



บริษัท บางกอก เซน ฮอสปิเทล จำกัด (มหาชน)

Annual Report 2020

รายงานประจำปี 2563

ANNIVERSARY



โรงพยาบาลเว็ลด์เมดิคอล
World Medical Hospital



KASEMRAD
INTERNATIONAL HOSPITAL



โรงพยาบาลเกษมราษฎร์
KASEMRAD HOSPITAL



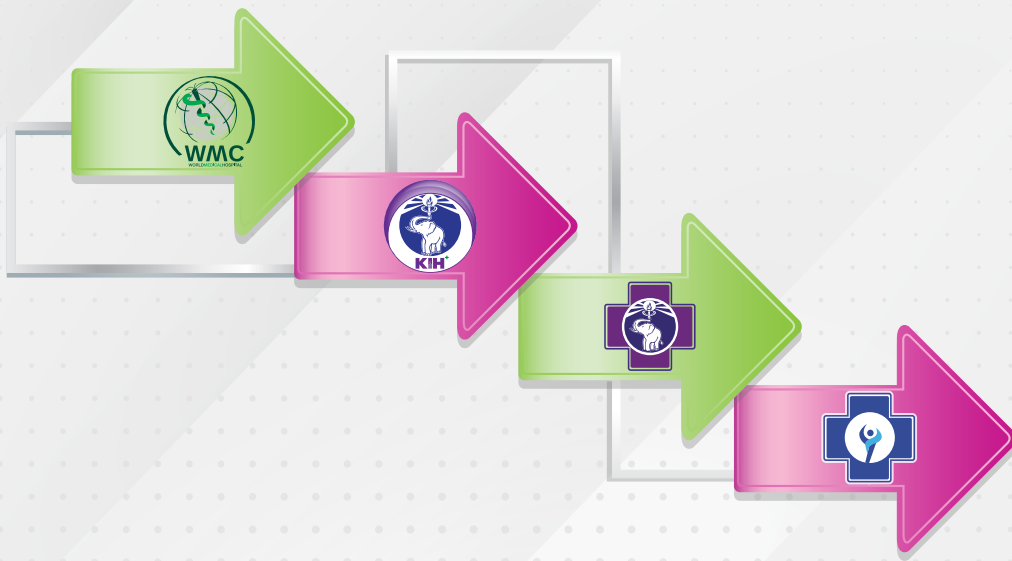
โรงพยาบาลการุญเวช
KARUNVEJ HOSPITAL

วิสัยทัศน์

เป็นหนึ่งในผู้นำธุรกิจบริการด้านสุขภาพ ทั้งในประเทศ และภูมิภาคเอเชียตะวันออกเฉียงใต้

VISION

To be one of the leaders in healthcare service industry in Thailand and Southeast Asia.



พันธกิจ

- เราจะมอบความไว้วางใจในด้านการบริการสุขภาพ เพื่อให้โรงพยาบาลของเราเป็นหนึ่งในใจผู้ป่วย
- เราจะร่วมมือกับพันธมิตรธุรกิจในการเพิ่มประสิทธิภาพด้านต่างๆ เพื่อสร้างสรรค์ความสำเร็จร่วมกัน
- เราจะพัฒนาบุคลากรให้มีศักยภาพในการทำงาน มีความรับผิดชอบต่อนหน้าที่และผู้ป่วย
- เราจะบริหารงานอย่างมืออาชีพตามหลักธรรมาภิบาลและสร้างความสัมพันธ์ที่ดีต่อสังคมและชุมชน

MISSION

- We will offer a trusted medical service to make our hospitals a number one preferred hospital in patients' mind.
- We will collaborate with alliances to improve business efficiency for mutual achievements.
- We will focus on human resource development to ensure their responsibilities and patients' responsiveness.
- We will professionally operate the business in line with ethical principles and promote social responsibility.

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Message from the Chairman of the Board of Directors

Year 2020 was the year that the world faced the pandemic coronavirus 2019 (COVID-19), which each country taking strict disease control measures to prevent and control the spread of COVID-19. Thailand has found the first infectious case in January 2020 and encountered with a large outbreak during March - April 2020. Subsequently, the government has announced State of Emergency along with initiated the country lockdown and temporarily halting certain types of business activities to control the

situation which resulted in a slowing economic activities. However, the implementation of such measures resulted in Thailand being able to relatively control the COVID-19 outbreak. Bangkok Chain Hospital Public Company Limited (“Company”) and its affiliated hospitals under the circumstances of COVID-19 have joined forces with the government to provide screening, quarantine, and treatment services for many patients under COVID-19 investigation. Additionally, in May 2020, the Company has launched Kasemrad Hospital International Aranyaprathet, a 90-bedded hospital (51-bed first phase) located in Aranyaprathet District, Sa Kaeo Province to provide medical services to Thai and Cambodian patients.

Under the COVID-19 circumstances, the Company continued to grow in 2020, achieving a higher revenue and net profit. Total revenue increased by 0.25 percent over the previous year, to Baht 9,014.36 million. And, net profit increased 8.33 percent, to Baht 1,229.40 million. The improved performance due to the prompt provision of services related to COVID-19, a growth in Social Security revenue from the additional recognition of Risk Adjusted Capitation revenue and influenza vaccination service to Social Security patients. In addition, the Company has also implemented a cost management policy as well as increasing operational efficiency in order to sustain the operation for continuous growth.

Apart from business operations, the Company insisted to promote social responsibility activities under good governance guidelines. In 2020, the Company was nominated to be one of the listed companies in Stock Exchange of Thailand that possessed an outstanding performance in environment, social, and governance (ESG) from the assessment of Thaipat Institute. In addition, the Company has organized several charities such as Distress Treatment Project to provide health examination services and advise on health care and various diseases, training programs to educate employees of private companies on the prevention of COVID-19. Moreover, the hospital group insisted to continue to provide free influenza vaccinations for monks under the project “Health relief charity for Monks”, as well as organizing blood donation activities for people and hospital staff to take part in the activities on an ongoing basis.

On behalf of Bangkok Chain Hospital Public Company Limited, I would like to convey my gratitude to all shareholders, customers, doctor and nurse, and business alliances for your unwavering trusts and supports. Likewise, I would like to express my sincere appreciation to doctors, nurses, and employees for their exertions and dedications to the Company. The Company will strictly adhere to the intention to operate the business in line with ethical principles and good corporate governance guidelines to ensure sustainability and stability of the Company.



