct relatives, i.e., parents, spouses and children, of directors C) Siblings of the directors <p>Comments from the Audit Committee The transaction was considered as personnel's welfare and work motivation.</p>
	<u>Outstanding payable at the end of the period</u>	-	-	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
8. Rajthanee Rojana Hospital Co., Ltd.				
8.1 Rajthanee Rojana Hospital Co., Ltd.	<u>Diagnosis and treatment cost:</u> The subsidiary provided diagnosis and treatment services for the Company's insured patients under the Social Security Scheme; most patients were out-patients with mild conditions (e.g., headaches, flu, diarrhea, etc.)	45.91	76.73	<p>This practice ensured appropriate treatment services for patients. The initial service rates were equal to the rates that the Company and the subsidiary charged to general patients, without any discounts. Note that from February 1, 2016 onwards, no discounts on doctor fees for in-patients. Therefore, the conditions are the same as patient referral towards other supra hospitals under private hospital associate in the upper part of Bangkok. The Company and its subsidiary charged similar service rates for each other's patients as follows:</p> <ul style="list-style-type: none">• <u>OPD</u>: 50% discount for doctor fees and 30% discount for medicine and examination fees• <u>IPD</u>: No discount for doctor fees but 15% discount for medicine and examination fees <p>Since September 1, 2016, the management have adjusted the discounts for the hospital service fees; both the Company and its subsidiary have charged a similar hospital service fee rate of Baht 200. In addition, no discount on hospital service fee has been given in order to make the hospital service fees at the two hospitals more consistent.</p> <p>Furthermore, the medical service fees for patients with heart diseases under the Social Security Scheme were priced on the package basis; this was under similar pricing conditions for any insured patients referred to Company by other hospitals in general.</p> <p>Comments from the Audit Committee The transaction was necessary and justified as this practice ensured appropriate treatment services for patients. The pricing between each other was reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Accounts receivable at the end of the period</u>	14.96	29.98	
	<u>Diagnosis and treatment expenses:</u> The company's insured patients under the Social Security Scheme could go to the the main campus to receive diagnosis and treatment services; most patients were IPD cases with relatively severe conditions that required big operations, etc.	105.38	116.12	
	<u>Outstanding payable at the end of the period</u>	27.28	42.96	

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
8.2 Rajthanee Rojana Hospital Co., Ltd.	<u>Expenses from product purchases:</u> The company buy medicines, drinking water <u>Outstanding payable at the end of the period</u>	0.006 -	0.01 -	Comments from the Audit Committee The transaction was necessary and justified as this practice ensured appropriate treatment services for patients. The pricing between each other was reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.
8.3 Rajthanee Rojana Hospital Co., Ltd.	<u>Medicine sales revenue:</u> The Company sold medicines to its subsidiary for treatment purposes <u>Balance at the end of the period</u>	0.006 -	0.004 -	The Company lent its subsidiary medicines for some emergency cases without any returns calculated. In addition, the Company sold medicines at the cost prices plus 20% profit, starting October 1, 2015 onwards. Both borrowed and sold medicines were scarce items at the subsidiary. Some medicines were already preserved by the subsidiary but the preserved volume remained insufficient to feed emergency cases. For general practice, the Company lent the subsidiary medicines and completed the details of such a lending transaction at the end of every month. The returns could be done either in forms of returned medicines or payments. Comments from the Audit Committee The transaction was necessary and justified as the subsidiary needed medicines for patient treatment purposes. The purchased medicines included the items with small usage volume and the profit of 20% seemed reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
8.4 Rajthanee Rojana Hospital Co., Ltd.	<p><u>Service revenue:</u> The Company provided laundry service as well as medical equipment cleaning and disinfection service for the subsidiary.</p> <p><u>Balance at the end of the period:</u></p>	-	-	<p>The transaction was a way to manage human resources and assets the most effectively in order to utilize excess capacity. The details are as follows:</p> <ul style="list-style-type: none"> Laundry Service: The laundry service fees were comparable to the rates quoted by other service providers nearby. Medical equipment cleaning and disinfection service: The Company charged the service fees based on the number of medical equipment sent for cleaning and disinfection. The pricing was based on the cost plus some profit. <p>Comments from the Audit Committee The transaction was necessary and justified and it was acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors</p>
8.5 Rajthanee Rojana Hospital Co., Ltd.	<p><u>Advisory Fee Revenue:</u> The Company provided personnel for the subsidiary in order to improve various working systems, e.g., accounting, finance computer systems and etc. In addition, the Company also provided advisory and consultancy services in order to raise the subsidiary's work standard to meet the Company's standard.</p> <p><u>Balance at the end of the period:</u></p>	-	-	<p>The transaction was a way to manage human resources and assets the most effectively. The Company's advisory fee rates were agreed by both parties. The agreement lasted one year, from October 1, 2015 to September 30, 2016. The details of the fee rates are as followed:</p> <ul style="list-style-type: none"> Monthly telephone advisory fee amounted to Baht 10,000. If the Company's personnel were required to commute to Rajthanee Rojana Hospital Co., Ltd. for in- house trainings, the service rate was calculated according on an hourly basis, based on the salary scale of the particular trainers. The calculated service rate was added by a transportation allowance of Baht 160 per a visit. <p>Comments from the Audit Committee The transaction was necessary and justified and it was a way of the most effective management of human resources. The service rates were reasonable and acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
8.6 Rajthanee Rojana Hospital Co., Ltd.	<p><u>Asset sales revenue:</u> The Company sold a server device and an air conditioner to the subsidiary.</p> <p><u>Balance at the end of the period:</u></p>	-	-	<p>The transaction was a way of the most effective asset management. The server device was around seven years old, with the remaining book value of Baht 1. The Company hired an IT professional firm to upgrade the server device in order to ensure that it was in good condictions and thus ready to be used. The Company charged the subsidiary for such server device at the rate equivalent to the book value plus the upgrade expenses. In addition, the Company also sold a two-year old air conditioner Panasonic 24,000 BTU, with the remaining book value of Baht 22,546, at the selling price of Baht 23,000, i.e., close to the remaining book value.</p> <p>Comments from the Audit Committee The transaction was necessary and justified and it was a way of the most effective asset management. The pricing between each other was reasonable and acceptable in the sense of business operation.</p>
8.7 Rajthanee Rojana Hospital Co., Ltd.	<p><u>Telecommunication Revenue:</u> The Company and its subsidiary used telecommunication service for data transfer between each other.</p> <p><u>Balance at the end of the period:</u></p>	0.06	0.06	<p>The Company and its subsidiary used telecommunication service for data transfer between each other to support their business operation, e.g., data for accounting and etc. This helped facilitate work operation, with the Company and its subsidiary equally sharing the expenses (50:50).</p> <p>Comments from the Audit Committee The transaction was necessary and justified and it was acceptable in the sense of business operation. It was a normal business transaction with general trade terms and conditions, and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
9. Ramkhamhaeng Hospital Plc.	<u>Medical supplies expenses:</u> The Subsidiary purchased medical supplies, e.g. gloves, needles, and etc., for patient treatment purposes. <u>Outstanding payable at the end of the period</u>	0.24 0.07	0.42 0.13	<p>Ramkhamhaeng Hospital Plc. distributed high quality medical supplies, which were necessary for the subsidiary's patient treatment services. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the prices for products that the Company purchased from other sellers in general.</p> <p>Comments from the Audit Committee The transaction was necessary and justified. It was a normal business transaction with general trade terms and conditions, and it was approved in principle by the Audit Committee and the Company's Board of Directors.</p>
	<u>Maintenance cost for golf carts:</u> The Company paid for maintenance and repairs of golf carts, e.g., changes of brake pads, tire replacement and etc. <u>Outstanding payable at the end of the period</u>	0.13 0.08	0.39 -	<p>In 2016, the Company saw some maintenance expenses for the golf carts purchased from Ramkhamhaeng Hospital Plc. in 2014 in order to keep them in good conditions.</p> <p>Comments from the Audit Committee The transaction was necessary and justified because it was about maintenance expenses paid to the seller of such golf carts used for facilitating the Company's business operation.</p>
	<u>Expense for purchase of golf carts:</u> The Company purchased golf carts from Ramkhamhaeng Hospital Public Company Limited for to facilitate the patients in traveling between the hospital buildings and the parking lots. <u>Outstanding payable at the end of the period</u>	0.44 -	2.03 0.22	<p>The Company purchased golf carts to facilitate the patients in traveling between the hospital buildings and the parking lots. The pricing, as well as terms and conditions, was set in line with the market's conditions, equivalent to the prices for products that the Company purchased from other sellers in general.</p> <p>Comments from the Audit Committee The transaction was necessary and justified because it was a normal business transaction with general trade terms and conditions and such golf carts are useful to the Company's business operation.</p>

Connected persons / Juristic persons	Transactions	Value (Baht Million)		Justification and Necessity
		2018	2019	
10. Sabuy Technology PLC.	<u>Online top up machine revenue</u>	-	0.02	The company installed a top-up kiosk. For the convenience of staff and customers
11. Dr.Porntip Wudhilulprapan	<u>Expense for consultants:</u> The Company appointed Dr.Porntip Wudhikulprapan as a consultant <u>Outstanding payable at the end of the period</u>	1.60 -	- -	The Company appointed Dr.Porntip Wudhikulprapan as a consultant for social security system with remuneration of Baht 100,000 per month. Comments from the Audit Committee To enhance the effectiveness of social security transactions
12. Dr.Surin Prasithirun	<u>Expense for consultants:</u> The Company appointed Dr.Surin Prasithirun as a consultant <u>Outstanding payable at the end of the period</u>	1.20 -	0.15 -	The Company appointed Dr.Surin Prasithirun as a consultant with remuneration of Baht 100,000 per month. Comments from the Audit Committee To enhance the effectiveness of management

2.2 General transactions that will discontinue in the future

Connected persons /Juristic persons	Transactions	Value (Baht) Million		Justification and Necessity
		2018	2019	
1. Rajthanee Rojana Hospital Co., Ltd.	<p><u>Information technology (IT) consultancy fee:</u> The Company hired the subsidiary to provide IT-related advice.</p> <p><u>Outstanding payable at the end of the period</u></p>	-	-	<p>The subsidiary had experienced programmers while the Company did not have such personnel with expertise in the field; therefore, the Company sought advisory from the subsidiary with a monthly advisory fee of Baht 5,000 in return.</p> <p>The Company discontinued this transaction, starting from January 2015 onwards, because it recruited full-time programmers by itself.</p> <p>Comments from the Audit Committee The transaction was necessary and justified. The rate was equivalent to that quoted by other IT consultant firms.</p>

2.3 Financing transactions

Connected persons / Juristic persons	Transactions	Value (Baht) Million		Justification and Necessity
		2018	2019	
1. Rajthanee Rojana Hospital Co., Ltd.	<u>Long -term loan</u> : The Company to subsidiary for working capital purpose.	32.80	102.80	<u>Future transactions</u> The transaction was aimed at providing financial assistance to the subsidiary, which may occur, as appropriate, in the future. The transaction entailed the interest rates, which were comparable to the interest rates that commercial banks offered to their good clients, plus finance cost arising from the Company's borrowing from a commercial bank. Comments from the Audit Committee The transaction was necessary and justified as the subsidiary needed funding for its business operation. It should be noted that if the borrowing had been done from a commercial bank, the approval process would have taken long time, and that the interest rates were comparable to the lending rates from commercial banks at the time of the transaction.
	- Balance at the beginning	132.80	32.80	
	- Lending during the period	30.00	70.00	
	- Repayment during the period	130.00	-	
	- <u>Balance at the ending</u>	32.80	102.80	
	- Accrued interest receivable at the beginning	0.24	0.10	
	- Interest income	1.43	1.28	
	- Interest received during the period	1.57	1.19	
	- <u>Accrued interest receivable at the ending</u>	0.10	0.10	

12. MANAGEMENT DISCUSSION AND ANALYSIS

The group's performance and financial status according to the audited financial statements as of 31 December 2019 and 2018 can be summarized in the tables below:

Operation : Consolidated Profit & Loss Statement	12 mth	12 mth	%
Unit : THB million	2019	2018	change
Revenue from Non-Social Security	1,041.26	911.16	14%
Revenue from Social Security	729.57	676.28	8%
Revenue from Hospital Operations	1,770.84	1,587.43	12%
Cost of Hospital Operations	1,213.45	1,102.77	10%
Gross Margin	557.38	484.66	15%
<i>% Gross Margin</i>	<i>31%</i>	<i>31%</i>	<i>1%</i>
Administrative Expenses	188.19	181.65	4%
EBITDA *	493.11	392.52	26%
<i>% EBITDA *</i>	<i>28%</i>	<i>25%</i>	<i>3%</i>
Other Income /(Expenses)	130.99	23.62	455%
Financing Cost	4.34	12.03	-64%
Corporate Tax	99.30	56.44	76%
Net Profit	396.54	258.16	54%
<i>% Net Profit Margin</i>	<i>21%</i>	<i>16%</i>	<i>5%</i>
Other Comprehensive Income (Expense) for the Year			
Gain (loss) on Remeasurements of Defined Benefit Plans - Net of Tax	(5.79)	(1.10)	428%
Total Comprehensive Income (Expense) for the Year	390.75	257.06	52%
Profit (loss) Attributable to :			
Equity Holders of the Company	395.89	254.54	56%
Non-Controlling Interests	0.65	3.62	-82%
Total	396.54	258.16	54%
Total comprehensive income (expense) attributable to :			
Equity Holders of the Company	390.10	253.44	54%
Non-Controlling Interests	0.65	3.62	-82%
Total	390.75	257.06	52%
Basic Earnings per Share (THB/share)	1.32	0.85	55%

* Non-cash items included depreciation as well as accounting adjustment (ie provisions of staff benefit and SW income)

Revenue from Hospital Operations

Revenue from hospital operations of 2019 was THB 1,770.84 million, increased 12% yoy due to non-social security (“non-SW”) revenue which posted 14% growth and social security (“SW”) revenue posted 8% growth. The promising growth of non-SW revenue was from IPD (18% growth) followed by OPD (11% growth) yoy. Both number of patients and revenue per head increased. The higher revenue per head was contributed by sub-specialty care particularly neurology, general surgery and orthopedics. Besides, the endemic of influenza contributed to more admission of pediatric patients.

Despite the lower payment rate of both Adj RW and discharge & complaint, SW revenue remained on the rise due to the increased number of insurers as well as more admission of complicated cases.

Average number of insured persons increased from approximately 175,400 persons to 187,800 persons yoy. Mostly, the increase was attributable to the subsidiary as parent company’s SW insurer quota was almost full. SW income per head marginally increased from THB 3,856 per insurer to THB 3,885 per insurer due to the aforementioned lower payment rate.

Cost of Hospital Operations

Cost of hospital operations in 2019 increased by 10% yoy lower than the increase of revenue. As such, gross margin has inched up from 30.6% to 31.5%.

Administrative Expenses

Administrative expenses increased by 4% yoy due to the adjustment transactions ie. provision for staff benefit due to change of labour law, previous year SW income due to actual payment lower than the record. The total 2019 adjustment transactions were THB 26.20 million whereas 2018 were only THB 10.66 million. Without these adjustment transactions, administrative expenses would have been decreased by 6%.

Earnings before interest, taxes and depreciation

EBITDA (not included other income) increased substantially by 26% yoy. EBITDA margin rose from 25% of hospital revenue in 2018 to 28% in 2019. This was mainly attributable to the increase of revenue and efficient control of cost and expenses.

Financing Costs

The financing cost of 2019 plunged by 64% as loans were almost paid-off since the 2nd quarter of 2019

Net Profits

Net profit has increased significantly by 54% yoy due to extra profit from land sale in the 1st quarter of 2019 for the amount of THB 98.7 million (THB 79 million net of corporate income tax). Without taking into account this extra profit, net profit from core business would be THB 317.55 million, increased by 23% and net profit margin increased from 16% to 18% yoy.