Prof. Dr. Chalerm Harnphanich, M.D.
Chairman of the Board of Director



Report of the Audit Committee

The Board of Directors of Bangkok Chain Hospital Public Company Limited has appointed the Board of Audit Committee which consists of three independent directors who have qualifications in compliance with the Stock Exchange of Thailand and possess professional diversity in legal, accounting, finance, and organization the management. The Audit Committee's members are as follows:

- | | | |
|----------------------|-------------------------|---------------------------------|
| (1) Mr.Virach | Aphimeteetamrong, Ph.D. | Chairman of the Audit Committee |
| (2) Mr.Siripong | Sombutsiri | Audit Committee |
| (3) Professor.Piphob | Veraphong | Audit Committee |

In fiscal year 2020, the Audit Committee held five meetings and attended a non-management meeting with auditors once. The Audit Committee completely performed duties as designated by the Board of Directors in accordance with the terms and best practices as specified in the Audit Committee Charter and Good Corporate Governance. The key duties can be summarized as follows:

1. The Audit Committee reviewed the financial statements of the Company and its subsidiaries prior to the proposal to the Board of Directors by considering the significant issues guided by the external auditor, management, and internal auditor. The Audit Committee agreed with the external auditor's opinion resolved that the financial statements fairly present in accordance with the Thai Financial Reporting Standards and adequately disclosed the significant information.

2. The Audit Committee reviewed the internal control system of the Company by considering the assessment results according to the framework of The Committee of Sponsoring Organizations of the Tread way Commission (COSO). The assessment results indicated that the internal control system was adequate and appropriate with the business operations of the Company.

3. The Audit Committee considered approving the appointment of Dharmniti Internal Audit Company Limited, which is a qualified independent internal auditing firm, to be an internal auditor of the Company. The selection criteria were; its sufficient number of personnel, past experience, knowledge, capabilities, and its independency to perform duties as an internal auditor in accordance to the assessment program stipulated by the Company's internal control system.

4. The Audit Committee oversaw the Company's operations to ensure its compliance with the related laws and regulations. In addition, the Audit Committee reviewed the Anti-Corruption Policy consequently to the certification of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

5. The Audit Committee proposed the selection, nomination and remuneration of the Company's external auditor, KPMG Phoomchai Audit Company Limited, to the Board of Directors for approval in the Shareholders' meeting. The Audit Committee concluded that the external auditor performed their last year duties with professional and independence.

6. The Audit Committee reviewed the connected transactions or transactions which may cause conflict of interest, including the transparency and completeness of the Company's disclosure of such information, to ensure that they were in compliance with the laws and regulations of the Stock Exchange of Thailand.

7. The Audit Committee approved the internal audit plan for the year 2020, and also reviewed the quarterly audit report every quarter.

8. The Audit Committee reviewed the Audit Committee Charter to ensure its appropriateness and compliance with the current business environment of the Company. In addition, the Audit Committee has conducted self-assessment in order to ensure that their duties conformed to the Audit Committee Charter.

The Audit Committee performed its duties as designated by the Board of Directors with prudence for the best benefits to the Company, Shareholders, and Stakeholders.

On behalf of the Audit Committee



(Mr.Virach Aphimeteetamrong, Ph.D.)
Chairman of the Audit Committee

24 February 2020



Corporate Social Responsibility 2020

Bangkok Chain Hospital Public Company Limited (“BCH”) is committed to operate the business in line with ethical principles, society and environment. Apart from complying with the laws, regulations, standards, and environmental requirements, BCH has continuously initiated environmental campaigns such as Energy Saving, Say No to Plastic Bags, and various Corporate Social Responsibility (CSR) activities.

In 2020, BCH was nominated to be one of the companies in ESG 100 with an outstanding performance in environment, social and governance from the assessment of Thaipat Institute.



Volunteer Activities



Her Royal Highness Princess Chao Fah Patcharakitiyapa Narendira Thepyawadi Krom Luang Ratchasari Siripach Mahawatrachathida gave a royal plaque of honor to the affiliated hospitals since the Company supported the campaign of the International Foundation for Disabilities, “Wing pai mai ting gun 2020” at Suan Luang Rama 9.



The affiliated hospitals continued to organize the “Health relief charity for Monks” project by providing the influenza vaccination for monks and novices both Thai and International such as Burmese, Vietnamese, Cambodian and Chinese in order to prevent and build immunity for monks and novices.



The hospital group organized a Bambudtook Bamrungsuk “Make People Smiles” campaign by providing scholarships, goods, blood pressure check-up services, and advices on health care and various diseases to the people who attended the event.



Hospitals in the group in co-ordination with the Thai Red Cross Society arranged a blood donation activity to give an opportunity for staffs and the general public to take part in doing good activities to help people.

Corporate Social Responsibility 2020



Asst.Prof.Dr. Somporn Harnphanich, M.D., Director of Bangkok Chain Hospital Public Company Limited **donated blood vessel examination equipment** to Galyani Vadhana Hemodialysis Center Siriraj Hospital.



The Company and its affiliated hospitals **donated 1,000 bottles of alcohol gel** in the “Boon Raksa” project to temples throughout Nonthaburi province in order to help prevent the spread of COVID-19.

Other Activities



Hospitals in the group organized practical education activities on **first aid and cardiopulmonary resuscitation (CPR)** for benefit and use in daily life.



The Company and its affiliated hospitals in cooperation with private companies organized training programs to educate employees on the **prevention of COVID-19 in the right way.**

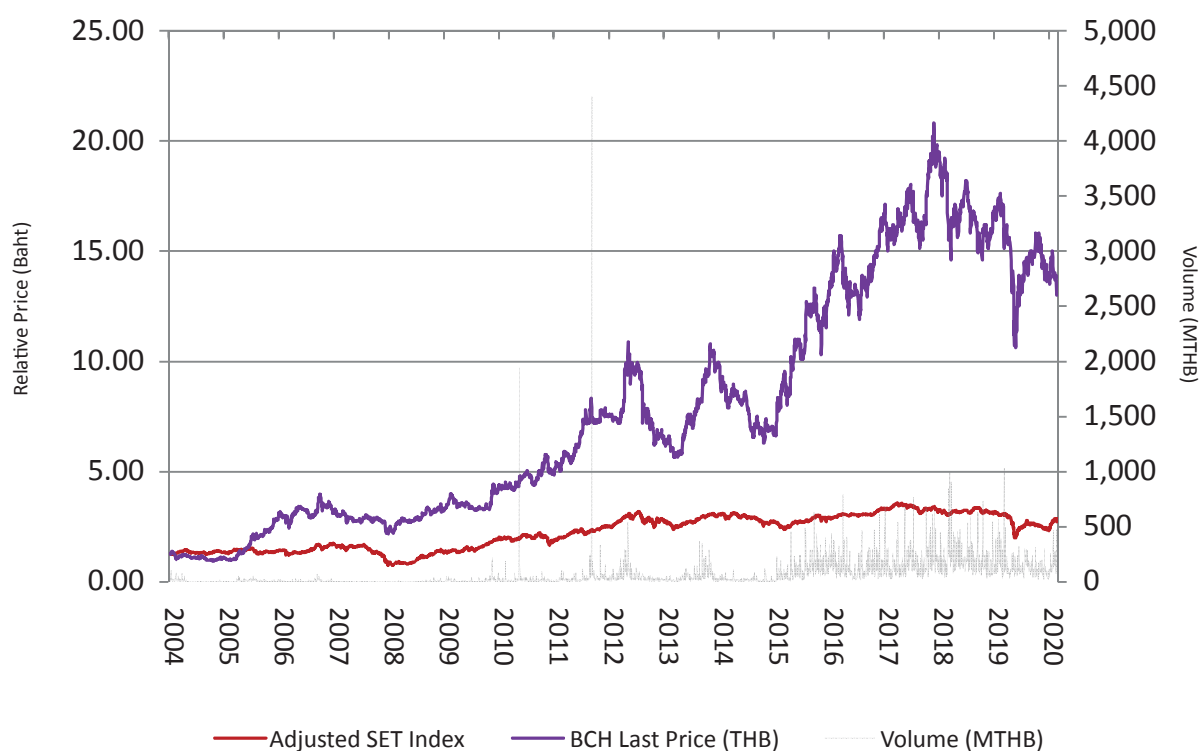


On the National Children's Day, the hospital group **organized activities for children** to have fun showing their skills and abilities in order to be beneficial and development for them in the future.

Company's Information

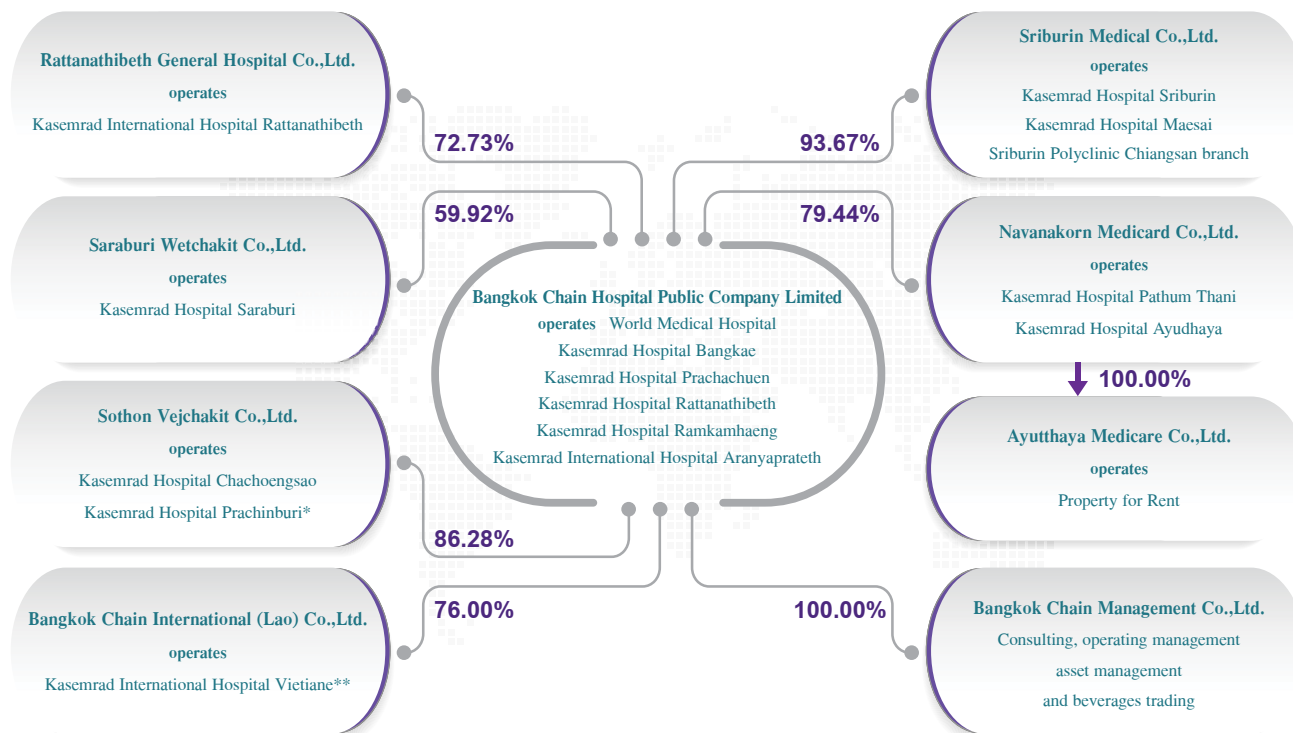
Name	: Bangkok Chain Hospital Public Company Limited
Head office address	: 44 Moo 4, Chaengwattana Road, Pakkred, Nonthaburi 11120
Nature of Business	: Private Hospital
Date of Establishment	: 24 November 1993
Date of Listed in SET	: 10 November 2004
Website	: www.bangkokchainhospital.com
Registered and Paid-up Capital	: THB 2,493.75 million (Par value at 1 Baht per share)
Shareholders	: Harnphanich Family holds up to 49.99 percent Institutional and retailed investors hold up to 50.01 percent