Financial Position : Consolidated Balance Sheet	31 Dec.	31 Dec.	
Unit : THB million	2019	2018	% Change
Cash and Temporary Investments	223.42	539.83	-59%
Trade Receivables	298.63	270.31	10%
Inventories	31.09	29.00	7%
Property, Plant and Equipment	966.84	807.84	20%
Goodwill	87.80	87.80	0%
Non-Current Assets Held for Sale	-	84.03	-100%
Other Assets	77.63	60.66	28%
Total Assets	1,685.41	1,879.48	-10%
Trade Payable	136.50	122.37	12%
Interest-Bearing Debts	0.91	345.48	-100%
Employee Benefit Obligation	56.25	37.22	51%
Other Liabilities	91.93	65.36	41%
Total Liabilities	285.60	570.43	-50%
Share Capital			
Authorized Share Capital			
300,000,000 Ordinary Shares, par value @ Baht 1.00	300.00	300.00	0%
Share Premium on Ordinary Shares	1,092.89	1,092.89	0%
Retained Earnings	356.60	266.51	34%
Other Components of Shareholders' Equity	(353.68)	(353.68)	0%
Non-Controlling Interests	3.99	3.33	20%
Total Shareholders' Equity	1,399.80	1,309.05	7%
Total Liabilities and Shareholders' Equity	1,685.41	1,879.48	-10%

The consolidated total assets as of 31 December 2019 decreased by 10% yoy. The decrease was mainly attributable to cash spending on loan repayment as well as investment not only in new projects ie. land for new hospital in Saraburi province and investment in Nan-Ram Hospital but also renovation of existing hospitals including new medical equipment and ward expansion.

While accrued SW income decreased, accounts receivables of insurance companies increased. This was due to more utilization of insurance patients.

Total liabilities as of 31 December 2019 decreased considerably. Loan from banks were paid-off from the company's operating cash flow and from proceeds of land sold. Employee benefit obligation increased due to higher retirement compensation rate stipulated by new law.

The shareholders' equity at the end of December 2019 increased by 7% yoy due to higher profit accumulated

Consolidated Cash Flow Statement	31 Dec.	31 Dec.	
Unit : THB million	2019	2018	% Change
Profit before Income Tax	495.84	314.60	58%
Adjustment to Profit before Income Tax for Cash Received (Paid) from Operations	25.52	97.20	-74%
Profit from Operation Activities before Changes in Operating Assets and Liabilities	521.36	411.80	27%
(Increase) Decrease in Operating Assets	(140.60)	241.69	-158%
Cash Received (Paid) from Operation Activities	380.76	653.48	-42%
Cash Received from Interest Income	1.87	3.16	-41%
Cash Paid for Income Tax	(83.57)	(62.61)	33%
Cash Received from Withholding Tax	-	2.28	-100%
Net Cash and Cash Equivalents Increase (Decrease)	299.06	596.31	-50%
Cash Flows from Investing Activities	189.85	(284.71)	-167%
Cash Flows from Financing Activities	(655.70)	(290.55)	126%
Net Cash and Cash Equivalents Increase (Decrease)	(166.78)	21.05	-892%
Cash and Cash Equivalents at Beginning of the Year	289.83	268.78	8%
Cash and Cash Equivalents at Ending of the Year	123.05	289.83	-58%

Cash flow from operation before working capital (changes of operating assets and liabilities) increased substantially by 27% to THB 521 million because of higher profit. After deducting working capital, cash flow operating activities nevertheless decreased yoy. The negative THB 141 million working capital was due mainly to investment in trading securities for THB 100 million whereas 2018 was positive from the disposal of trading securities for THB 307 million. Without taking into account these trading securities, cash flow from operating activities would have been increased by 38% yoy.

In regard to investment, cashflow from investment was positive of THB 189.85 million because the Company generated cashflow from land sale THB 183 million and from the withdrawal of fixed deposit THB 250 million whereas it invested in land, other company and medical equipment for only THB 250 million. For financing activities, cashflow was negative of THB 655.70 million because the Company has repaid short-term and long-term loans totaling THB. 344 million together with dividend payment for THB 300 million.

Ratio Analysis : Consolidated Financial Statements		
Unit : THB million	12 mth 2019	12 mth 2018
Returns (%)		
Return on Assets *	23.5%	13.7%
Return on Equity *	28.3%	19.7%
Working Capital Management (Days)		
Trade Receivable Period	62	62
Inventory Period **	40	44
Trade Payable Period	51	51
Leverage Ratios (x)		
Interest Coverage	113.7	32.6
Debt Service Coverage	103.9	4.6
Total Debt to Equity	0.2	0.4

*** based on only cost of medicine & medical supplies*

Both of return on assets and return on equity of 2019 improved yoy. driven by the sustainable profit and higher dividend payout ratio.

From the financial risk perspective, all ratios were at extremely low risk level as bank loans were paid off.

In respect of liquidity ratio, trade receivable day barely changed. Despite lower accrual from social security bureau, proportion of insurance patients increased comparing to cash patients. Inventory and account payable barely changed yoy.

13. REPORT OF THE AUDIT COMMITTEE AND REPORT OF THE ACCOUNTABILITY OF THE BOARD OF DIRECTORS TO THE COMPANY'S FINANCIAL REPORTS

Report of the Audit Committee

The Board of Directors of Rajthanee Hospital Public Company Limited appointed the Audit Committee, which comprised of 3 independent directors, namely Ms. Vilailak Aunyananeerat as Chairman of the Audit Committee, Mr. Teerasak Naranong and Mr. Sarun Supaksaran as members of the Audit Committee. The main duties and responsibilities of the Audit Committee are to ensure that the Company's financial statements are in accordance with accounting standards and have accurate and sufficient disclosure, ensure that the Company maintain internal control system that assesses the risks and ensures suitable and efficient risk controls, ensure compliance with related regulations and laws, as well as mitigate conflicts of interest between the Company and related persons upon the entry into transactions.

In 2019, the Audit Committee held four meetings to carry out duties as assigned, the most important being:

1. Reviewing the financial statements of the Company and the subsidiary which were reviewed or audited by the external auditors before presenting to the Board of Directors. As reviewed and accepted explanations from the external auditor and the management, the Audit Committee was of the opinion that the aforementioned financial statements were prepared according to accounting standards with accurate and complete disclosure of important facts and also approved the plan on auditing and reviewing the consolidated financial statements for the year of the Company and the subsidiary;
2. Considering and giving opinions on appointing the external auditor and fixing the annual audit fees to the Board of Directors for further approval by the annual general meeting of shareholders. The Audit Committee was of the opinion that the person nominated as the auditor is qualified in terms of knowledge, capability and is sufficiently independent from the Company and the subsidiary;
3. Holding conferences with the external auditor without the management involved so that the external auditor could freely report on any problems or limitations as a result of the auditing and reviewing the consolidated financial statements of the Company and the subsidiary. The external auditor reported that there were no notions, problems or limitations of significance;
4. Considering and giving opinions on appointing the internal auditor, a qualified external company, as the Company's internal auditor. The internal auditor was evaluated based on the team, sufficient number of staff, experience, knowledge and capabilities, as well as independency, to carry out audits of the various departments within the Company according to the guidelines for assessment of the sufficiency of the internal control system;
5. Considering and giving opinions on transactions with related persons to be in compliance with applicable laws and regulations;

6. Considering and approving the annual internal audit plan and advising on the enhancement of the Company's internal control system to be in compliance with applicable laws and regulations;
7. Considering and accepting explanations from the internal auditor as per the internal audit report, which was appointed as per the recommendation of the Audit Committee. The Audit Committee reported and provided suggestions on important issues to the Board of Directors; and
8. Reviewing and assessing the sufficiency of the internal control systems annually. The Audit Committee is of the opinion that the internal control systems are suitable and sufficient in risk mitigation in accordance with the policies of the Company.

The Audit Committee has carried out the duties as assigned with care and to the best of our abilities for the benefit of the Company, the shareholders and all stakeholders.

Ms. Vilailak Aunyamaneerat

Chairman of the Audit Committee

Report of the Accountability of the Board of Directors to the Company's Financial Reports

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appears in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles, using appropriate and consistent accounting policies. The financial statements have been prepared with caution and have been evaluated for appropriateness of the overall presentation of the financial statement.

There was sufficient information disclosure in the notes to the financial statements. The Board of Directors has set up an efficient and effective internal control system to ensure that all accounting transactions have been recorded correctly and comprehensively, and that there has been a record-keeping system of assets to protect the Company from any material fraud or damage.

The Board of Directors has the opinion that the overall internal control system of the Company was at a satisfactory level, which resulted in confidence in the reliability of the financial statements of the Company and its subsidiaries as at 31 December 2019

Dr.Surin Prasithirun

Managing Director

Dr. Aurchart Kanchanapitak

Chairman of the Board

(TRANSLATION)
INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED and its subsidiaries (“the Group”) and the separate financial statements of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED (“the Company”), which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders’ equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial position of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Recognition of Medical Service Revenues from the Social Security Office

The Group Companies receive medical service revenues from the Social Security Office per the accounting policies stated in the notes to the financial statements No. 6.18. The Group Companies earn the medical service revenues from the Social Security Office in term of insured persons who select the medical service with the hospital and the medical service revenues for diseases with risk factors and diseases with high expenditure that require continuous medical care. The Group Companies receive revenues from the Social Security Office based on the calculation and the rates determined by the notifications of the Medical Committee prescribed under the Social Security Act, B.E. 2533. The said estimation of the medical service revenues for diseases with risk factors and diseases with high expenditure that require continuous medical care is significant accounting estimate that required the management to be highly judgmental. There are uncertainties since the future revenues depend on the number of insured persons registered with the hospital, the statistic information on the services provided by the hospital and the information on the patients' health evaluation scores which required specialists' consideration on the severity of diseases rate for used to estimate revenue. Furthermore, it depends on the consideration of the Social Security Office, which is time consuming to collect the information from all medical service providers under the Social Security Office. Therefore, my audit is concentrated on the said revenue recognition since it presented significant risk to the financial statements.

Therefore, my audit procedures have included obtain an understanding of the revenue estimation process involved in the medical service revenues for diseases with risk factors and diseases with high expenditure that require continuous medical care. Review the sources and reliability of the information of insured persons and the information on the patients' health evaluation scores applied in the calculation of the medical service revenue estimation. Assess the appropriateness of the severity of diseases rate. Test the accuracy of the management's medical service revenue estimation by comparing with the criteria, procedures and conditions under the announcements issued by the Social Security Office. Analyze the reasonableness of the previous medical service revenue estimation. Analyze the causes for the difference between the medical service revenue estimation recognized in the period in comparison to the revenues received from the Social Security Office after their consideration. Review the medical service revenues for the payments received after 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 consolidated and separate financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

(Miss Waraporn Intaraprasit)

Certified Public Accountant, Registration No. 7881

CWWP Company Limited

Bangkok,

24 February 2020

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	7	123,050,329.78	289,833,669.42	92,712,126.55	268,832,908.08
Current Investments	8	100,367,074.28	250,000,000.00	100,367,074.28	250,000,000.00
Trade and Other Current Receivables	9	312,510,906.06	274,773,469.72	302,210,399.05	259,846,918.18
Short-term Loans to Subsidiary	32.3	-	-	102,800,000.00	32,800,000.00
Inventories	10	31,085,160.73	29,002,302.85	25,792,477.54	23,295,988.98
Current Tax Assets		5,152,373.15	4,835,033.51	-	-
Other Current Assets		3,381,137.81	2,764,134.18	2,357,711.76	1,542,377.99
Non-Current Assets Held for Sale	11	-	84,026,243.52	-	84,026,243.52
TOTAL CURRENT ASSETS		575,546,981.81	935,234,853.20	626,239,789.18	920,344,436.75
NON-CURRENT ASSETS					
Investments in Subsidiaries	12	-	-	669,432,660.00	609,432,690.00
Other Long-term Investments	14	10,000,000.00	-	10,000,000.00	-
Other Non-Current Receivables	9	2,889,941.67	6,792,003.91	1,776,060.00	5,572,391.00
Property, Plant and Equipment	15	966,842,137.69	807,844,326.00	651,263,170.53	552,334,515.20
Goodwill	16	87,802,508.74	87,802,508.74	-	-
Intangible Assets	17	9,278,995.84	6,529,760.50	8,490,732.71	4,908,836.81
Deferred Tax Assets	18	21,897,166.13	29,926,404.71	14,878,073.74	13,036,400.45
Deposit at Bank used as Collateral		-	1,875,000.00	-	-
Other Non-Current Assets		11,148,765.20	3,474,477.19	18,050.00	18,050.00
TOTAL NON-CURRENT ASSETS		1,109,859,515.27	944,244,481.05	1,355,858,746.98	1,185,302,883.46
TOTAL ASSETS		1,685,406,497.08	1,879,479,334.25	1,982,098,536.16	2,105,647,320.21

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term Borrowings		-	20,000,000.00	-	-
from Financial Institution					
Trade and Other Current Payables	20	196,759,270.83	168,255,951.64	209,509,673.42	165,629,734.92
Current Portion of Long-term Borrowings	21	-	73,309,938.67	-	63,693,574.93
Current Portion of Liabilities Under	22	409,307.26	365,221.50	-	-
Finance Lease Agreements					
Current Income Tax Payable		27,554,750.25	16,220,562.06	27,554,750.25	16,220,562.06
Other Current Liabilities		671,781.16	-	587,721.43	-
TOTAL CURRENT LIABILITIES		225,395,109.50	278,151,673.87	237,652,145.10	245,543,871.91
NON-CURRENT LIABILITIES					
Long-term Borrowings	21	-	250,908,123.25	-	187,708,123.25
Liabilities Under Finance Lease Agreements	22	505,365.05	896,904.21	-	-
Non-Current Provisions for Employee Benefit	23	56,250,966.51	37,219,549.40	55,393,593.74	35,746,433.62
Other Non-Current Liabilities		3,380,030.01	3,251,467.63	3,380,000.01	3,251,467.63
Deferred Tax Liabilities	18	73,414.86	-	73,414.86	-
TOTAL NON-CURRENT LIABILITIES		60,209,776.43	292,276,044.49	58,847,008.61	226,706,024.50
TOTAL LIABILITIES		285,604,885.93	570,427,718.36	296,499,153.71	472,249,896.41
SHAREHOLDERS' EQUITY					
Share Capital	24				
Authorized Share Capital					
300,000,000 Ordinary Shares, par value @ Baht 1.00		300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Issued and Paid-up Share Capital					
300,000,000 Ordinary Shares, par value @ Baht 1.00		300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Share Premium on Ordinary Shares		1,092,894,156.63	1,092,894,156.63	1,092,894,156.63	1,092,894,156.63
Retained Earnings					
Appropriated					
Legal Reserve		30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Unappropriated		326,604,198.48	236,505,844.92	262,705,225.82	210,503,267.17
Other Components of Shareholders' Equity		(353,682,491.57)	(353,682,491.57)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,395,815,863.54	1,305,717,509.98	1,685,599,382.45	1,633,397,423.80
Non-Controlling Interests	13	3,985,747.61	3,334,105.91	-	-
TOTAL SHAREHOLDERS' EQUITY		1,399,801,611.15	1,309,051,615.89	1,685,599,382.45	1,633,397,423.80
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,685,406,497.08	1,879,479,334.25	1,982,098,536.16	2,105,647,320.21