Historical stock price of BCH since IPO vs SET INDEX
From November 2004 — December 2020



Shareholding Structure of the Company

(As of 31 December 2020)



*Expected to be opened in 2020

**Expected to be opened in 2021

General Information of the Company and its Subsidiaries

Company	Year of Establishment	Registered Capital	Nature of Business	Opening / Acquiring Date
Bangkok Chain Hospital PCL.	24 November 1993	Baht 2,494 million	Kasemrad Hospital Bangkac Kasemrad Hospital Prachachuen World Medical Hospital Kasemrad Hospital Rattanaibeth Kasemrad Hospital Ramkhamhaeng Kasemrad Hospital International Aranyaprathet	8 August 1984 15 July 1997 22 March 2013 12 June 2015 22 October 2018 11 May 2020
Rattanaibeth General Hospital Co., Ltd.	8 June 1990	Baht 300 million	Kasemrad International Hospital Rattanaibeth	15 February 1993
Sriburin Medical Co., Ltd.	29 March 1991	Baht 170 million	Kasemrad Hospital Sriburin Kasemrad Hospital Mae-sai Kasemrad Sriburin Clinic Chiangsan branch	10 January 1993 1 August 2004 8 August 2014
Saraburi Wetchakit Co., Ltd.	16 April 1993	Baht 321 million	Kasemrad Hospital Saraburi	1 January 1996
Navanakorn Medicare Co., Ltd.	7 February 1989	Baht 375 million	Karunvej Hospital Pathum Thani Karunvej Hospital Ayudhaya	18 December 2013 18 December 2013
Ayutthaya Medicare Co., Ltd.	27 November 1995	Baht 45 million	Property for rent (Land rent to Karunvej Hospital Ayudhaya)	18 December 2013
Sothorn Vejchakit Co., Ltd.	23 April 2015	Baht 700 million	Kasemrad Hospital Chachoengsao Kasemrad Hospital Prachinburi	1 May 2015 1 January 2021
Bangkok Chain Management Co., Ltd.	15 September 2016	Baht 5 million	Consulting, Operating Management, Asset Management, and Procurement Services	15 September 2016
Bangkok Chain International (Lao) Co., Ltd.	12 April 2017	KIP 120,000 million	Kasemrad International Hospital Vientiane	To be opened in 2021

General Information of the Chained Hospital

World Medical Hospital	44 Moo 4 Chaengwattana Road, Pakkred, Nonthaburi 11120 Tel. (66) 2836-9999, Fax (66) 2836-9911
Kasemrad International Hospital Rattanaibeth	60 Moo 6, Sao-Thong-Hin, Bang-Yai, Nonthaburi 11140 Tel. (66) 2594-0020 Fax (66) 2594-0067
Kasemrad International Hospital Aranyaprathet	885 Moo 5, Banmainongsai, Aranyaprathet, Sakaeo 27120 Tel. (66) 3764-000 Fax (66) 3764-0099
Kasemrad International Hospital Vientiane**	450 Year Road, Donnokkhoum Village, Sisattanak District, Vientiane Capital, Lao PDR Tel. (856) 030-5005891
Kasemrad Hospital Bangkai	586,588 Petchakasem Road, Bangkai-Nua, Bangkai, Bangkok 10160 Tel. (66) 2804-8959 Fax (66) 2454-1914
Kasemrad Hospital Sriburi	111/5 Moo 13, Sun-Sai, Muang Chiang rai, Chiang Rai 57000 Tel. (66) 53-910-999 Fax (66) 53-717-938
Kasemrad Hospital Saraburi	2/22 Mitraparb Road, Pak-Preaw, Muang Saraburi, Saraburi 18000 Tel. (66) 36-315-555 Fax (66) 36-315-501
Kasemrad Hospital Prachachuen	950 Prachachuen Road, Wongsawang, Bangsue, Bangkok 10800 Tel. (66) 2910-1600 Fax (66) 2910-1649
Kasemrad Hospital Mae Sai	952 Moo 1, Viengpangkam, Mae-sai, Chiang Rai 57130 Tel. (66) 53-642-742 Fax (66) 53-642-744
Kasemrad Sriburi Clinic Chiangsan Branch	339 Moo 6, Vieng, Chiangsan, Chiang Rai 57150 Tel. (66) 53-650-131 Fax (66) 53-650-133
Kasemrad Hospital Chachoengsao	29 Moo 3 Suwinthawong Road, Nua-Mueng, Mueng, Chachoengsao, Chachoengsao 24000 Tel. (66) 38-812-702 Fax (66) 38-812-720
Kasemrad Hospital Rattanaibeth	58 Moo 15, Bangrakpattana, Bangbuathong, Nonthaburi 11110 Tel. (66) 2921-3400 Fax (66) 2921-1119
Kasemrad Hospital Ramkhamhaeng	99/9 Ramkhamhaeng Road, Sapansoong, Bangkok 10240 Tel. (66) 2339-0000 Fax (66) 2339-0099
Kasemrad Hospital Prachinburi*	766 Moo 10, Thatoom, Si Maha Phot, Prachinburi 25140 Tel. (66) 3762-7000
Karunvej Hospital Pathum Thani	98 Moo 13 Phahonyothin Road, Khlong-Nueng, Klong Luang, Pathum Thani 12120 Tel. (66) 2529-4533 Fax (66) 2529-3624
Karunvej Hospital Ayudhya	61/9 Moo 4, Klong-Jik, Bangpa-in, Pranakorn Sriyudhya 13160 Tel. (66) 35-315-100-30 Fax (66) 35-355-155

Remark: 1. Call Center 1218

*2. Kasemrad Hospital Prachinburi opened for service on January 1, 2021

**3. Kasemrad International Hospital Vientiane will be opened on 2Q21

Reference Information

Head Office	Bangkok Chain Hospital Public Company Limited 44 Moo 4 Chaengwattana Road, Pakkred, Nonthaburi 11120 Tel. (66) 2836-9999, Call Center 1218 Fax (66) 2106-4858
Share Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Buildin 93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. (66) 2009-9000, (66) 2009-9999 Fax (66) 2009-9991
Bond Registrar	CIMB Thai Bank Public Company Limited Capital Financial Markets and Payments Operations Department Registrar and Payments Operations Unit 15th Floor 44 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel. (66) 2626-7506, Fax. (66) 2626-7511
External Auditor	KPMG Phoomchai Audit Limited 48th Floor, Empire Tower, No.1, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel. (66) 2677-2000, Fax (66) 2677-2220-3
External Legal Advisor	The Legalist Law Office Company Limited 38 Soi Ramkhamhaeng 60/2, Huamark, Bangkapi, Bangkok 10240 Tel. (66) 2735-2976-80, Fax (66) 2735-2981

Financial Highlights

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

	2563	2562	2561
Operating Performance (Million Baht)			
Total Revenues	9,014.36	8,991.58	8,176.94
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	2,609.03	2,372.42	2,226.69
Profit for the year	1,392.05	1,298.04	1,248.20
Profit attributable to owners of the Company	1,229.40	1,134.91	1,089.47
Financial Position (Million Baht)			
Total Assets	16,527.30	14,115.63	12,627.49
Total Liabilities	8,900.99	7,137.35	6,229.71
Non-Controlling Interests	741.81	730.28	696.35
Equity Attributable to Equity Holders of the Company	6,884.50	6,248.00	5,701.43
Financial Ratios			
Gross Profit Margin (%)	33.08	31.85	33.18
Net Profit Margin (%) **	13.64	12.62	13.32
Debt to Equity Ratio (Times)	1.17	1.02	0.97
Return on Equity (%) **	18.72	19.00	20.00
Return on Assets (%) *	11.92	12.77	13.05
Stock Information			
Issued Share Capital (million shares) ***	2,493.75	2,493.75	2,493.75
Earnings per Share (Baht) ***	0.49	0.46	0.44
Book Value per Share (Baht) ***	3.06	2.80	2.57
Cash Dividend Paid per Share (Baht) ***	0.23	0.23	0.23
Stock Price at the End of Year (Baht)	13.60	17.10	16.70

Remark: * Calculated using EBIT for the year

** Calculated using Profit attributable to owners of the Company

*** Data per share calculated by each item / number of shares at the end of the year.

Member of the Board of Directors

Bangkok Chain Hospital Public Company Limited



Prof. Dr. Chalerm Harnphanich, M.D.
Chairman of the Board of Directors



Asst. Prof. Dr. Somporn Harnphanich, M.D.
Director



Ms. Pornluck Harnphanich, M.D.
Director



Mr. Kantaporn Harnphanich
Director



Mr. Phinij Harnphanich
Director



Ms. Pornsuda Harnphanich
Director



Mr. Voravee Kiattinoyomsak
Director



Mr. Pumipat Chatnoraset
Director



Mr. Virach Aphimeteetamrong, Ph.D.
Independent Director



Mr. Siripong Sombutsiri
Independent Director



Prof. Piphob Veraphong
Independent Director



Mr. Thawat Suntrajarn, M.D.
Independent Director

Prof.Dr.Chalerm Harnphanich, M.D.

Chairman of the Board of Directors
Chairman of Executive Committee
Chief Executive Officer
Age (year) 66



Date of Appointment : 24 November 1993

Education

- Ph.D. Honorary Doctoral Programme in Business Administration, Ramkhamhaeng University
- Honorary Certificate, Professor for Hospital Administration Programme, Bodhisatstra University, USA
- Honorary Certificate, Associate Professor in Public Administration Programme, Bodhisatstra University, USA
- Ph.D. (Buddhist Studies), Honorary Doctoral Programme in Buddhist Studies, Mahachulalongkornrajavidyalaya University
- Master Degree in Business Administration, Ramkhamhaeng University
- M.D. Chiang Mai University
- B.Sc., Medical Science, Chiang Mai University
- Board Certification Specialist in Obstetrics and Gynecology, Siriraj Hospital, Mahidol University
- High Medical Certificate in Obstetrics and Gynecology, Siriraj Hospital, Mahidol University

Training

- Director Certification Program, Thai Institute of Directors Association (IOD)
- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Hospital Management, Sasin Graduate Institution of Business Administration of Chulalongkorn University

Work Experiences

- 2019 - present President / Private Hospital Association Thailand
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present President/ Chiangmai Medical School Alumni Association
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2014 - present Advisory / Private Hospital Association of Asean
- 2014 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2013 -present Director / Ayutthaya Medicare Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2013 - present Director / C.M.J. Land Co., Ltd.
- 2011 - present Director / Park Inn Chiangrai Part Co., Ltd.
- 2006 - present Director of Master of Public Health Program / School of Health Science Sukhothai Thammathirat Open University
- 1996 - present Director / S.C.K. Land Co., Ltd.
- 1996 - present Director / Saraburi Wetchakit Co., Ltd.
- 1996 - present Director / Sriburin Medical Co., Ltd. .
- 1992 - present Director / Rattanatibeth General Hospital Co., Ltd.
- 1988 - present Director / Pisuthikij Co., Ltd.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12

Shareholdings (%) : 32.63 (No change in 2020)

Relationship : Asst.Prof.Dr.Somporn Harnphanich's husband

Asst.Prof.Dr.Somporn Harnphanich, M.D.

Director
Member of Executive Committee
Deputy CEO
Age (year) 68



Date of Appointment : 24 November 1993

Education

- PH.D.(Buddhist Studies), Honorary Doctoral Programme in Buddhist Studies, Mahachulalongkorn Rajavidyalaya University
- Master Degree in Business Administration, Ramkhamhaeng University
- M.D. Mahidol University
- BSc, Medical Science, Mahidol University
- Board Certificate: Anesthesia, Siriraj Hospital, Mahidol University
- Board Certificate: Medical Laws and Public Health Class 5th, Mahidol University
- Certificate of Occupational Medicine, Class 10th, Medical Council
- Certificate of Asia Pacific Hospital Management Programme, Singapore Management University
- Certificate of Meeting the Logistics Challenger of The Healthcare Sector HEC Montreal, Canada
- Certificate of Successful Completion / Lead Assessor Certificate, Anglo Japanese American

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Hospital Management, Sasin Graduate Institution of Business Administration of Chulalongkorn University
- Strategic Human Resource Manager Human Resource Institute, Thammasat University
- Role of the Chairman Program Thai Institute of Directors Association (IOD)