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
REVENUES					
Revenue from Hospital Operations		1,770,836,229.75	1,587,433,313.18	1,635,755,586.88	1,455,769,459.98
Interest Income		4,756,789.88	5,328,357.23	5,914,996.87	6,694,176.61
Gain from Disposal of Non-current Assets Held for Sale	11	98,738,356.48	-	98,738,356.48	-
Other Income		27,493,298.39	18,287,650.95	25,879,759.95	14,360,214.32
TOTAL REVENUES		1,901,824,674.50	1,611,049,321.36	1,766,288,700.18	1,476,823,850.91
EXPENSES					
Cost of Hospital Operations		1,213,453,860.10	1,102,770,114.69	1,161,680,664.93	1,049,001,404.65
Administrative Expenses		188,189,113.51	181,649,273.41	155,340,846.13	146,913,159.63
Finance Costs		4,337,973.58	12,032,372.42	1,938,305.08	9,244,493.28
TOTAL EXPENSES		1,405,980,947.19	1,296,451,760.52	1,318,959,816.14	1,205,159,057.56
PROFIT BEFORE INCOME TAX EXPENSE		495,843,727.31	314,597,560.84	447,328,884.04	271,664,793.35
Tax (Expense) Income	27	(99,304,105.39)	(56,442,529.58)	(89,414,014.57)	(47,207,055.58)
PROFIT FOR THE YEAR		396,539,621.92	258,155,031.26	357,914,869.47	224,457,737.77
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR					
Components of Other Comprehensive Income that will not be reclassified to Profit or Loss					
Gain (loss) on Remeasurements of Defined Benefit Plans - Net of Tax	27.2	(5,789,626.66)	(1,097,262.03)	(5,712,910.82)	(1,020,750.26)
Total Components of Other Comprehensive Income that will not be reclassified to Profit or Loss - Net of Tax		(5,789,626.66)	(1,097,262.03)	(5,712,910.82)	(1,020,750.26)
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR - NET OF TAX		(5,789,626.66)	(1,097,262.03)	(5,712,910.82)	(1,020,750.26)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		390,749,995.26	257,057,769.23	352,201,958.65	223,436,987.51
PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the Company		395,886,683.72	254,537,426.68		
Non-Controlling Interests		652,938.20	3,617,604.58		
TOTAL		396,539,621.92	258,155,031.26		
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO:					
Equity holders of the Company		390,098,353.56	253,441,457.70		
Non-Controlling Interests		651,641.70	3,616,311.53		
TOTAL		390,749,995.26	257,057,769.23		
BASIC EARNINGS PER SHARE		1.32	0.85	1.19	0.75

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2019
CONSOLIDATED FINANCIAL STATEMENTS

								Unit : Baht
	Issued and Paid-up Share Capital	Share Premium on Ordinary Shares	Retained Earnings		Other Components of Shareholders' Equity	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total
			Appropriated Legal Reserve	Unappropriated	Part of the Changes The Proportion of Subsidiary			
Notes								
Balance as at 1 January 2018	300,000,000.00	1,092,894,156.63	30,000,000.00	178,064,387.22	(9,964,623.85)	1,590,993,920.00	75,399,816.66	1,666,393,736.66
Comprehensive Income (Expenses) for the Year								
Profit for the Year	-	-	-	254,537,426.68	-	254,537,426.68	3,617,604.58	258,155,031.26
Other Comprehensive Income (Expense) for the Year	-	-	-	(1,095,968.98)	-	(1,095,968.98)	(1,293.05)	(1,097,262.03)
Total Comprehensive Income (Expenses) for the Year	-	-	-	253,441,457.70	-	253,441,457.70	3,616,311.53	257,057,769.23
Transactions with Owners								
Contributions by and Distributions to Owners								
Dividends	25	-	-	(195,000,000.00)	-	(195,000,000.00)	-	(195,000,000.00)
Total Contributions by and Distributions to Owners		-	-	(195,000,000.00)	-	(195,000,000.00)	-	(195,000,000.00)
Changes in Ownership Interest in Subsidiary without a Change in Control								
Decrease of Non-Controlling Interests								
without a Change in Control	12.2	-	-	-	(343,717,867.72)	(343,717,867.72)	(75,682,022.28)	(419,399,890.00)
Total Changes in Ownership Interest in Subsidiary without a Change in Control		-	-	-	(343,717,867.72)	(343,717,867.72)	(75,682,022.28)	(419,399,890.00)
Total Transactions with Owners		-	-	(195,000,000.00)	(343,717,867.72)	(538,717,867.72)	(75,682,022.28)	(614,399,890.00)
Balance as at 31 December 2018	300,000,000.00	1,092,894,156.63	30,000,000.00	236,505,844.92	(353,682,491.57)	1,305,717,509.98	3,334,105.91	1,309,051,615.89
Balance as at 1 January 2019	300,000,000.00	1,092,894,156.63	30,000,000.00	236,505,844.92	(353,682,491.57)	1,305,717,509.98	3,334,105.91	1,309,051,615.89
Comprehensive Income (Expenses) for the Year								
Profit for the Year	-	-	-	395,886,683.72	-	395,886,683.72	652,938.20	396,539,621.92
Other Comprehensive Income (Expense) for the Year	-	-	-	(5,788,330.16)	-	(5,788,330.16)	(1,296.50)	(5,789,626.66)
Total Comprehensive Income (Expenses) for the Year	-	-	-	390,098,353.56	-	390,098,353.56	651,641.70	390,749,995.26
Transactions with Owners								
Contributions by and Distributions to Owners								
Dividends	25	-	-	(300,000,000.00)	-	(300,000,000.00)	-	(300,000,000.00)
Total Contributions by and Distributions to Owners		-	-	(300,000,000.00)	-	(300,000,000.00)	-	(300,000,000.00)
Total Transactions with Owners		-	-	(300,000,000.00)	-	(300,000,000.00)	-	(300,000,000.00)
Balance as at 31 December 2019	300,000,000.00	1,092,894,156.63	30,000,000.00	326,604,198.48	(353,682,491.57)	1,395,815,863.54	3,985,747.61	1,399,801,611.15

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2019

SEPARATE FINANCIAL STATEMENTS

					Unit : Baht
	Notes	Issued and Paid-up Share Capital	Share Premium on Ordinary Shares	Retained Earnings	Total
				Appropriated Legal Reserve	Unappropriated
Balance as at 1 January 2018		300,000,000.00	1,092,894,156.63	30,000,000.00	182,066,279.66
Comprehensive Income (Expense) for the Year					
Profit for the Year		-	-	-	224,457,737.77
Other Comprehensive Income (Expense) for the Year		-	-	-	(1,020,750.26)
Total Comprehensive Income (Expense) for the Year		-	-	-	223,436,987.51
Transactions with Owners					
Contributions by and Distributions to Owners					
Dividends	25	-	-	-	(195,000,000.00)
Total Contributions by and Distributions to Owners		-	-	-	(195,000,000.00)
Total Transactions with Owners		-	-	-	(195,000,000.00)
Balance as at 31 December 2018		300,000,000.00	1,092,894,156.63	30,000,000.00	210,503,267.17
Balance as at 1 January 2019		300,000,000.00	1,092,894,156.63	30,000,000.00	210,503,267.17
Comprehensive Income (Expense) for the Year					
Profit for the Year		-	-	-	357,914,869.47
Other Comprehensive Income (Expense) for the Year		-	-	-	(5,712,910.82)
Total Comprehensive Income (Expense) for the Year		-	-	-	352,201,958.65
Transactions with Owners					
Contributions by and Distributions to Owners					
Dividends	25	-	-	-	(300,000,000.00)
Total Contributions by and Distributions to Owners		-	-	-	(300,000,000.00)
Total Transactions with Owners		-	-	-	(300,000,000.00)
Balance as at 31 December 2019		300,000,000.00	1,092,894,156.63	30,000,000.00	262,705,225.82

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

Unit : Baht

	CONSOLIDATED		SEPARATE		
	Notes	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Income Tax		495,843,727.31	314,597,560.84	447,328,884.04	271,664,793.35
Adjustment to Profit before Income Tax for Cash Received (Paid) from Operations					
Bad Debts and Doubtful Debts-Trade and Other Current Receivables		1,378,039.00	1,113,688.39	643,324.00	1,007,828.39
Loss from Obsolete Inventories		217,732.83	106,610.28	56,149.75	15,490.49
Depreciation		87,287,085.47	76,637,684.56	69,319,437.89	61,385,376.22
Amortization for Intangible Assets		2,278,426.26	2,194,945.97	1,429,715.70	1,346,070.63
(Gain) from Disposal of Non-Current Assets Held for Sale		(98,738,356.48)	-	(98,738,356.48)	-
(Gain) Loss from Disposal of Assets		(5,979,962.57)	(51,237.49)	(217,839.92)	(36,872.54)
Loss on Written-off of Fixed Assets		-	1,836,064.70	-	402,396.54
Loss on Written-off of Trade and Other Current Receivables		24,206,776.72	11,108,555.30	23,147,607.80	9,879,564.24
(Gain) on Written-off of Trade and Other Current Payables		-	(5,226,087.00)	-	(2,992,773.00)
Written-off Withholding Tax to Expense		-	55,590.85	-	-
(Gain) from Disposal of Trading Securities		(646,893.91)	(2,233,738.86)	(646,893.91)	(2,063,665.42)
Unrealized (Gain) Loss from Trading Securities		(367,074.28)	-	(367,074.28)	-
Employee Benefit Expense		16,299,115.59	4,951,679.63	16,044,693.66	4,533,770.33
Interest Income		(4,756,789.88)	(5,328,357.23)	(5,914,996.87)	(6,694,176.61)
Interest Expense		4,277,953.58	11,442,287.42	1,938,305.08	8,869,493.28
Front-end Fee		60,020.00	590,085.00	-	375,000.00
Profit from Operation Activities before Changes in Operating Assets and Liabilities		521,359,799.64	411,795,332.36	454,022,956.46	347,692,295.90
(Increase) Decrease in Operating Assets					
Cash Paid for Purchase of Trading Securities		(300,000,000.00)	(412,500,000.00)	(300,000,000.00)	(390,000,000.00)
Cash Received from Disposal of Trading Securities		200,646,893.91	718,999,545.11	200,646,893.91	682,501,627.30
Trade and Other Current Receivables		(65,428,553.43)	(59,603,691.73)	(68,168,823.62)	(62,238,611.33)
Inventories		(2,300,590.71)	(5,322,447.19)	(2,552,638.31)	(5,056,047.59)
Other Current Assets		(617,003.63)	(151,352.66)	(815,333.77)	54,488.85
Other Non-Current Receivables		3,902,062.24	1,959,078.67	3,796,331.00	1,736,942.00
Increase (Decrease) in Operating Liabilities					
Trade and Other Current Payables		26,901,979.84	5,142,706.62	41,185,813.25	6,040,045.54
Non-Current Provisions for Employee Benefit		(3,832,950.64)	(7,455,002.00)	(2,950,950.64)	(7,455,002.00)
Other Non-Current Liabilities		128,562.38	616,260.95	128,532.38	616,260.95
Cash Received (Paid) from Operation Activities		380,760,199.60	653,480,430.13	325,292,780.66	573,891,999.62
Cash Received from Interest Income		1,873,365.23	3,162,740.78	1,753,235.25	2,903,935.16
Cash Paid for Income Tax		(83,572,230.25)	(62,612,152.00)	(78,419,857.10)	(57,777,118.49)
Cash Received from Withhoding Tax		-	2,276,970.65	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		299,061,334.58	596,307,989.56	248,626,158.81	519,018,816.29

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

Unit : Baht

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	Notes	31 December 2019	31 December 2018	31 December 2019	31 December 2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash Received from Current Investments		(350,000,000.00)	(250,000,000.00)	600,000,000.00	(250,000,000.00)
Cash Paid for Current Investments		600,000,000.00	100,000,000.00	(350,000,000.00)	100,000,000.00
Cash Received from Short-term Loans to Subsidiary		-	-	-	130,000,000.00
Cash Paid for Short-term Loans to Subsidiary		-	-	(70,000,000.00)	(30,000,000.00)
Cash Received from Sale of Non-Current Assets Held for Sale		182,764,600.00	-	182,764,600.00	-
(Increase) Decrease in Deposit at Bank Used as Collateral		1,875,000.00	3,290,000.00	-	-
Cash Paid for Investments in Subsidiaries		-	-	(59,999,970.00)	(419,399,890.00)
Cash Paid for Other Long-term Investment		(10,000,000.00)	-	(10,000,000.00)	-
Cash Paid for Purchase of Property, Plant and Equipment		(239,221,074.69)	(134,613,184.11)	(161,547,265.05)	(81,133,585.24)
Cash Paid for Advance for Fixed Assets		(2,839,254.50)	-	-	-
Cash Received from Sale of Property, Plant and Equipment		6,185,972.57	174,708.04	415,411.22	158,785.04
Cash Paid for Purchase of Intangible Assets		(3,904,161.60)	(4,782,065.40)	(3,888,111.60)	(4,749,965.40)
Cash Received from Interest Income		4,989,726.02	1,224,315.07	6,176,172.57	2,995,611.31
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		189,850,807.80	(284,706,226.40)	133,920,837.14	(552,129,044.29)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash Received from Short-term Borrowings from Financial Institutions		60,000,000.00	20,000,000.00	60,000,000.00	-
Cash Paid for Short-term Borrowings from Financial Institutions		(80,000,000.00)	-	(60,000,000.00)	-
Cash Received from Long-term Borrowings		20,000,000.00	380,000,000.00	-	300,000,000.00
Cash Paid for Long-term Borrowings		(344,218,061.92)	(55,781,938.08)	(251,401,698.18)	(48,598,301.82)
Cash Paid for Other Accounts Payable of Fixed Assets		(6,348,746.42)	(9,141,090.79)	(4,951,345.55)	(6,576,679.79)
Cash Paid for Liabilities Under Financial Lease Agreements		(347,453.40)	(535,532.59)	-	(75,999.80)
Cash Paid for Front-end Fee		(60,020.00)	(590,085.00)	-	(375,000.00)
Cash Paid for Interest Expense		(5,179,721.67)	(10,540,519.33)	(2,773,255.14)	(8,034,543.22)
Cash Paid for Dividends		(299,541,478.61)	(194,563,869.29)	(299,541,478.61)	(194,563,869.29)
Cash Paid for Investments in Non-Controlling Interests		-	(419,399,890.00)	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		(655,695,482.02)	(290,552,925.08)	(558,667,777.48)	41,775,606.08
NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)		(166,783,339.64)	21,048,838.08	(176,120,781.53)	8,665,378.08
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		289,833,669.42	268,784,831.34	268,832,908.08	260,167,530.00
CASH AND CASH EQUIVALENTS AT ENDING OF THE YEAR	7	123,050,329.78	289,833,669.42	92,712,126.55	268,832,908.08

Notes to the financial statements are an integral part of this financial statements.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. General Information

The Company was registered as a corporate entity under the Civil and Commercial as a corporate entity with registration number Bor. Aor. Jor. Aor. Yor. 152 on 4 October 1990 and the Company was registered as a public company with registration number 0107538000509 on 13 October 1995. The office is located at No. 111 Moo 3 Rojana Road, Khlong Suan Phlu Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya, Thailand. The Company's major shareholder is Prasithirun family. The Group operates mainly in Healthcare services.

2. Basis of Preparation the Financial Statements

- 2.1 The financial statements have been prepared in accordance with Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 2.2 The financial statements were presented in compliance with the notification of Department of Business Development regarding of brief particulars must be contained in financial statements.
- 2.3 In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.

3. Basis of Preparation the Consolidation Financial Statements

- 3.1 In preparation of the consolidated financial statements, the Company will only take its subsidiaries which is under the main control of RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED into account, after having eliminated the remaining balances and transactions among themselves. The Company holds shares in subsidiaries with the percentage of shareholdings in subsidiaries as follows:

Company's Name	Percentage of Shareholdings		Country of Incorporation	Type of Business
	As at	As at		
	31 December 2019	31 December 2018		
Rajthanee Rojana Hospital Co., Ltd.	98.31	98.31	Thailand	Healthcare Services
Rajthanee Nongkhae Hospital Co., Ltd.	99.99	-	Thailand	Healthcare Services

3.2 The accounting period of the above subsidiaries is the same as the RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

3.3 In preparation of the consolidated financial statements, the Company has eliminated the amounts of assets, liabilities, and inter-transactions.

3.4 Accounting policies for the subsidiaries will utilize the same policies as the Company.

4. Applied New and Revised Financial Reporting Standards

The Group has adopted the new and revised financial reporting standards which are effective for accounting periods beginning on or after 1 January 2019. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements the current year.

5. New Financial Reporting Standards Not Yet Effective

The Federation of Accounting Professions issued new financial reporting standards, accounting standards and financial reporting standard interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Group of Financial Instruments Standards

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

These group of standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), the calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These standards will supersede the standards and interpretations relating to the financial instruments upon its effective date.

TFRS 16 Leases

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.

The Group's management is currently evaluating the impact of these financial reporting standards on the financial statements.

6. Summary of Significant Accounting Policies

6.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

6.2 Financial Instruments

Financial assets were shown in the statements of financial position include cash and cash equivalents, current investments, trade and other current receivables and loans to, Financial liabilities were shown in the statements of financial position include trade and other current payables, borrowings and liabilities under finance lease agreements which the accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

6.3 Cash and Cash Equivalents

Cash and cash equivalents includes bank deposits in type of current accounts, saving accounts and 3 months fixed accounts without guarantee obligation but excludes bank overdrafts which shown as current liabilities.

6.4 Current Investments

Current investments include fixed deposits with an original maturity over 3 months after the acquisition date and investments in marketable fixed income funds.

Current investments in debt instrument is marketable securities held for trading. It is classified as current asset and shown at fair value. Gain or loss from the security valuation is record under profit or loss.

Different between net cash received and book value will be record to profit or loss when the investments were sold.

6.5 Trade and Other Current Receivables and Allowance for Doubtful Accounts

Trade and other current receivables are stated at the net realizable values.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and analyzing the aging of receivables.

6.6 Inventories

Inventories are stated at cost price under first-in first-out method or net realizable value which ever the lower is.

Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

6.7 Non-current Assets Classified as Held for Sale

Non-current assets classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Assets as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

6.8 Investments

Investments in subsidiaries as shown in the separate financial statements is recorded under the cost method net of allowance for impairment (if any).

Other long-term investments are investments in non-marketable equity instruments, which the Company considered as general investment, recorded under the cost method net of allowance for impairment (if any).

6.9 Property, Plant and Equipment

Land is recorded at cost price it is incurred deduction of accumulated impairment losses (if any).

Plant and equipment are recorded at cost price it is incurred after deduction of accumulated depreciation and accumulated impairment losses (if any) and calculated depreciation on a straight-line method over their approximate useful lives as follows:

- Land Improvement	20 Years
- Buildings and Constructions	5 - 30 Years
- Appliance and Other Fixed Assets	3 - 10 Years

Work in process is recorded at cost price not depreciated until assets as above complete already and condition necessary for its intended use.

Repair and maintenance is recognized as expense in profit or loss that it is incurred. Cost of significant improvement should be recognized as a part of carrying amount of assets when it is probable that the Group will obtain the future economic benefits from that transaction and able to measure the

cost of that transaction reliably. Cost of improvement should be depreciated by the basis of estimated useful lives.

The Group eliminated land, plant and equipment on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss on disposal (the difference between the net proceeds received in exchange for the asset disposed and the carrying amount at the time of disposal) is recognized under gain or loss when the Group eliminated the said assets.

6.10 Goodwill

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses (if any).

6.11 Intangible Assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 years.

6.12 Borrowing Costs

Borrowing costs directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.13 Impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of assets or its cash-generating units to which the assets are included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit or its value in use.

- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment Loss

- The loss on impairment of assets recognized in the prior period will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized. The carrying amount of the asset not exceed just to be the carrying amount that would have been (net of depreciation or amortization) , if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

6.14 Trade and Other Current Payables

Trade and other current payables are stated at cost.

6.15 Employees Benefit

Short-term Benefits

The Group recognizes salary, wage, bonus, and social security fund as expense in profit or loss when the transaction occurs.

Long-term Employee Benefits

- Defined Contribution Plans

The Group and employees of the Group have jointly established a provident fund so as to pay to employees on termination in accordance with the fund's rules, which include the monthly contributions from employees and the Group. The fund's asset of the provident fund is separated from the Group's assets and has been managed by a fund manager. The Group recognizes the contribution as expense in profit or loss for the accounting period which the transaction incurred.

- Defined Benefit Plans

The Group has made provision for post-employment benefits so as to pay as severance pay to employees under the labor laws applicable in Thailand and provision for other long-term benefits so as to pay to employees who served defined period by actuarial technique using the projected unit credit method and presents as non-current liabilities. Hereby, the costs associated

with employee benefits will be recognized in profit or loss so as to spread the cost over the employment period.

Gain or loss on remeasurement for post-employment benefits will be recognized in other comprehensive income (expense) and gain or loss on remeasurement for other long-term benefits will be recognized in profit or loss.

6.16 Provision of Liabilities

The Group recognized provision of liabilities when it is probable that there is a present legal or constructive obligation as a result of past events and an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

6.17 Long-term Leases

The Company is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease year so as to achieve a constant yearic rate of interest on the remaining balance of the liability for each year. The assets acquired under finance leases while depreciation is carried throughout the useful lives of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful lives of leased assets or life of leased contract whichever the year is lower.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the year of the lease.

When an operating lease is terminated before the lease year has expired, any payment required to be made to the lessor by way of penalty is recognized as expense in the year in which termination takes place.

6.18 Recognition of Revenues

- Revenue from general hospital services: mainly consisted of the revenue from hospital services, revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, etc., and recognized as revenues when the service is rendered.

- Revenues from medical services received from the Social Security Office and National Health Security Office are recognized as revenues according to the criteria, procedures and conditions stipulated by the said organizations.
- Interest Income is recognized on a period basis based on effective rate.
- Rental Income is recognized on a straight line basis and agreement rate.
- Other incomes are recognized on an accrual basis.

6.19 Recognition of Expenses

- Expenses are recognized on an accrual basis.

6.20 Income Taxes

Income Taxes

Income taxes expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current Tax

The Group recognized current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation, using the tax rates enacted at the end of reporting period.

Deferred Tax

The Group recognized deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of reporting period.

Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which such deduction temporary difference can be utilized. At the end of each reporting period, deferred tax assets are reduced to the extent that the related tax benefit will be realized.

6.21 Earnings per share

Earnings per share are calculated by dividing profit or loss for the year by the weighted average number of issued and paid up common shares. The Group uncalculate diluted earnings per share since there is no equivalents to ordinary shares.

6.22 Appropriation of Retained Earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E.2535. and to the Public Company (No. 2) Act B.E. 2544. The Company will appropriate retained earnings when it is approved at the Shareholders Meeting.

6.23 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 in put are quoted prices in active market for identical assets or liabilities that the Group can access at the measurement date.

Level 2 in put are other observable inputs either directly or indirectly, for the assets or liabilities other than quoted price included within Level 1 inputs.

Level 3 in put are unobservable inputs for the assets and liabilities.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6.24 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with the financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in the financial statements and notes to the financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

Lease

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for Doubtful Accounts of Receivables

Allowance for doubtful accounts of receivable incurred from the adjustment to the receivable value from the potential credit risk. The management's consideration is applied in estimating the loss that may incurred from individual debtors by analyzing the aging of receivables, historical experience from the collection and the fluctuation of the current economic condition. However, the application of different estimates and assumption may affect the amount of allowance for doubtful accounts future adjustment to the allowance for doubtful accounts may occur.

Impairment of Investments

The management is required to review the impairment of investments. The impairment loss is recorded when it is determined that their recoverable amount is lower than the value of investments and the use of discretion is for considering that such value of investments significantly reduces and is permanent or not.

Accrued Medical Service Revenues

Accrued medical service revenues represents medical revenues that has not been collected from the Social Security Office. The Group are not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with criteria, procedures and conditions specified by such organization, and consider the amount of the latest actual collection together with the current circumstances.

Reduction of Inventories to become Net Realizable Value

In estimating the reduction of inventories to become net realizable value, the management makes a judgment in estimating the net realizable value of inventories by their aging.

Property, Plant and Equipment and Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the Company's building and equipment and to review estimate 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 impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible Assets and Amortized

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Deferred Tax Assets

The management of the Group has to use judgment in the consideration to recognize deferred tax assets by estimating the future taxable profit in each period and assess the probable that the Group will have sufficient future taxable profit which can be utilised.

Post-Employment Benefits under Defined Benefit Plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, turnover rate and other demographic factors etc. However, actual post-employment benefits that may be different from those estimated.

Fair value

In determining the fair value of financial instruments which are recognised in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

7. Cash and Cash Equivalents

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cash	1,429,249.00	1,131,472.00	1,354,660.00	1,044,907.00
Current Deposit Accounts	(55,071.00)	(2,261.23)	2,983.39	3,183.77
Savings Deposit Accounts	121,676,151.78	238,704,458.65	91,354,483.16	217,784,817.31
Deposit Card	-	50,000,000.00	-	50,000,000.00
Total	<u>123,050,329.78</u>	<u>289,833,669.42</u>	<u>92,712,126.55</u>	<u>268,832,908.08</u>

8. Current Investments

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Fixed Deposit Accounts >3-months Term	-	250,000,000.00	-	250,000,000.00
Trading Securities – Fixed Income Funds				
Cost value	100,000,000.00	-	100,000,000.00	-
<u>Add (Deduct) Unrealized Profit (Loss)</u>	<u>367,074.28</u>	<u>-</u>	<u>367,074.28</u>	<u>-</u>
Fair value in Fixed Income Funds	100,367,074.28	-	100,367,074.28	-
Total	<u>100,367,074.28</u>	<u>250,000,000.00</u>	<u>100,367,074.28</u>	<u>250,000,000.00</u>

For the year ended 31 December 2019 and 2018, investment in trading securities have the movement as follows:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Beginning Carrying Amount	-	304,265,806.25	-	290,437,961.88
Purchase of Trading Securities	300,000,000.00	412,500,000.00	300,000,000.00	390,000,000.00
Disposal of Trading Securities	(200,646,893.91)	(718,999,545.11)	(200,646,893.91)	(682,501,627.30)
Gain from sale of Trading Securities	646,893.91	2,233,738.86	646,893.91	2,063,665.42
Change of Fair Value of Trading Securities	367,074.28	-	367,074.28	-
Ending Carrying Amount	<u>100,367,074.28</u>	<u>-</u>	<u>100,367,074.28</u>	<u>-</u>

The fair value measurement of trading securities which are investments in opened-end mutual fund using the net asset value that announced by the fund as at the date of statement of financial position.

9. Trade and Other Current Receivables

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Accrued Medical Service Revenues				
Social Security Office	165,091,199.65	180,674,661.01	149,381,990.33	168,030,308.26
Accrued Revenue	4,049,033.50	2,230,549.33	7,377,522.50	2,314,355.33
Unbilled Trade Receivables	169,140,233.15	182,905,210.34	156,759,512.83	170,344,663.59
Trade Receivables	130,738,662.97	88,523,808.52	132,528,558.55	86,257,492.02
<u>Less</u> Allowance for Doubtful Accounts	(1,245,119.00)	(1,117,162.39)	(647,344.00)	(1,011,828.39)
Trade Receivables - Net	129,493,543.97	87,406,646.13	131,881,214.55	85,245,663.63
Other Receivables	13,877,128.94	4,461,613.25	13,569,671.67	4,256,590.96
Total	312,510,906.06	274,773,469.72	302,210,399.05	259,846,918.18

Trade receivables were classified by aging as follows:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade Receivables within due period	54,534,572.17	43,356,699.27	52,634,256.99	42,358,303.92
Trade Receivables classified by overdue period as follows				
- Less than 3 months	46,108,175.19	35,238,066.80	51,056,714.00	35,054,370.15
- Over 3 months to 6 months	20,138,007.86	5,797,795.31	24,223,114.86	5,446,004.31
- Over 6 months to 9 months	6,323,510.20	1,965,125.50	2,713,942.20	1,570,271.50
- Over 9 months to 12 months	1,398,936.50	240,996.00	573,768.00	176,688.00
- Over 12 months to 24 months	1,564,562.30	1,045,356.64	715,017.25	859,639.14
- Over 24 months	670,898.75	879,769.00	611,745.25	792,215.00
Total	130,738,662.97	88,523,808.52	132,528,558.55	86,257,492.02
<u>Less</u> Allowance for Doubtful Accounts	(1,245,119.00)	(1,117,162.39)	(647,344.00)	(1,011,828.39)
Net	129,493,543.97	87,406,646.13	131,881,214.55	85,245,663.63

For the year ended 31 December 2019 and 2018, allowance for doubtful accounts have the movement as follows:

(Unit : Baht)

Consolidated Financial Statements Separate Financial Statements

	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Allowance for Doubtful Accounts - Beginning	(1,117,162.39)	(3,493,177.50)	(1,011,828.39)	(3,297,369.50)
Increase During the Year	(1,286,732.00)	(1,161,144.39)	(660,532.00)	(1,031,583.39)
Decrease During the Year from Received	40,173.00	47,456.00	17,208.00	23,755.00
Decrease During the Year from Write - off	1,118,602.39	3,489,703.50	1,007,808.39	3,293,369.50
Allowance for Doubtful Accounts - Ending	<u>(1,245,119.00)</u>	<u>(1,117,162.39)</u>	<u>(647,344.00)</u>	<u>(1,011,828.39)</u>

Other Receivables and Other Non-Current Receivables consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Other Receivables				
Prepaid Expense	1,162,279.67	1,074,884.99	911,403.49	979,217.36
Others	12,714,849.27	3,386,728.26	12,658,268.18	3,277,373.60
Total	<u>13,877,128.94</u>	<u>4,461,613.25</u>	<u>13,569,671.67</u>	<u>4,256,590.96</u>
Other Non-Current Receivables				
Loan for Education	2,889,941.67	6,792,003.91	1,776,060.00	5,572,391.00
Total	<u>2,889,941.67</u>	<u>6,792,003.91</u>	<u>1,776,060.00</u>	<u>5,572,391.00</u>

10. Inventories

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Medicines and Medical Supplies	26,323,574.93	25,400,522.57	21,348,121.59	19,844,621.17
Medical Supplies – Radiodiagnosis	46,919.40	51,071.39	24,934.76	26,351.79
Medical Supplies – Laboratory	4,966,356.39	3,671,372.77	4,491,061.43	3,440,506.51
Total	<u>31,336,850.72</u>	<u>29,122,966.73</u>	<u>25,864,117.78</u>	<u>23,311,479.47</u>

Less Allowance for Declining in

Value of Inventories	(251,689.99)	(120,663.88)	(71,640.24)	(15,490.49)
Net	31,085,160.73	29,002,302.85	25,792,477.54	23,295,988.98

For the year ended 31 December 2019 and 2018, allowance for decline in value of inventories have the movement as follows:

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Beginning Carrying Amount	(120,663.88)	(160,762.28)	(15,490.49)	-
Increased during the Year	(247,563.61)	(163,265.35)	(56,149.75)	(15,490.49)
Reversed during the Year	29,830.78	56,655.07	-	-
Loss on Written-off to expense	86,706.72	146,708.68	-	-
Ending Carrying Amount	(251,689.99)	(120,663.88)	(71,640.24)	(15,490.49)

11. Non-current Assets Held for Sale

Consist of:

	(Unit : Baht)	
	Consolidated and Separate Financial Statements	
	As at	As at
	31 December 2019	31 December 2018
Land Held for Sale	-	84,026,243.52

According to the resolution of the Company's board of directors' meeting No. 8/2018 On 24 December 2018 for the Company approval to sell the land, previously expected to use in the operation, with the area of approximately 18 Rai in cost value of Baht 84.03 million at Baht 189.00 million. On 30 January 2019, the Company has already registered the land title-deed ownership transfer and received the entire amount of payment for the land. Therefore, the Company recognized the entire amount of Baht 98.74 million in gain from disposal of land net of the selling expenses in the statement of income.

12. Investments in Subsidiaries

Consist of:

				(Unit : Baht)	
				Separate Financial Statements	
				Cost Method	
Name of Company	Business	Paid-up Share Capital	% Share- Holding	As at	As at
				31 December 2019	31 December 2018
Rajthanee Rojana Hospital Company Limited	Healthcare Services	270,000,000.00	98.31	609,432,690.00	609,432,690.00
Rajthanee Nongkhae Hospital Company Limited	Healthcare Services	60,000,000.00	99.99	59,999,970.00	-
Total				669,432,660.00	609,432,690.00

- 12.1 In accordance with the Board of Directors' meeting number 6/2019, on 13 August 2019 has passed the resolution to approve the establishment of a new company, namely, Rajthanee Nongkhae Hospital Company Limited to be located in Nong Kae District, Saraburi Province. Its main activity is hospital operation. The Company invested Baht 59.99 million to purchase 59,999,970 shares of the said company at the par value of Baht 10. The Company holds 99.99% of the shares; therefore, the said company is classified as a subsidiary. The objective of the share purchase is to expand the hospital service operation. On 9 September 2019, the establishment of the said company has been registered with the Department of Business Development.
- 12.2 In accordance with the Board of Directors' meeting number 3/2018, on 11 May 2018, it reported the purchase of Rajthanee Rojana Hospital Co., Ltd.'s ordinary shares from the existing shareholders. This purchase has been approved under the resolution of the Company's board of directors' meeting No. 1/2018 held on 26 February 2018. The Company set the time period for the purchase of the ordinary shares from 27 to 29 March 2018 at Baht 35 per share and the purchases were paid on 2 April 2018. The shareholders sold 11,982,854 shares to the Company, aggregating to Baht 419.40 million, therefore the Company's shareholding ratio in the said company has increased from 53.93%

to 98.31 %. The Company registered the change of shareholding with the Department of Business Development on 9 May 2018.