Work Experiences

- 2019 - present Vice President of Association / Private Hospital Association Thailand
- 2017 - present Director / Committee on Development of Stroke Service
- 2017 - present Director / Health Promotion Committee
- 2017 - present Director / Committee on Non-Communicable Disease Service
- 2017- present Director / Maternity Service Development Committee (Mother and Child)
- 2017 - present Sub Committee/ Social Security Office
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 -present Director / Service Plan, Ministry of Public Health
- 2016 - present 3rd Vice President of Association / The Private Hospital Association
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2013 - present Director / Ayutthaya Medicare Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2010 - 2012 Director / Thai Listed Companies Association
- 1996 - present Director / Saraburi Wetchakit Co., Ltd
- 1996 - present Director / Sriburin Medical Co., Ltd.
- 1992 - present Director and Managing Director / Rattanatibeth General Hospital Co., Ltd.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12

Shareholdings (%) : 7.29 (Decrease 0.08 in 2020)

Relationship : Prof.Dr.Chalerm Harnphanich, M.D.'s wife

Ms.Pornluck Harnphanich, M.D.

Director
Member of Executive Committee
Member of Risk Management Committee
Chief Operating Officer
Age (year) 35



Date of Appointment : 10 September 2012

Education

- Master degree of Healthcare and Wellness Management College of Management Mahidol University M.D., Thammasat University
- Diploma Course in Dermatology and Dermatosurgery, Institute of Dermatology
- American Board Certified in Nutritional Wellness American Board of Nutritional Wellness
- Executive Mini Master of Business Administration, NIDA Business School
- Short Course training in Skin Laser Surgery, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Certificate in Chelation Therapy (CMAT)
- HA Course for Quality Hospital Management (HA900)

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution of Strategy (SFE) Program, Thai Institute of Directors Association (IOD)
- Entrepreneurial Finance, CONC Thammasat Business School, Thammasat University
- Oxford Program on Negotiation in Bangkok Said Business School, University of Oxford

Work Experiences

- 2020- present Director / Navanakorn Midecal Co., Ltd.
- 2020- present Director / Ayutthaya Medical Co., Ltd.
- 2016 - present Director / Sriburin Medical Co., Ltd.
- 2016 - present Director / Saraburi Wetchakit Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Coffee and Latte House Co., Ltd.
- 2015 - 2019 Director / Global Inspired Laboratory Co., Ltd.
- 2012 - present Medical Director / Rattanatibeth General Hospital Co., Ltd.
- 2011 - 2014 Director / Rattanatibeth General Hospital Co., Ltd.
- 2011 - 2019 Director / Tipnatee s.p.p. Co., Ltd.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12
- Risk Management Committee : 4 from 4

Shareholdings (%) : 3.37 (Add 0.04 in 2020)

Relationship : Prof.Dr.Chalerm Harnphanich, M.D.'s daughter

Mr.Kantaporn Harnphanich, M.D.

Director
Member of Executive Committee
Chief Marketing Officer
Age (year) 33



Date of Appointment : 28 April 2015

Education

- Master Degree of Healthcare and Wellness Management, College of Management, Mahidol University
- Master of Business Administration, Assumption University
- Bachelor of Business Administration, Assumption University

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution of Strategy (SFE) Program, Thai Institute of Directors Association (IOD)
- Oxford Program on Negotiation in Bangkok Said Business School, University of Oxford

Work Experiences

- 2020 - present Director / Director S G GOODFRIENDS Co., Ltd.
- 2020 - present Director / K.P.A. FOOD Co., Ltd.
- 2017 - present Director / Latte Coffee Shop Co., Ltd.
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Bangkok Chain Hospital PCL.
- 2015 - present Director / Coffee and Latte House Co., Ltd.
- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2014 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2013 - present Director / Ballete Foods Co., Ltd.
- 2013 - present Director of Marketing / Rattanatibeth General Hospital Co., Ltd.
- 2012 - present Director / Sriburin Medical Co., Ltd.
- 2011 - present Director / Tipnatee s.p.p. Co., Ltd.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12

Shareholdings (%) : 3.33 (No change in 2020)

Relationship : Prof.Dr.Chalerm Harnphanich, M.D.'s son

Mr. Phinij Harnphanich, M.D.**Director**

Age (year) 65

**Date of Appointment :** 27 February 2017**Education**

- Master degree of Political Science (Government), Thammasat University
- Bachelor degree of Political Science (Public Administration), Thammasat University

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)

Work Experiences

- 2016 - present Retired Government Official / Ministry of Interior
- 2014 - 2016 The Governor / Samutprakan Province
- 2013 - 2014 Director General / Department of Lands
- 2012 - 2013 The Governor / Lamphun Province

Position in other Listed Companies

- 2018 - present Independent Director and audit Committee / Chewathai PCL.

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6

Shareholdings (%) : -None-**Relationship** : Prof.Dr.Chalerm Harnphanich, M.D.'s cousin**Mr. Pornsuda Harnphanich, M.D.****Director**

Member of Executive Committee
Member of Risk Management Committee
Chief Finance Officer

Age (year) 31

**Date of Appointment :** 13 January 2020**Education**

- Master degree of Healthcare and Wellness Management, College of Management, Mahidol University
- Master degree of Science (Finance), University College Dublin, Singapore
- Bachelor of Business Administration in Finance, Thammasat University
- Certificate IR Professional Certificate Program, Federation of Accounting Professions
- Certificate CompTIA IT Fundamentals, Network Training Center, 2018

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Personal Income Tax and Corporate Income Tax Program, Faculty of Commerce and Accountancy, Thammasat University
- Oxford Programme on Negotiation in Bangkok Said Business School, University of Oxford

Work Experiences

- 2020 - present Director / Director S G GOODFRIENDS Co., Ltd.
- 2020 - present Director / K.P.A. FOOD Co., Ltd.
- 2017 - present Director / Latte Coffee Shop Co., Ltd.
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Coffee and Latte House Co., Ltd.
- 2014 - present Director / Rattanatibeth General Hospital Co., Ltd.
- 2014 - present Director / Rattanatibeth General Hospital Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2013 - present Director / Ayutthaya Medicare Co., Ltd.
- 2013 - present Director / Balleto Foods Co., Ltd.
- 2011 - present Director / Tipnatee s.p.p. Co., Ltd.