The details on the subsidiary's book value on the purchase date for additional investment are as follow: -

	Baht
Net assets' book value on the purchase date for additional investment in subsidiary	170,531,821.28
<u>Less</u> Net assets' book value on the purchase date for additional investment in subsidiary – for the Company's shareholding ratio of 53.93%	<u>(91,967,811.22)</u>
Non-controlling interests	<u>78,564,010.06</u>
Cash paid for purchase of additional investment in subsidiary	419,399,890.00
<u>Less</u> Net assets' book value on the purchase date for additional investment in subsidiary – for the shareholding ratio of 44.38%	<u>(75,682,022.28)</u>
Part of the changes the proportion of subsidiary	<u><u>343,717,867.72</u></u>

13. Non-controlling Interests

The information relating to each of the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

(Unit : Baht)

	As at 31 December 2019		
	Rajthanee Rojana Hospital Company Limited	Eliminations	Total
Non-Controlling Interest Percentage	1.69		
Current Assets	121,363,504.39		
Non-Current Assets	290,806,061.03		
Current Liabilities	(163,643,337.01)		
Non-Current Liabilities	(1,362,737.82)		
Net Assets	247,163,490.59		
Carrying Amount of Non-Controlling Interests	4,177,062.99	(191,315.38)	3,985,747.61
Revenues	327,937,033.05		
Profit	39,904,840.30		
Other Comprehensive Income (Expense)	(51,420.84)		
Total Comprehensive Income (Expense)	39,853,419.46		
Profit Allocated to Non-Controlling Interests	674,391.80	(21,453.60)	652,938.20
Other Comprehensive Income (Expense)			
Allocated to Non-Controlling Interests	(869.01)	(427.49)	(1,296.50)
Total Comprehensive Income (Expense)			
Allocated to Non-Controlling Interests	673,522.79	(21,881.09)	651,641.70
Cash Flow in Operating Activities	55,358,113.38		
Cash Flow in Investing Activities	(21,687,059.64)		
Cash Flow in Financing Activities	(28,214,151.09)		
Net Cash and Cash Equivalents Increase (Decrease)	5,456,902.65		

(Unit : Baht)

	As at 31 December 2018		
	Rajthanee Rojana Hospital Company Limited	Eliminations	Total
Non-Controlling Interest Percentage	1.69		
Current Assets	90,527,832.74		
Non-Current Assets	290,597,476.63		
Current Liabilities	(108,245,218.25)		
Non-Current Liabilities	(65,570,019.99)		
Net Assets	207,310,071.13		
Carrying Amount of Non-Controlling Interests	3,503,540.20	(169,434.29)	3,334,105.91
Revenues	282,962,136.62		
Profit	36,030,392.62		
Other Comprehensive Income (Expense)	(76,511.77)		
Total Comprehensive Income (Expense)	35,953,880.85		
Profit Allocated to Non-Controlling Interests	4,317,156.70	(699,552.12)	3,617,604.58
Other Comprehensive Income (Expense)			
Allocated to Non-Controlling Interests	(1,293.05)	-	(1,293.05)
Total Comprehensive Income (Expense)			
Allocated to Non-Controlling Interests	4,315,863.65	(699,552.12)	3,616,311.53
Cash Flow in Operating Activities	77,091,912.63		
Cash Flow in Investing Activities	(50,205,775.87)		
Cash Flow in Financing Activities	(14,502,676.76)		
Net Cash and Cash Equivalents Increase (Decrease)	12,383,460.00		

14. Other Long-term Investments

Consist of:

						(Unit : Baht)
						Consolidated and Separate
						Financial Statements
						Cost Method
Company's Name	Type of Business	Paid-up	% Share-	As at	As at	
		Share Capital	Holding	31 December 2019	31 December 2018	
Wellness City Company Limited	Property Development for Sale	120,000,000.00	3.75	4,500,000.00	4,500,000.00	
Nan-Ram Hospital Company Limited	Healthcare Services	150,000,000.00	6.67	10,000,000.00	-	
Total				14,500,000.00	-	
<u>Less</u> Accumulated Loss from Impairment				(4,500,000.00)	(4,500,000.00)	
Net				10,000,000.00	-	

In accordance with the Board of Directors' meeting number 6/2019, on 13 August 2019 has passed the resolution to approve the joint investment for a new company, namely, Nan-Ram Hospital Co., Ltd. to be located in Muang Nan District, Nan Province. Its main activity is hospital operation. The Company invested Baht 10 million to purchase 1,000,000 shares of the said company at the par value of Baht 10. The Company holds 6.67% of the shares, thus it is classified as other long-term investment. On 20 September 2019, the establishment of the said company has been registered with the Department of Business Development.

15. Property, Plant and Equipment

Consist of:

(Unit : Baht)

	Consolidated Financial Statements								
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery Appliance and Vehicle	Other Fixed Assets	Construction in Process	Total
Cost									
As at 1 January 2018	235,211,921.40	3,081,560.75	743,805,560.62	276,451,947.06	52,990,638.61	40,989,717.69	28,105,726.86	69,700,199.40	1,450,337,272.39
Purchase	37,330,000.00	-	5,113,320.48	31,419,140.64	11,223,003.12	3,585,330.55	3,233,540.77	48,957,570.97	140,861,906.53
Transfer in/(Transfer out)	-	651,844.00	36,493,320.98	1,638,686.39	23,000.00	3,900,000.00	26,500.00	(42,733,351.37)	-
(Transfer out) to Non-current									
Assets Held for Sale	(84,026,243.52)	-	-	-	-	-	-	-	(84,026,243.52)
Disposal	-	-	-	(2,475,490.00)	(988,287.95)	(84,707.50)	(725,391.50)	-	(4,273,876.95)
Written-off	-	-	(532,564.00)	(1,433,668.16)	(53,983.20)	-	(41,216.40)	-	(2,061,431.76)
As at 31 December 2018	188,515,677.88	3,733,404.75	784,879,638.08	305,600,615.93	63,194,370.58	48,390,340.74	30,599,159.73	75,924,419.00	1,500,837,626.69
Accumulated Depreciation									
As at 1 January 2018	-	(1,026,016.29)	(332,157,214.71)	(190,801,736.05)	(40,034,370.85)	(35,686,438.94)	(21,025,612.75)	-	(620,731,389.59)
Depreciation for the Year	-	(200,401.38)	(35,190,449.81)	(29,099,214.18)	(6,955,564.19)	(2,401,729.23)	(2,790,325.77)	-	(76,637,684.56)
Depreciation for									
Disposal /Written-off	-	-	130,173.46	2,473,143.96	981,305.09	68,771.28	722,379.67	-	4,375,773.46
As at 31 December 2018	-	(1,226,417.67)	(367,217,491.06)	(217,427,806.27)	(46,008,629.95)	(38,019,396.89)	(23,093,558.85)	-	(692,993,300.69)
Carrying Amount									
As at 31 December 2017	235,211,921.40	2,055,544.46	411,648,345.91	85,650,211.01	12,956,267.76	5,303,278.75	7,080,114.11	69,700,199.40	829,605,882.80
As at 31 December 2018	188,515,677.88	2,506,987.08	417,662,147.02	88,172,809.66	17,185,740.63	10,370,943.85	7,505,600.88	75,924,419.00	807,844,326.00
Depreciation for the Year									
2018 (Amount of Baht 69.47 Million, Included in Cost of Hospital Operations ,The Rest Included in Administrative Expenses)									76,637,684.56

(Unit : Baht)

Consolidated Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery Appliance and Vehicle	Other Fixed Assets	Construction in Process	Total
Cost									
As at 1 January 2019	188,515,677.88	3,733,404.75	784,879,638.08	305,600,615.93	63,194,370.58	48,390,340.74	30,599,159.73	75,924,419.00	1,500,837,626.69
Purchase	115,733,600.00	-	8,839,120.57	43,603,969.70	9,554,295.62	939,267.37	5,207,815.68	62,612,838.22	246,490,907.16
Transfer in/(Transfer out)	-	-	107,856,008.25	2,567,792.85	-	1,906,453.24	11,000.00	(112,341,254.34)	-
Disposal	-	-	(5,275.10)	(1,005,791.00)	(1,863,600.46)	(81,604.00)	(4,252,037.10)	-	(7,208,307.66)
As at 31 December 2019	304,249,277.88	3,733,404.75	901,569,491.80	350,766,587.48	70,885,065.74	51,154,457.35	31,565,938.31	26,196,002.88	1,740,120,226.19
Accumulated Depreciation									
As at 1 January 2019	-	(1,226,417.67)	(367,217,491.06)	(217,427,806.27)	(46,008,629.95)	(38,019,396.89)	(23,093,558.85)	-	(692,993,300.69)
Depreciation for the Year	-	(207,969.93)	(38,152,695.24)	(34,870,247.26)	(8,242,224.51)	(2,795,575.74)	(3,018,372.79)	-	(87,287,085.47)
Depreciation for									
Disposal /Written-off	-	-	2,404.76	983,850.22	1,766,758.06	76,673.90	4,172,610.72	-	7,002,297.66
As at 31 December 2019	-	(1,434,387.60)	(405,367,781.54)	(251,314,203.31)	(52,484,096.40)	(40,738,298.73)	(21,939,320.92)	-	(773,278,088.50)
Carrying Amount									
As at 31 December 2018	188,515,677.88	2,506,987.08	417,662,147.02	88,172,809.66	17,185,740.63	10,370,943.85	7,505,600.88	75,924,419.00	807,844,326.00
As at 31 December 2019	304,249,277.88	2,299,017.15	496,201,710.26	99,452,384.17	18,400,969.34	10,416,158.62	9,626,617.39	26,196,002.88	966,842,137.69
Depreciation for the Year									
2019 (Amount of Baht 76.85 Million, Included in Cost of Hospital Operations ,The Rest Included in Administrative Expenses)									87,287,085.47

(Unit : Baht)

Separate Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery Appliance and Vehicle	Other Fixed Assets	Construction in Process	Total
Cost									
As at 1 January 2018	200,711,921.40	2,939,560.75	516,891,142.49	228,420,539.69	41,169,240.14	31,715,649.70	25,265,585.87	68,937,824.40	1,116,051,464.44
Purchase	-	-	565,130.20	26,495,558.53	9,030,917.55	3,558,259.55	2,402,914.27	44,032,150.69	86,084,930.79
Transfer in/(Transfer out)	-	651,844.00	32,175,052.94	1,638,686.39	23,000.00	3,900,000.00	26,500.00	(38,415,083.33)	-
(Transfer out) to Non-current Assets Held for Sale	(84,026,243.52)	-	-	-	-	-	-	-	(84,026,243.52)
Disposal	-	-	-	(2,475,490.00)	(988,287.95)	(84,707.50)	(298,049.50)	-	(3,846,534.95)
Written-off	-	-	(532,564.00)	-	(53,983.20)	-	(41,216.40)	-	(627,763.60)
As at 31 December 2018	116,685,677.88	3,591,404.75	549,098,761.63	254,079,294.61	49,180,886.54	39,089,201.75	27,355,734.24	74,554,891.76	1,113,635,853.16
Accumulated Depreciation									
As at 1 January 2018	-	(991,719.26)	(266,284,147.66)	(156,691,923.38)	(32,396,838.29)	(28,826,366.85)	(18,674,955.81)	-	(503,865,951.25)
Depreciation for the Year	-	(172,001.58)	(25,771,870.40)	(25,988,188.40)	(5,048,475.87)	(1,933,552.33)	(2,471,287.64)	-	(61,385,376.22)
Depreciation for Disposal /Written-off	-	-	130,173.46	2,473,143.96	981,305.09	68,771.28	296,595.72	-	3,949,989.51
As at 31 December 2018	-	(1,163,720.84)	(291,925,844.60)	(180,206,967.82)	(36,464,009.07)	(30,691,147.90)	(20,849,647.73)	-	(561,301,337.96)
Carrying Amount									
As at 31 December 2017	200,711,921.40	1,947,841.49	250,606,994.83	71,728,616.31	8,772,401.85	2,889,282.85	6,590,630.06	68,937,824.40	612,185,513.19
As at 31 December 2018	116,685,677.88	2,427,683.91	257,172,917.03	73,872,326.79	12,716,877.47	8,398,053.85	6,506,086.51	74,554,891.76	552,334,515.20
Depreciation for the Year									
2018 (Amount of Baht 57.22 Million, Included in Cost of Hospital Operations ,The Rest Included in Administrative Expenses)									61,385,376.22

(Unit : Baht)

Separate Financial Statements									
	Land	Land Improvement	Building and Constructions	Medical Appliance	Office Appliance	Machinery Appliance and Vehicle	Other Fixed Assets	Construction in Process	Total
Cost									
As at 1 January 2019	116,685,677.88	3,591,404.75	549,098,761.63	254,079,294.61	49,180,886.54	39,089,201.75	27,355,734.24	74,554,891.76	1,113,635,853.16
Purchase	47,223,940.00	-	4,609,171.36	40,546,073.71	8,412,806.18	712,213.37	4,328,621.68	62,612,838.22	168,445,664.52
Transfer in/(Transfer out)	-	-	107,856,008.25	2,567,792.85	-	1,299,301.00	11,000.00	(111,734,102.10)	-
Disposal	-	-	(5,275.10)	(1,005,791.00)	(1,702,492.46)	(81,604.00)	(4,252,037.10)	-	(7,047,199.66)
Written-off	-	-	-	-	-	-	-	-	-
As at 31 December 2019	163,909,617.88	3,591,404.75	661,558,666.14	296,187,370.17	55,891,200.26	41,019,112.12	27,443,318.82	25,433,627.88	1,275,034,318.02
Accumulated Depreciation									
As at 1 January 2019	-	(1,163,720.84)	(291,925,844.60)	(180,206,967.82)	(36,464,009.07)	(30,691,147.90)	(20,849,647.73)	-	(561,301,337.96)
Depreciation for the Year	-	(179,570.13)	(27,205,968.23)	(30,819,995.87)	(6,317,601.41)	(2,249,808.90)	(2,546,493.35)	-	(69,319,437.89)
Depreciation for									
Disposal /Written-off	-	-	2,404.76	983,850.22	1,614,088.76	76,673.90	4,172,610.72	-	6,849,628.36
As at 31 December 2019	-	(1,343,290.97)	(319,129,408.07)	(210,043,113.47)	(41,167,521.72)	(32,864,282.90)	(19,223,530.36)	-	(623,771,147.49)
Carrying Amount									
As at 31 December 2018	116,685,677.88	2,427,683.91	257,172,917.03	73,872,326.79	12,716,877.47	8,398,053.85	6,506,086.51	74,554,891.76	552,334,515.20
As at 31 December 2019	163,909,617.88	2,248,113.78	342,429,258.07	86,144,256.70	14,723,678.54	8,154,829.22	8,219,788.46	25,433,627.88	651,263,170.53
Depreciation for the Year									
2019 (Amount of Baht 62.34 Million, Included in Cost of Hospital Operations ,The Rest Included in Administrative Expenses)									69,319,437.89

As at 31 December 2019 and 2018, The Group had land, building and constructions at the carrying amount in the consolidated financial statements in amount of Baht 706.72 million and Baht 437.12 million respectively, and in the separate financial statements in amount of Baht 461.36 million and Baht 257.17 million respectively, to mortgaged as collateral against the liabilities in accordance with loan agreements with financial institutions as in note no. 19

As at 31 December 2019 and 2018, the Group have vehicles under finance lease agreements in the consolidated financial statements in carrying amount of Baht 0.88 million and Baht 1.37 million, respectively.

As at 31 December 2019 and 2018, the Group has assets which are fully depreciated but still in use in the consolidated financial statements at the cost value in amount of Baht 357.10 million and Baht 288.52 million respectively, the carrying amount in amount of Baht 4,991.00 and Baht 4,493.92 respectively, and in the separate financial statements at the cost value in amount of Baht 296.88 million and Baht 230.36 million respectively, the carrying amount in amount of Baht 4,249.00 and Baht 3,856.92 respectively.

16. Goodwill

Consist of:

	(Unit : Baht)	
	Consolidated Financial Statements	
	For the year ended	
	31 December 2019	31 December 2018
As at 1 January		
Cost	87,802,508.74	87,802,508.74
<u>Less</u> Allowance for Impairment	-	-
Carrying Amount	87,802,508.74	87,802,508.74
Transactions During the Year Ended 31 December	-	-
Ending Carrying Amount	87,802,508.74	87,802,508.74
As at 31 December		
Cost	87,802,508.74	87,802,508.74
<u>Less</u> Allowance for Impairment	-	-
Carrying Amount	87,802,508.74	87,802,508.74

Impairment testing of goodwill

The Company has tested for impairment of goodwill that arises from the acquisition of the Rajthanee Rojana Hospital Company Limited by comparing the carrying amount of the asset unit which includes the goodwill and the recoverable amount of cash generating asset unit. This depends on the useful lives which is calculated from the future cash flows to be generated from the continual use of the cash generating asset unit. The cash flows were projected over a period of 5 years before the terminal value growth rate.

The key assumptions used in estimating the value in use are as follows:

Key assumption	Rate	Approach used to determine the value
- Discount Rate	6.21%	The discount rate was based on weighted average cost of capital the Company
- Terminal Value Growth Rate	3.00%	Terminal value growth rate was determined based on conservative principle by referencing to the inflation rate
- Revenue growth Rate	5.00%	Budgeted was based on past experience by referencing from expected earnings growth. Revenue growth based on the conservative principle.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount will not impairment of goodwill.

17. Intangible Assets

Consist of:

	(Unit : Baht)		
	Consolidated Financial Statements		
	Computer Programs	Computer Programs to Installation	Total
Cost			
As at 1 January 2018	12,301,076.10	762,375.00	13,063,451.10
Purchase	4,782,065.40	-	4,782,065.40
As at 31 December 2018	17,083,141.50	762,375.00	17,845,516.50
Accumulated Amortization			
As at 1 January 2018	(9,120,810.03)	-	(9,120,810.03)
Amortization for the Year	(2,194,945.97)	-	(2,194,945.97)
As at 31 December 2018	(11,315,756.00)	-	(11,315,756.00)
Carrying Amount			
As at 31 December 2017	3,180,266.07	762,375.00	3,942,641.07
As at 31 December 2018	5,767,385.50	762,375.00	6,529,760.50

(Unit : Baht)

Consolidated Financial Statements

	Computer Programs	Computer Programs to Installation	Total
Cost			
As at 1 January 2019	17,083,141.50	762,375.00	17,845,516.50
Purchase	2,989,418.60	2,038,243.00	5,027,661.60
As at 31 December 2019	20,072,560.10	2,800,618.00	22,873,178.10
Accumulated Amortization			
As at 1 January 2019	(11,315,756.00)	-	(11,315,756.00)
Amortization for the Year	(2,278,426.26)	-	(2,278,426.26)
As at 31 December 2019	(13,594,182.26)	-	(13,594,182.26)
Carrying Amount			
As at 31 December 2018	5,767,385.50	762,375.00	6,529,760.50
As at 31 December 2019	6,478,377.84	2,800,618.00	9,278,995.84
Amortization for the Year			
2018 (Amount of Baht 2.12 million Included in Cost of Hospital Operations, the rest included in Administrative Expenses)			2,194,945.97
2019 (Amount of Baht 2.14 million Included in Cost of Hospital Operations, the rest included in Administrative Expenses)			2,278,426.26

(Unit : Baht)

Separate Financial Statements

	Computer Programs	Computer Programs to Installation	Total
Cost			
As at 1 January 2018	8,058,526.10	762,375.00	8,820,901.10
Purchase	4,749,965.40	-	4,749,965.40
As at 31 December 2018	12,808,491.50	762,375.00	13,570,866.50
Accumulated Amortization			
As at 1 January 2018	(7,315,959.06)	-	(7,315,959.06)
Amortization for the Year	(1,346,070.63)	-	(1,346,070.63)
As at 31 December 2018	(8,662,029.69)	-	(8,662,029.69)
Carrying Amount			
As at 31 December 2017	742,567.04	762,375.00	1,504,942.04
As at 31 December 2018	4,146,461.81	762,375.00	4,908,836.81

(Unit : Baht)

	Separate Financial Statements		
	Computer Programs	Computer Programs to Installation	Total
Cost			
As at 1 January 2019	12,808,491.50	762,375.00	13,570,866.50
Purchase	2,973,368.60	2,038,243.00	5,011,611.60
As at 31 December 2019	15,781,860.10	2,800,618.00	18,582,478.10
Accumulated Amortization			
As at 1 January 2019	(8,662,029.69)	-	(8,662,029.69)
Amortization for the Year	(1,429,715.70)	-	(1,429,715.70)
As at 31 December 2019	(10,091,745.39)	-	(10,091,745.39)
Carrying Amount			
As at 31 December 2018	4,146,461.81	762,375.00	4,908,836.81
As at 31 December 2019	5,690,114.71	2,800,618.00	8,490,732.71
Amortization for the Year			
2018 (Amount of Baht 1.27 million included in Cost of Hospital Operations, the rest included in Administrative Expenses)			1,346,070.63
2019 (Amount of Baht 1.29 million included in Cost of Hospital Operations, the rest included in Administrative Expenses)			1,429,715.70

18. Deferred Income Taxes

Deferred income taxes calculated at tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarized below:

(Unit : Baht)

	Consolidated Financial Statements			
	As at 31 December 2018	Recognized in the Profit (Loss)	Recognized in the Other Comprehensive Income (Expense)	As at 31 December 2019
Deferred Tax Assets				
Trade Receivables	202,365.68	(72,896.88)	-	129,468.80
Inventories	21,034.68	14,975.27	-	36,009.95
Property, Plant and Equipment	8,607,763.81	(2,012,514.93)	-	6,595,248.88
Non-Current Provisions for				
Employee Benefit	7,443,909.88	2,493,233.00	1,447,406.66	11,384,549.54
Unused Tax Losses	13,651,330.66	(9,899,441.70)	-	3,751,888.96
Total	29,926,404.71	(9,476,645.24)	1,447,406.66	21,897,166.13
Deferred Tax Liabilities				
Current Investments	-	(73,414.86)	-	(73,414.86)
Total	-	(73,414.86)	-	(73,414.86)

(Unit : Baht)

	Consolidated Financial Statements			
	As at	Recognized	Recognized in the Other	As at
	31 December 2017	in the	Comprehensive Income	31 December 2018
		Profit (Loss)	(Expense)	
Deferred Tax Assets				
Trade Receivables	659,473.90	(457,108.22)	-	202,365.68
Inventories	-	21,034.68	-	21,034.68
Property, Plant and Equipment	2,534,400.51	6,073,363.30	-	8,607,763.81
Non-Current Provisions for				
Employee Benefit	7,670,258.85	(500,664.48)	274,315.51	7,443,909.88
Unused Tax Losses	23,411,488.20	(9,760,157.54)	-	13,651,330.66
Total	34,275,621.46	(4,623,532.26)	274,315.51	29,926,404.71
Deferred Tax Liabilities				
Current Investments	(119,044.12)	119,044.12	-	-
Total	(119,044.12)	119,044.12	-	-

(Unit : Baht)

Separate Financial Statements

	As at 31 December 2018	Recognized in the Profit (Loss)	Recognized in the Other Comprehensive Income (Expense)	As at 31 December 2019
Deferred Tax Assets				
Trade Receivables	202,365.68	(72,896.88)	-	129,468.80
Property, Plant and Equipment	5,684,748.04	(2,132,406.14)	-	3,552,341.90
Non-Current Provisions for				
Employee Benefit	7,149,286.73	2,618,748.60	1,428,227.71	11,196,263.04
Total	<u>13,036,400.45</u>	<u>413,445.58</u>	<u>1,428,227.71</u>	<u>14,878,073.74</u>
Deferred Tax Liabilities				
Current Investments	-	(73,414.86)	-	(73,414.86)
Total	<u>-</u>	<u>(73,414.86)</u>	<u>-</u>	<u>(73,414.86)</u>

(Unit : Baht)

	As at 31 December 2017	Recognized in the Profit (Loss)	Recognized in the Other Comprehensive Income (Expense)	As at 31 December 2018
Deferred Tax Assets				
Trade Receivables	659,473.90	(457,108.22)	-	202,365.68
Property, Plant and Equipment	-	5,684,748.04	-	5,684,748.04
Non-Current Provisions for				
Employee Benefit	7,478,345.50	(584,246.34)	255,187.57	7,149,286.73
Total	<u>8,137,819.40</u>	<u>4,643,393.48</u>	<u>255,187.57</u>	<u>13,036,400.45</u>
Deferred Tax Liabilities				
Current Investments	(87,592.38)	87,592.38	-	-
Total	<u>(87,592.38)</u>	<u>87,592.38</u>	<u>-</u>	<u>-</u>

19. Credits and Guarantees

The Group has received the credit facilities from financial institutions consist of bank overdrafts, letters of guarantee, short-term borrowings and long-term borrowings ; which are guaranteed by land, building and other constructions and future constructions (as in Note 15) including endorsing the transfer of insurance to the financial institutions as a beneficiary claim insurance on buildings and other assets.

20. Trade and Other Current Payables

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade Payables	136,504,393.57	122,367,441.59	157,668,712.63	128,564,843.21
Other Current Payables	60,254,877.26	45,888,510.05	51,840,960.79	37,064,891.71
Total	<u>196,759,270.83</u>	<u>168,255,951.64</u>	<u>209,509,673.42</u>	<u>165,629,734.92</u>

Other payables consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Accrued Expenses	15,734,540.14	15,560,806.60	12,601,256.67	11,893,157.57
Dividend Payables	2,334,634.34	1,876,112.95	2,334,634.34	1,876,112.95
Accrued Bonus	22,250,423.15	13,983,958.00	19,441,481.65	12,153,507.00
Accounts Payable for Assets	8,393,332.47	6,348,746.42	8,021,899.47	4,951,345.55
Retention Payables	5,566,389.72	844,667.70	5,203,732.48	844,667.70
Accrued Withholding Tax	1,826,496.35	1,494,434.40	1,266,864.82	1,494,434.40
Other Payables	4,149,061.09	5,779,783.98	2,971,091.36	3,851,666.54
Total	<u>60,254,877.26</u>	<u>45,888,510.05</u>	<u>51,840,960.79</u>	<u>37,064,891.71</u>

21. Long-term Borrowings

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Long-term Borrowings	-	324,218,061.92	-	251,401,698.18
<u>Less</u> Current Portion	-	(73,309,938.67)	-	(63,693,574.93)
Net	<u>-</u>	<u>250,908,123.25</u>	<u>-</u>	<u>187,708,123.25</u>

For the year ended 31 December 2019 and 2018, long-term borrowings have the movement as follows:

(Unit : Baht)

Consolidated Financial Statements	Separate Financial Statements
For the year ended	For the year ended

	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Beginning Balance	324,218,061.92	-	251,401,698.18	-
Increased During the Year	20,000,000.00	380,000,000.00	-	300,000,000.00
Decreased During the Year	(344,218,061.92)	(55,781,938.08)	(251,401,698.18)	(48,598,301.82)
Ending Balance	-	324,218,061.92	-	251,401,698.18

Long-term borrowings are loans from financial institutions, which the Company has been granted 2 credit lines and the subsidiary company has been granted 2 credit lines. The conditions for the principals and interest repayments are as follows:

Parent Company

- 1st Credit Line at Baht 150.00 million
 - For the 1st – 3rd year, the interest is charged at MLR -2 .0 0 per annum. From the date after the three year onward, the interest is charged at MLR-1.50 per annum.
 - To be completely repaid within 8 4 months after the first drawdown date.
- 2nd Credit Line at Baht 1 5 0.00 million
 - For the 1st – 3rd year, the interest is charged at MLR -2 .9 0 per annum. From the date after the three year onward, the interest is charged at MLR-2.15 per annum.
 - To be completely repaid within 8 4 months after the first drawdown date.

Subsidiary Company

- 1st Credit Line at Baht 80.00 million
 - For the 1st – 3rd year, the interest is charged at MLR -2.02 5 per annum. From the date after the three year onward, the interest is charged at MLR-1.00 per annum.
 - To be completely repaid within 8 4 months after the first drawdown date.
- 2nd Credit Line at Baht 20.00 million
 - For the 1st – 5th year, the interest is charged at MLR -2 .525 per annum.
 - To be completely repaid within 60 months after the first April 2019.

As at 31 December 2019, the Group completely repaid all long-term borrowings credit facilities.

The long-term borrowings are secured by land and other construction of Company and subsidiary company and guaranteed by Parent Company.

22. Liabilities Under Financial Lease Agreements

Consist of:

(Unit : Baht)				
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Amount of Minimum Lease Payments under				
Finance Lease Agreements				
- Within 1 year	500,880.00	500,880.00	-	-
- Over 1 year but not over 5 years	542,620.00	1,018,355.00	-	-
Total	1,043,500.00	1,519,235.00	-	-
<u>Less</u> Deferred Interest	(128,827.69)	(257,109.29)	-	-
Net	914,672.31	1,262,125.71	-	-
Present Value of Minimum Lease Payments				
under Finance Lease Agreements				
Current Liabilities				
- Within 1 year	409,307.26	365,221.50	-	-
Non - Current Liabilities				
- Over 1 year but not over 5 years	505,365.05	896,904.21	-	-
Total	914,672.31	1,262,125.71	-	-

23. Non-Current Provisions for Employee Benefit

For the year ended 31 December 2019, non-current provisions for employee benefit have the movement as follows:

(Unit : Baht)

Consolidated Financial Statements

	Post-employment Benefit	Other Long-term Benefit	Total
Present Value of the Obligation as at 1 January 2019	36,595,579.34	623,970.06	37,219,549.40
Past Service Cost	10,337,051.91	-	10,337,051.91
Current Service Cost	4,325,409.22	150,834.17	4,476,243.39
Interest Expense	1,399,845.79	13,968.50	1,413,814.29
(Gains) Loss on Remeasurements of Defined Benefit Plans	7,209,355.50	27,677.82	7,237,033.32
Loss on Settlement	72,006.00	-	72,006.00
<u>Less</u> Payment During the Year	(3,773,848.00)	(59,102.64)	(3,832,950.64)
Employee Benefits due within one year	(671,781.16)	-	(671,781.16)
Present Value of the Obligation as at 31 December 2019	55,493,618.60	757,347.91	56,250,966.51

(Unit : Baht)

Separate Financial Statements

	Post-employment Benefit	Other Long-term Benefit	Total
Present Value of the Obligation as at 1 January 2019	35,122,463.56	623,970.06	35,746,433.62
Past Service Cost	10,317,150.77	-	10,317,150.77
Current Service Cost	4,108,894.52	150,834.17	4,259,728.69
Interest Expense	1,381,839.70	13,968.50	1,395,808.20
(Gains) Loss on Remeasurements of Defined Benefit Plans	7,113,460.71	27,677.82	7,141,138.53
Loss on Settlement	72,006.00	-	72,006.00
<u>Less</u> Payment During the Year	(2,891,848.00)	(59,102.64)	(2,950,950.64)
Employee Benefits due within one year	(587,721.43)	-	(587,721.43)
Present Value of the Obligation as at 31 December 2019	54,636,245.83	757,347.91	55,393,593.74

For the year ended 31 December 2018, non-current provisions for employee benefit have the movement as follows:

(Unit : Baht)

Consolidated Financial Statements

	Post-employment Benefit	Other Long-term Benefit	Total
Present Value of the Obligation as at 1 January 2018	37,768,543.12	582,751.11	38,351,294.23
Current Service Cost	3,777,726.60	122,896.17	3,900,622.77