Position in other Listed Companies : -None-**Directors' Meeting Participation in 2020**

- Board of Directors : 5 from 6
- Executive Committee : 12 from 12
- Risk Management Committee : 4 from 4

Shareholdings (%) : 3.37 (Add 0.04 in 2020)**Relationship** : Prof.Dr.Chalerm Harnphanich, M.D.'s daughter

Mr.Voravee Kiattinoyomsak

Director

Member of Executive Committee
Member of Risk Management Committee
Company Secretary
Accounting Director
Age (year) 41



Date of Appointment : 23 June 2020

Education

- Master Degree in Business Administration in Finance, Thammasat University
- Bachelor of Business Administration in Accounting, Assumption University
- Certified Public Accountant

Training

- Director Accreditation Program (DAP) 172/2020, Thai Institute of Directors Association (IOD)
- Advanced Course for Company Secretary Class 1/2016, Thai Company Secretary Club, Thai Listed Companies Association partnership with Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand
- Course for Chief Financial Officer, Strategic CFO in Capital Market Class 9 Stock Exchange of Thailand

Work Experiences

- 2016 - present Director / Sriburin Medical Co., Ltd.
- 2016 - present Director / Navanakorn Medicare Co., Ltd.
- 2016 - present Director / Ayutthaya Medicare Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2006 - 2015 Audit Manager / EY Office Limited

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12
- Risk Management Committee : 4 from 4

Shareholdings (%) : -None-

Relationship : -None-

Mr.Pumipat Chatnoraset

Director

Member of Executive Committee
Member of Risk Management Committee
Director of Finance and Investor Relations
Age (year) 36



Date of Appointment : 23 June 2020

Education

- MSc Investment Management, CASS Business School, City University London, United Kingdom
- Master of Finance, Curtin University of Technology, Australia
- Bachelor of Commerce in Management and Information System Double Majors, Curtin University of Technology, Australia
- Passed CFA Level 1

Training

- Director Accreditation Program (DAP) 172/2020, Thai Institute of Directors Association (IOD)

Work Experiences

- 2017 - Present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2014 - Present Director / YUEI Property Co., Ltd.
- 2014 - 2015 Assistant Vice President, Investment Banking / CIMB Thai PCL.
- 2013 - 2014 ASEAN Country Business Manager, World Business Group / KASIKORNBANK PCL.
- 2011 - 2013 Manager, Finance and Treasury Department / RMA Group Co., Ltd.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Executive Committee : 12 from 12
- Risk Management Committee : 4 from 4

Shareholdings (%) : -None-

Relationship : -None-

Mr. Virach Aphimeteetamrong, Ph.D.

Independent Director
Chairman of the Audit Committee

Age (year) 77



Date of Appointment : 9 April 2004

Education

- Ph.D. (Finance), University of Illinois, Urbana-Champaign, USA
- Master Degree in M.A.S., University of Illinois, Urbana-Champaign, USA
- Master Degree in Business Administration, Gothenburg, Sweden
- Bachelor of Accounting (Honors 2nd), Chulalongkorn University

Training

- Director Accreditation Program (DAP) 2/2003, Thai Institute of Directors Association (IOD)

Work Experiences

- 2020 - present Independent Director / Allianz Ayudhya Assurance Plc
- 2003 - present Director / TRIS Corporation Co., Ltd.
- 1988 - present Chairman of the Board of Directors / Office Dr. Virach & Associates Co., Ltd.
- Position in Other Listed Companies
- 2013 - present Independent Director and Audit Committee / Thai Agro Energy PCL.
- 2007 - present Chairman of Board of Directors / Intouch Holdings PCL.
- 2004 - present Independent Director and Chairman of the Audit Committee / Asia Plus Group Holdings PCL.
- 1995 - present Independent Director and Audit Committee / Metro Systems Corporation PCL.
- 1993 - present Chairman of the Independent Director / Supalai PCL.

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

Shareholdings (%) : -None-

Relationship : -None-

Mr. Siripong Sombutsiri

Independent Director
Audit Committee

Age (year) 66



Date of Appointment : 9 April 2004

Education

- Master Degree of Business Administration in Finance, Sul Ross University, USA
- Bachelor of Commerce and Accounting, Chulalongkorn University

Training

- Ethical Leadership Program Class 1/2015, Thai Private Sector Collective Action against Corruption (CAC)
- Director Accreditation Program (DAP) 2/2003, Thai Institute of Directors Association (IOD)

Work Experiences

- 2011 - present Director / Infinite Electric (Thailand) Co., Ltd.

Position in other Listed Companies

- 2015 - 2019 Director / Thai Military Bank PCL.
- 2014 - present Chairman of the Board of Directors and Chairman of the Audit Committee / Com 7 PCL.
- 2013 - present Director and Chairman of the Audit Committee / Pan Asia Footwear PCL.
- 2007 - present Director and Executive Director / AP (Thailand) PCL and subsidiaries.

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

Shareholdings (%) : -None-

Relationship : -None-

Prof.Piphob Veraphong

Independent Director
Audit Committee

Age (year) 59



Date of Appointment : 9 April 2004

Education

- Master Degree of LL.M., Harvard University, USA
- Master Degree of LL.M., Taxation, Boston University, USA
- Bachelor of Law (Honors), Chulalongkorn University
- Barrister-at-law
- Certificate of International Taxation, Harvard University, USA

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 238/2017, Thai Institute of Directors Association (IOD)

Work Experiences

2002 - present Partner / Law Alliance Co., Ltd.

Position in other Listed Companies

2015 - present Independent Director and Audit Committee / Land and Houses PCL.

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

Shareholdings (%) : 0.0000401 (change in 2020)

Relationship : -None-

Mr.Thawat Suntrajarn, M.D.