Interest Expense	1,040,934.08	10,122.78	1,051,056.86
(Gains) Loss on Remeasurements of Defined Benefit Plans	1,371,577.54	-	1,371,577.54
<u>Less</u> Payment During the Year	<u>(7,363,202.00)</u>	<u>(91,800.00)</u>	<u>(7,455,002.00)</u>
Present Value of the Obligation as at 31 December 2018	<u>36,595,579.34</u>	<u>623,970.06</u>	<u>37,219,549.40</u>

(Unit : Baht)

	Separate Financial Statements		
	Post-employment Benefit	Other Long-term Benefit	Total
Present Value of the Obligation as at 1 January 2018	36,808,976.35	582,751.11	37,391,727.46
Current Service Cost	3,380,831.81	122,896.17	3,503,727.98
Interest Expense	1,019,919.57	10,122.78	1,030,042.35
(Gains) Loss on Remeasurements of Defined Benefit Plans	1,275,937.83	-	1,275,937.83
<u>Less</u> Payment During the Year	<u>(7,363,202.00)</u>	<u>(91,800.00)</u>	<u>(7,455,002.00)</u>
Present Value of the Obligation as at 31 December 2018	<u>35,122,463.56</u>	<u>623,970.06</u>	<u>35,746,433.62</u>

For the year ended 31 December 2019 and 2018, lists are included in the profit or loss shown as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Past Service Cost	10,337,051.91	-	10,317,150.77	-
Current Service Cost	4,476,243.39	3,915,484.21	4,259,728.69	3,518,589.42
Interest Expense	1,413,814.29	1,051,056.86	1,395,808.20	1,030,042.35
(Gains) Loss on Remeasurements of Other Long-term Benefit	-	(14,861.44)	-	(14,861.44)
Total	<u>16,227,109.59</u>	<u>4,951,679.63</u>	<u>15,972,687.66</u>	<u>4,533,770.33</u>

The above expenses which are recognized in the profit or loss are included in the items as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cost of Hospital Operations	12,303,476.95	3,164,694.41	12,245,210.89	3,081,852.88
Administrative Expenses	3,923,632.64	1,786,985.22	3,727,476.77	1,451,917.45
Total	<u>16,227,109.59</u>	<u>4,951,679.63</u>	<u>15,972,687.66</u>	<u>4,533,770.33</u>

(Gains) loss on remeasurements of defined benefit plans are recognized to comprehensive (income) expense occurred from

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Assumption Poppulation	141,078.51	(48,010.36)	-	-
Financial Information	6,920,205.87	28,196.01	6,890,062.59	-
Adjust from Experience	175,748.94	1,391,391.89	251,075.94	1,275,937.83
Total	<u>7,237,033.32</u>	<u>1,371,577.54</u>	<u>7,141,138.53</u>	<u>1,275,937.83</u>

The Group has long-term employee benefit that are expected to be paid in the future as follows:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Within one year	3,505,055.20	3,253,012.00	3,160,179.00	2,277,553.00
More than 1 year but not over 5 years	18,458,557.13	18,132,127.00	18,269,360.00	17,632,685.00
More than 5 years	159,918,167.59	121,349,890.00	155,776,003.00	119,280,272.00
Total	<u>181,881,779.92</u>	<u>142,735,029.00</u>	<u>177,205,542.00</u>	<u>139,190,510.00</u>

As shown in the consolidated financial statements as at 31 December 2019 and 2018, the weighted average duration of the liabilities for long-term employee benefit is 16 years and 12 years respectively and in the separate financial statements is 16 years.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	For the year ended 31 December 2019	For the year ended 31 December 2018
Discount rate	1.32% – 1.90% per annum	2.30% – 3.13% per annum
Salary increase rate	6.00% per annum	6.00% per annum
Employee turnover rate	1.91% – 34.38% per annum	1.91% – 34.38% per annum
Mortality rate	105.00 % per annum of mortality table year 2017	105.00 % per annum of mortality table year 2017
Disability rate	Included in the mortality rate	Included in the mortality rate
Retirement age	55 and 60 years old	55 and 60 years old
Gold Price	Gold price as at 31 December 2018	Gold price as at 31 December 2018

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined non-current provisions for benefit by the amounts shown as follows.

	(Unit : Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Post-employment benefit				
Discount rate				
Increase 0.50%	(2,252,641.27)	(1,628,728.35)	(2,213,234.59)	(1,607,772.77)
Decrease 0.50%	2,441,656.72	1,761,755.32	2,398,259.72	1,739,353.32
Salary increase rate				
Increase 1.00%	5,388,841.04	3,525,352.51	5,305,723.86	3,483,056.73
Decrease 1.00%	(4,674,303.39)	(3,083,443.55)	(4,603,839.64)	(3,045,559.66)
Employee turnover rate				
Increase 20.00%	(4,481,150.40)	(2,874,501.49)	(4,301,562.47)	(2,770,561.12)
Decrease 20.00%	5,617,442.91	3,531,004.31	5,319,551.05	3,376,700.38
Mortality rate				
Increase 20.00%	(252,721.08)	(168,039.44)	(246,694.20)	(164,255.00)
Decrease 20.00%	254,473.08	169,131.73	248,378.92	165,314.87
Other long-term benefit				
Discount rate				
Increase 0.50%	(13,491.09)	(12,632.00)	(13,491.09)	(12,632.00)
Decrease 0.50%	13,908.91	13,042.00	13,908.91	13,042.00
Employee turnover rate				
Increase 20.00%	(68,914.09)	(50,001.00)	(68,914.09)	(50,001.00)
Decrease 20.00%	77,669.91	55,813.00	77,669.91	55,813.00
Mortality rate				
Increase 20.00%	(647.09)	(475.00)	(647.09)	(475.00)
Decrease 20.00%	647.91	476.00	647.91	476.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

For the year ended 31 December 2019, The Group had a part of past service cost in the consolidated financial statements in amount of Baht 10.34 million and in the separate financial statements in amount of Baht 10.32 million, is the change in the present value of the defined benefit obligations resulting from the plan amendment so as to comply the new labour protection law which is effective on 5 May 2019 that requires the Company has to make the severance pay to the employee with the completion to 20 years or more of employment, which not less than 400 days of last wage rate.

24. Share Capital

Consist of:

	For the year			For the year		
	Par Value	ended 31 December 2019		Par Value	ended 31 December 2018	
	Per Share	Number of Share	Amount	Per Share	Number of Share	Amount
	Baht	Share	Baht	Baht	Share	Baht
Authorized Share Capital						
Beginning Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00
Ending Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00
Issued and Paid-up Share Capital						
Beginning Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00
Ending Ordinary Shares	1.00	300,000,000	300,000,000.00	1.00	300,000,000	300,000,000.00

25. Dividends

25.1 The Annual General Shareholders' Meeting for 2018, held on 21 April 2018, has resolved to pay dividend to from net profit of operation for the year ended 31 December 2017, paid up shareholders of 300,000,000 shares, at Baht 0.55 per share. Payment details are as follows:

25.1.1 The Company has interim dividend in accordance with the minute of the Board of Directors of Meeting No.5/2017, held on 11 August 2017, it resolved to approve a payment of interim dividend from the Company's net profit for the six months period from 1 January 2017 ending on 30 June 2017 at Baht 0.20 per share, total amounted of Baht 60.00 million and resolved to appropriate for legal reserve amounted of Baht 2.00 million, after the appropriate for legal reserve reaches an amount equal 10% of the registered capital.

25.1.2 Dividends from the net profit for the six months period from 1 July 2017 ending on 31 December 2017, at Baht 0.35 per share, total amounted of Baht 105.00 million.

25.2 The Annual General Shareholders' Meeting for 2019, held on 22 April 2019, has resolved to pay dividend to from net profit of operation for the year ended 31 December 2018, paid up shareholders of 300,000,000 shares, at Baht 0.70 per share. Payment details are as follows:

25.2.1 The Company has interim dividend in accordance with the minute of the Board of Directors of Meeting No.5/2018, held on 9 August 2018, it resolved to approve a payment of interim dividend from the Company's net profit for the six months period from 1 January 2018 ending on 30 June 2018 at Baht 0.30 per share, total amounted of Baht 90.00 million.

25.2.2 Dividends from the net profit for the six months period from 1 July 2018 ending on 31 December 2018, at Baht 0.40 per share, total amounted of Baht 120.00 million.

25.3 In accordance with the Board of Directors' meeting No.6/2019, held on 13 August 2019, has resolve to pay interim dividend from net profit for the six months period from 1 January 2019 ended 30 June 2019 at Baht 0.60 per share, total amounted of Baht 180.00 million.

26. Capital Management

The primary objectives of the Company and its subsidiaries capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at 31 December 2019 and 2018, the consolidated financial statements present the debt to equity 0.20 : 1 and 0.44 : 1, respectively.

As at 31 December 2019 and 2018, the separate financial statements presents the debt to equity ratio in 0.18 : 1 and 0.29 : 1, respectively.

27. Tax (Expense) Income

27.1 Income tax which is recognized in the profit for the year consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Current Income Tax				
Tax (Expense) Income for Current Year	(89,754,045.29)	(51,938,041.44)	(89,754,045.29)	(51,938,041.44)
Deferred Income Tax				
Deferred Income Tax (Expense)	(9,550,060.10)	(4,504,488.14)	340,030.72	4,730,985.86
Tax (Expense) Income Recognized in the Profit or				
Loss	<u>(99,304,105.39)</u>	<u>(56,442,529.58)</u>	<u>(89,414,014.57)</u>	<u>(47,207,055.58)</u>

The differences between tax (expense) income which was calculated from accounting profits at the tax rate for the year ended 31 December 2019 and 2018 of 20% are as follows:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Profit before Income Tax	495,843,727.31	314,597,560.84	447,328,884.04	271,664,793.35
Tax (Expense) Income Calculated at the Tax rate of 20%	(99,168,745.46)	(62,919,512.17)	(89,465,776.81)	(54,332,958.67)
Expenses that are Deductible for Income Tax	159,119.80	219,838.58	159,119.80	219,838.58
Expenses that are not Deductible for Income Tax	(270,638.28)	(1,705,966.94)	(90,703.94)	(1,021,916.39)
Tax loss in Prior year that not Recognized as Deferred Tax Assets	(7,187.83)	-	-	-
Capital Expenditures with Deductible Rights	-	2,243,232.86	-	2,243,232.86
Deferred Tax Assets that Recognized in Year	-	5,719,878.09	-	5,684,748.04
Deferred Tax Assets that not Recognized in Prior year	(16,653.62)	-	(16,653.62)	-
Tax (Expense) Income	(99,304,105.39)	(56,442,529.58)	(89,414,014.57)	(47,207,055.58)

Deferred tax which are not recognized in the financial statements as at 31 December 2019 and 2018 consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Deductible Temporary Differences	914,328.05	921,066.80	914,328.05	900,000.00

Deferred tax assets for deductible temporary differences do not expire under current tax legislation.

27.2 Income tax which is recognized in other comprehensive income (expense) consist of:

(Unit : Baht)

	Consolidated Financial Statements		
	Amount Before Tax	Tax (Expense) Income	Net of Tax
For the year ended 31 December 2019			

Gains (Loss) on Remeasurements of Defined			
Benefit Plans	(7,237,033.32)	1,447,406.66	(5,789,626.66)

For the year ended 31 December 2018

Gains (Loss) on Remeasurements of Defined			
Benefit Plans	(1,371,577.54)	274,315.51	(1,097,262.03)

(Unit : Baht)

Separate Financial Statements

Amount Before Tax	Tax (Expense) Income	Net of Tax
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For the year ended 31 December 2019

Gains (Loss) on Remeasurements of Defined			
Benefit Plans	(7,141,138.53)	1,428,227.71	(5,712,910.82)

For the year ended 31 December 2018

Gains (Loss) on Remeasurements of Defined			
Benefit Plans	(1,275,937.83)	255,187.57	(1,020,750.26)

28. Provident Fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530, which comprise of the employees' contribution to the fund minimum 3% of their basic salary and the Company also contribute to the fund at 3% The provident fund is managed by a fund manager. The benefit will be paid to the employees whom retire in accordance to the fund's regulations.

For the year ended 31 December 2019 and 2018, the Company has paid contribution to provident fund in the amount of Baht 3.06 million and Baht 3.02 million, respectively.

29. Expenses by Nature

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Change in Finished Goods	(2,213,883.99)	(5,175,738.51)	(2,552,638.31)	(5,056,047.59)
Medicines and Supplies	279,666,877.54	241,974,817.65	255,076,500.98	217,286,422.25
Employees Expenses	368,753,426.58	350,848,343.13	319,372,465.64	306,946,186.21
Hemodialysis	59,732,548.00	57,839,335.10	38,519,518.00	38,172,650.00

Social Security Expenses	73,035,607.66	45,524,517.23	185,494,416.99	146,912,022.93
Doctor Fee	332,937,766.93	304,191,013.63	283,333,112.35	256,536,179.00
Cost to Patients Food	15,452,597.74	13,785,099.50	13,230,399.74	11,625,844.50
Repair and Maintenance Expenses	10,382,279.27	8,016,111.59	8,040,223.51	6,434,823.88
Utility Expenses	31,137,780.92	30,794,830.27	24,682,900.95	24,709,826.74
Depreciation and Amortization	89,565,511.73	78,832,630.53	70,749,153.59	62,731,446.85
Management Compensation	28,006,021.03	33,747,961.25	24,339,013.39	28,425,723.25
Other Expenses	115,186,440.20	124,040,466.73	96,736,444.23	101,189,486.26
Total	<u>1,401,642,973.61</u>	<u>1,284,419,388.10</u>	<u>1,317,021,511.06</u>	<u>1,195,914,564.28</u>

30. Segment Financial Information

The Group operates the main business in the operating segment only 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 Group 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 rate from the government sectors.

31. Financial Instruments

31.1 Financial Risk Management Policies

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

31.2 Interest Rates Risk

The Group' exposure to interest rate risk relate primarily to their deposits at banks, temporary investments, short-term borrowings and long-term borrowings. The significant financial assets and liabilities are classified by type of interest rate as follows:

(Unit : Baht)

Consolidated Financial Statements

As at 31 December 2019

	Floating Interest	Fixed Interest	Non Interest		
	Rate	Rate	Bearing	Total	Rate
<u>Financial Assets</u>					
Cash and Cash Equivalents	121,676,151.78	-	1,374,178.00	123,050,329.78	0.125%-1.700%
<u>Financial Liabilities</u>					
Financial Lease Agreements Liabilities	-	914,672.31	-	914,672.31	1.400%-6.630%

(Unit : Baht)

Consolidated Financial Statements

As at 31 December 2018

	Floating Interest	Fixed Interest	Non Interest		
	Rate	Rate	Bearing	Total	Rate
<u>Financial Assets</u>					
Cash and Cash Equivalents	238,707,642.42	50,000,000.00	1,126,027.00	289,833,669.42	0.125%-1.700%
Current Investments	-	250,000,000.00	-	250,000,000.00	1.65%
Deposit at Bank used as Collateral	1,875,000.00	-	-	1,875,000.00	0.375%
<u>Financial Liabilities</u>					
Short-term Borrowings from Financial					
Institution	-	20,000,000.00	-	20,000,000.00	4.00%
Financial Lease Agreements Liabilities	-	1,262,125.71	-	1,262,125.71	1.400%-6.630%
Long-term Borrowings	-	324,218,061.92	-	324,218,061.92	4.00%-4.25%

(Unit : Baht)

Separate Financial Statements

As at 31 December 2019

	Floating Interest	Fixed Interest	Non Interest		
	Rate	Rate	Bearing	Total	Rate
<u>Financial Assets</u>					
Cash and Cash Equivalents	91,354,483.16	-	1,357,643.39	92,712,126.55	0.125%-1.700%
Short-term Loan to Subsidiary	-	102,800,000.00	-	102,800,000.00	2.15%

(Unit : Baht)

Separate Financial Statements

As at 31 December 2018					
	Floating Interest	Fixed Interest	Non Interest		
	Rate	Rate	Bearing	Total	Rate
Financial Assets					
Cash and Cash Equivalents	217,788,001.08	50,000,000.00	1,044,907.00	268,832,908.08	0.125%-1.700%
Current Investments	-	250,000,000.00	-	250,000,000.00	1.65%
Short-term Loan to Subsidiary	-	32,800,000.00	-	32,800,000.00	2.15%
Financial Liabilities					
Long-term Borrowings	-	251,401,698.18	-	251,401,698.18	4.25%

31.3 Foreign Exchange Rates Risk

The Group is not exposed to any risk from foreign exchange rate fluctuations because its main enterprise is conducted locally.

31.4 Credit risk

The Group has not the credit term risk from unable to collect from trade receivables. The majority of the Group trade accounts are revenue received in cash. Furthermore, the Group exercise conservative credit policy, therefore, the Group anticipate no significant damage will incurred from debt collection.

31.5 Fair Value

31.5.1 Financial assets and Financial liabilities that are measured at fair value

As at 31 December 2019, the Group recorded financial assets recognized by fair value and presented by their hierarchies as follows:

(Unit : Baht)					
Consolidated and Separate Financial Statements					
	Fair Value				
	Carrying Value	Level 1	Level 2	Level 3	Total
As at 31 December 2019					
Current Assets					
Trading Securities	100,367,074.28	100,367,074.28	-	-	100,367,074.28

31.5.2 Financial assets and liabilities that are not measured at fair value

Carrying value for financial assets and financial liabilities, consist of cash and cash equivalents, current investments, trade and other current receivables, loans to, trade and other current payables, borrowing, and liabilities unde finance lease agreements, were very closed to their fair values since these financial assets and financial liabilities are in short-term maturity.

32. Transactions with Related Persons and Parties

The Group has entered into significant transactions with the related persons and parties. Such transactions have bases agreed upon between the Company and those related persons and parties in ordinary course of business which are summarized as follows:

32.1 Relationship among the Companies

<u>Name of Related Persons and Entities</u>	<u>Nature of Relationship</u>
Rajthanee Rojana Hospital Company Limited	Subsidiary by Direct Shareholding
Rajthanee Nongkhae Hospital Company Limited	Subsidiary by Direct Shareholding
Borhitvedchakran Company Limited	Director of the Company is Shareholder
Charoenpaiboon City Company Limited	Accompany with Shareholder
La Clemence Publishing Limited Partnership	Close Relative which Director is a Partner
Nan-Ram Hospital Company Limited	Related Company by Directorship
Vibharam Hospital Company Limited	Related Company by Directorship
Ramkhamhaeng Hospital Public Company Limited	Related Company by Directorship
The Medicpharma Company Limited	Related Company by Directorship
Sabuy Technology Public Company Limited	Related Company by Directorship
Rangsiphan Company Limited	Related Company by Directorship
Coffee Planet Company Limited	Related Company by Directorship
Khun Surin Prasithirun	Director of the Group and Shareholder of the Company
Khun Porntip Wudhikulprapan	Director and Shareholder of the Company

32.2 Inter-Transactions

		(Unit : Baht)	
		Consolidated Financial Statements	
		For the year ended	
	Pricing Policy	31 December 2019	31 December 2018
Inter-Transaction with Related Companies			
Other Income	Contract Price	63,784.84	-
Cost of Hospital Operations	Normal business price similar price charged to other business partners and Mutually agreed price	23,523,722.64	19,783,860.00
Purchase Goods and Supplies	Normal business price similar price charged to other business partners	1,783,368.52	1,383,282.58
Purchase of Fixed Assets	Mutually agreed price	2,839,500.00	687,040.00
Inter-Transaction with Related Persons			
Consultant Expense	Contract Price	150,000.00	2,800,000.00

		(Unit : Baht)	
		Separate Financial Statements	
		For the year ended	
	Pricing Policy	31 December 2019	31 December 2018
Transactions with Subsidiary			
Revenue of Hospital Operations	Mutually agreed price	76,725,537.58	45,914,325.92
Revenue from Sales Medical	Mutually agreed price	3,908.77	6,112.75
Other Income	Mutually agreed price	60,000.00	60,000.00
Interest Income	Interest rate at 2.15% per annum	1,278,336.97	1,427,364.36
Cost of Hospital Operations	Mutually agreed price	116,120,123.00	105,383,957.50
Cost of Medical	Mutually agreed price	10,729.60	6,162.20
Inter-Transaction with Related Companies			
Other Income	Contract Price	63,784.84	-
Cost of Hospital Operations	Mutually agreed price	2,310,692.64	1,579,775.65
Purchase Goods and Supplies	Normal business price similar price charged to other business partners	1,358,441.08	970,770.76
Purchase of Fixed Assets	Mutually agreed price	2,786,690.00	440,000.00
Inter-Transaction with Related Persons			
Consultant Expense	Contract Price	150,000.00	2,800,000.00

32.3 Inter-outstanding Balances

		(Unit : Baht)	
		Consolidated Financial Statements	
		Separate Financial Statements	
	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019
Trade Account Receivables			
Subsidiary Company			
Rajthanee Rojana Hospital Company Limited	-	-	26,568,364.00
Accrued Revenue			
Subsidiary Company			
Rajthanee Rojana Hospital Company Limited	-	-	3,425,623.00
Other Receivables			
Related Companies			
Sabuy Technology Public Company Limited	2,000.00	-	2,000.00
Coffee Planet Company Limited	40,000.00	-	40,000.00
Accrued Interest			
Subsidiary Company			
Rajthanee Rojana Hospital Company Limited	-	-	187,715.61
Short-term Loans to			

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited				
Beginning Balance	-	-	32,800,000.00	132,800,000.00
Increase During the Year	-	-	70,000,000.00	30,000,000.00
Decrease During the Year	-	-	-	(130,000,000.00)
Ending Balance	-	-	102,800,000.00	32,800,000.00
Accounts Payables				
Subsidiary Company				
Rajthanee Rojana Hospital Company Limited	-	-	42,955,390.00	27,779,784.00
Related Companies				
Ramkumheang Hopital Public Company Limited	131,716.00	66,678.00	120,196.00	48,690.00
The Medicpharma Company Limited	750,710.06	946,184.36	675,444.44	832,367.50
Borphenitvedchakran Company Limited	6,455,058.38	5,027,224.99	-	-
Charoenpaiboon City Company Limited	26,226.00	-	26,226.00	-
La Clemence Publishing Limited Partnership	64,521.00	-	64,521.00	-
Rangsiphan Company Limited	74,900.00	-	74,900.00	-
Total Accounts Payables	7,503,131.44	6,040,087.35	43,916,677.44	28,660,841.50
Other Account Payables				
Related Company				
La Clemence Publishing Limited Partnership	-	86,723.50	-	73,081.00
Other Accounts Payable for Fixed Assets				
Related Companies				
Charoenpaiboon City Company Limited	7,490.00	-	7,490.00	-
Ramkhamhaeng Hospital Public Company Limited	220,000.00	-	220,000.00	-
Total Other Accounts Payable for Fixed Assets	227,490.00	-	227,490.00	-

As at 31 December 2019 and 2018, short-term loans to subsidiary company is in form of promissory notes with 6 months period and 1 year carried interest rate at 2.15 % per annum equally for both years and with no securities. Interest payment term is on monthly basis.

32.4 Inter-guarantees

As at 31 December 2019 and 2018, the Company grant the guarantee in full amount against the bank overdrafts, promissory notes and long-term borrowings that the subsidiary company received from financial institutions.

32.5 Key Management Compensation

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Short-term Benefits	27,371,917.24	32,861,426.80	23,742,369.20	27,827,076.80
Post-employment Benefits				
- Defined Contribution Plans	117,189.00	123,842.00	117,189.00	123,842.00
- Defined Benefit Plans	516,914.79	762,692.45	479,455.19	474,804.45
Total	28,006,021.03	33,747,961.25	24,339,013.39	28,425,723.25

Remuneration represents the benefits paid to the executive and directors of the Group include monetary compensation including salary, benefits and director compensation including compensation in any other form.

33. Cash Flows Information

33.1 Non-Cash Transactions

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Purchase Property, Plant and Equipment on Credit	7,269,832.47	6,248,722.42	6,898,399.47	4,951,345.55
Purchase Intangible Assets on Credit	1,123,500.00	-	1,123,500.00	-
(Transfer out) Property, Plant and Equipment to				
Non-current Assets Held for Sale	-	84,026,243.52	-	84,026,243.52
Gains (Loss) on Remeasurements of Defined				
Benefit Plans	(5,789,626.66)	(1,097,262.03)	(5,712,910.82)	(1,020,750.26)

33.2 Changes in Liabilities arising from Financing Activities

For the year ended 31 December 2019 and 2018, changes in liabilities arising from financing activities have the movement as follows:

(Unit : Baht)

Consolidated Financial Statements				
For the year ended 31 December 2019				
	As at	Changes from	Other Changes	As at
	1 January 2019	Financing Cash Flows		31 December 2019
		Increase (Decrease)		
Short-term Borrowings from Financial Institution	20,000,000.00	(20,000,000.00)	-	-
Long-term Borrowings	324,218,061.92	(324,218,061.92)	-	-
Accounts Payable for Assets	6,348,746.42	(6,348,746.42)	8,393,332.47	8,393,332.47
Liabilities Under Finance Lease Agreements	1,262,125.71	(347,453.40)	-	914,672.31
Front-end Fee	-	(60,020.00)	60,020.00	-
Accrued Interest	901,768.09	(5,179,721.67)	4,277,953.58	-
Total	352,730,702.14	(356,154,003.41)	12,731,306.05	9,308,004.78

(Unit : Baht)

Consolidated Financial Statements				
For the year ended 31 December 2018				
	As at	Changes from	Other Changes	As at
	1 January 2018	Financing Cash Flows		31 December 2018
		Increase (Decrease)		
Short-term Borrowings from Financial Institution	-	20,000,000.00	-	20,000,000.00
Long-term Borrowings	-	324,218,061.92	-	324,218,061.92
Accounts Payable for Assets	9,241,114.79	(9,141,090.79)	6,248,722.42	6,348,746.42
Liabilities Under Finance Lease Agreements	1,797,658.30	(535,532.59)	-	1,262,125.71
Front-end Fee	-	(590,085.00)	590,085.00	-
Accrued Interest	-	(10,540,519.33)	11,442,287.42	901,768.09
Total	11,038,773.09	323,410,834.21	18,281,094.84	352,730,702.14

(Unit : Baht)

Separate Financial Statements

	For the year ended 31 December 2019			
	As at	Changes from	Other Changes	As at
	1 January 2019	Financing Cash Flows		31 December 2019
		Increase (Decrease)		
Long-term Borrowings	251,401,698.18	(251,401,698.18)	-	-
Accounts Payable for Assets	4,951,345.55	(4,951,345.55)	8,021,899.47	8,021,899.47
Accrued Interest	834,950.06	(2,773,255.14)	1,938,305.08	-
Total	<u>257,187,993.79</u>	<u>(259,126,298.87)</u>	<u>9,960,204.55</u>	<u>8,021,899.47</u>

(Unit : Baht)

	Separate Financial Statements			
	For the year ended 31 December 2018			
	As at	Changes from	Other Changes	As at
	1 January 2018	Financing Cash Flows		31 December 2018
		Increase (Decrease)		
Long-term Borrowings	-	251,401,698.18	-	251,401,698.18
Accounts Payable for Assets	6,576,679.79	(6,576,679.79)	4,951,345.55	4,951,345.55
Liabilities Under Finance Lease Agreements	75,999.80	(75,999.80)	-	-
Front-end Fee	-	(375,000.00)	375,000.00	-
Accrued Interest	-	(8,034,543.22)	8,869,493.28	834,950.06
Total	<u>6,652,679.59</u>	<u>236,339,475.37</u>	<u>14,195,838.83</u>	<u>257,187,993.79</u>

34. Obligations

In addition to the liabilities shown in the statements of financial position, the Group has other obligations as follows:

34.1 The Group has obligations to the financial institutions as follows:

(Unit : Million Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Letters of Guarantee	29.78	30.45	23.45	25.35

34.2 As at 31 December 2019 and 2018 , the Group have the contractual obligations with the significant terms and minimum payment amount as follows: -

1) The Group have several rental and service agreements. The significant agreement is

- System maintenance service provider agreement with an other company. The payment shall be made monthly. From 2019 to 2021, the payment is Baht 40,000.00 per month and from 2021 to 2024, the payment is Baht 53,500.00 per month. The contractual term is 5 years and the agreement will expire in January 2024.
 - Agreement for cleaning service with an other company to be paid monthly at Baht 755,420.00 per month. The contractual term is 2 years and the term will expire in October 2020.
 - Agreement for providing sterile supply services with an other company to be paid monthly at Baht 160,500.00 per month. The contractual term is 1 year and the term will expire in September 2020.
- 2) The Company entered into several maintenance and repair agreements. The significant agreement is
- The medical tools and equipment maintenance and repair agreement. The payment shall be made monthly at Baht 183,872.81 per month and from June 2019 at Baht 192,418.10 per month. The contractual term is 3 years and the agreement will expire in December 2021.
 - Agreement for maintenance and repair medical equipment and devices with an other company to be paid monthly at Baht 216,675.00 per month. The contractual term is 1 year and the term will expire in December 2020.
- 3) The Company has several consulting agreements. The significant agreement is
- the consulting agreement to provide medical practice and service on cardiology and artery diseases with an other company. The payment shall be made monthly , the payment is Baht 53,500.00 per month. The contractual term is 2 years and will expire in January 2022.
 - Agreement for marketing and business development consultants with an other company to be paid monthly at Baht 120,000.00 per month. The contractual term is 1 year and the term will expire in December 2020.

Minimum payments whole amount to be paid to the future under contracts above as follows:

(Unit : Million Baht)

Consolidated Financial Statements

As at

As at

	31 December 2019			31 December 2018		
	Within 1 year	Over 1 year but not over 5 years	Total	Within 1 year	Over 1 year but not over 5 years	Total
Rental and Service						
Agreements	10.88	2.10	12.98	17.07	8.55	25.62
Repairation and						
Maintenance Agreements	6.16	2.96	9.12	3.81	4.45	8.26
Consultant Agreements	3.35	0.64	3.99	2.02	0.30	2.32
Total	<u>20.39</u>	<u>5.70</u>	<u>26.09</u>	<u>22.90</u>	<u>13.30</u>	<u>36.20</u>

(Unit : Million Baht)

Separate Financial Statements

	As at 31 December 2019			As at 31 December 2018		
	Within 1 year	Over 1 year but not over 5 years	Total	Within 1 year	Over 1 year but not over 5 years	Total
Rental and Service						
Agreements	7.40	2.06	9.46	12.70	6.74	19.44
Repairation and						
Maintenance Agreements	5.50	2.33	7.83	3.73	4.45	8.18
Consultant Agreements	3.35	0.64	3.99	1.76	0.30	2.06
Total	<u>16.25</u>	<u>5.03</u>	<u>21.28</u>	<u>18.19</u>	<u>11.49</u>	<u>29.68</u>

34.3 As at 31 December 2019 and 2018, the Group entered into assets and consulting fees construction agreements with several other companies as shown in the consolidated financial statements at the amount of Baht 25.83 million and Baht 11.73 million respectively, and in the separate financial statements at the amount of Baht 23.11 million and Baht 10.97 million respectively. The significant agreement is Agreement for car parking construction and Energy Performance with Guaranteed Saving Contract.

35. Reclassification

The Group have reclassified some items in the financial statements in order to comply with the classification of the current year, which does not have any effect on the profit (loss) for the year or the shareholders' equity which already presented. The details are as follows:

(Unit : Baht)

Consolidated Financial Statements

	As Previously Reported	Reclassification	As Currently Reported
Statement of Comprehensive Income			
For the year ended 31 December 2018			
Cost of Hospital Operations	1,101,983,080.63	787,034.06	1,102,770,114.69
Administrative Expenses	182,436,307.47	(787,034.06)	181,649,273.41

36. Event after the Reporting Period

In accordance with the Board of Directors' meeting No.1 /2020, held on 24 February 2020 , has resolve to pay dividend from net profit for the six months period from 1 July 2019 ending on 31 December 2019 at Baht 0.50 per share, total amounted of Baht 150.00 million and determine to set the record date to receive the dividend on 16 March 2020 and the dividend will be paid on 25 May 2020.

37. Approval of the Financial Statements

The financial statements have been approved by the board of directors of the Company on 24 February 2020.

RAJTHANEE HOSPITAL PUBLIC COMPANY LIMITED

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