Independent Director

Age (year) 73



Date of Appointment : 26 April 2010

Education

- M.Ph. Mahidol University
- M.D. Chiang Mai University
- B.Sc. Medical Science, Chiang Mai University

Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)

Work Experiences

- 2016 - 2019 Vice Minister for Public Health / The Prime Minister's Office
- 2016 - present Senior Advisory / Sub-committee of Ministry of Public Health
- 2016 - present Senior Advisory / Sub-committee of Department of Health and Service Support, Ministry of Public Health
- 2010 - present Senior Advisory / University of Phayao Council
- 2009 - present President / Thailand Health Association
- 2008 - present Advisory / Global Fund Principle Recipient Management office, Ministry of Public Health
- 2008 - present Advisory / Permanent Secretary Ministry of Public Health

Position in other Listed Companies : -None-

Directors' Meeting Participation in 2020

- Board of Directors : 6 from 6

Shareholdings (%) : -None-

Relationship : -None-

Products and Services

Products and services of the Company are as follows:

1. World Medical Hospital Group (WMC)

- Target customers : high-end / international patients
- Level of Excellence: tertiary care which required high specialized medical services. WMC provides its services to referred patients from hospital in the group and other alliance hospitals nationwide.

2. Kasemrad International Hospital Group (KIH)

- Target customers : middle to high income patients
- Level of Excellence : secondary and up to some level of tertiary care

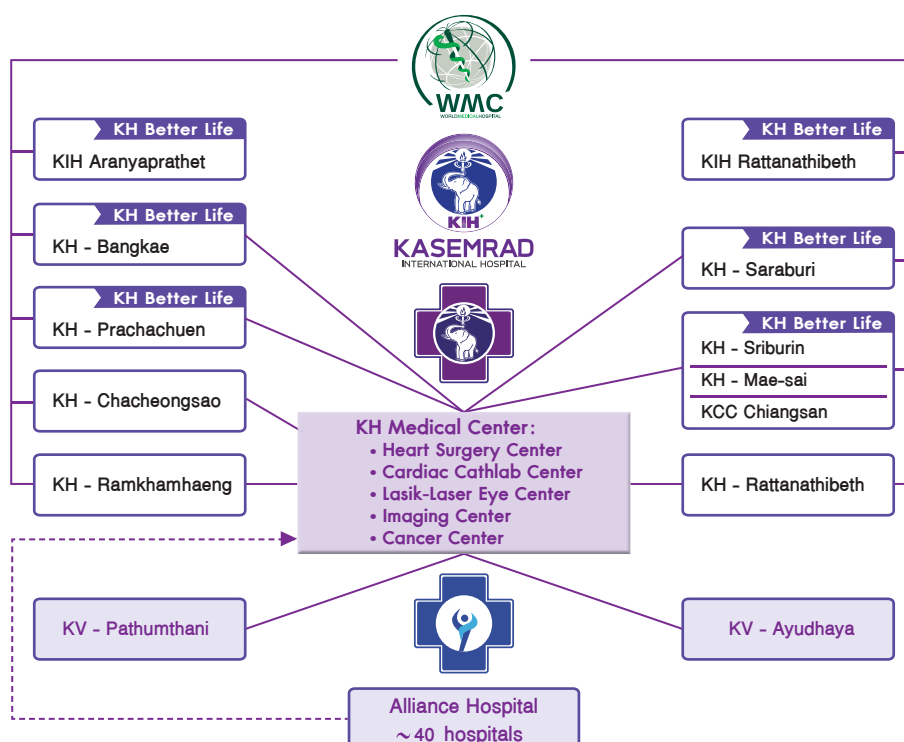
3. Kasemrad Hospital Group (KH)

- Target customers : middle-income patients and social security patients
- Level of Excellence : primary, secondary and up to some level of tertiary care
- Kasemrad Medical Center (KHMC): providing comprehensive medical services in the level of tertiary care to serve the referral patients from Kasemrad Hospital, Karunvej Hospitals and other alliance Hospitals as follows:
 - Heart Surgery Center
 - Lasik and Eyes Center
 - Imaging Center
 - Cardiac Cath Lab Center
 - Cancer Center
- Kasemrad Community Clinic (KCC): Provide primary care (Out-patients) in Chiangsan District, Chiangrai province.
- Kasemrad Better Life (KH Better Life) : healthy lifestyle and alternative medicine are as follows:
 - Aesthetics (Skin Care and Non-Invasive)
 - Cosmetic Surgery
 - Thai Traditional Medicine
 - Dental & Aesthetic Dentistry
 - Wellness Center (Health Check-up)
 - Chinese Traditional Medicine

4. Karunvej Hospital Group (KV)

- Target customer : mainly social security patients
- Level of Excellence : primary and up to secondary care

Illustration of patients referral network among our hospital in the group



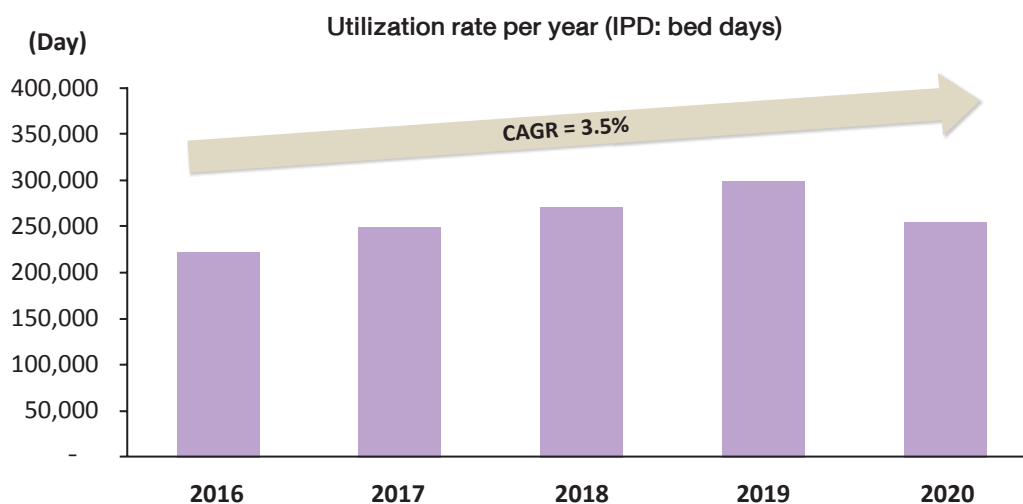
Service Capacity

Number of Examination Rooms and Beds for Patients

The thirteen chained hospital branches and one polyclinic have available examination rooms and beds to serve both In-patients (“IPD”) and Out-patient (“OPD”) as follows:

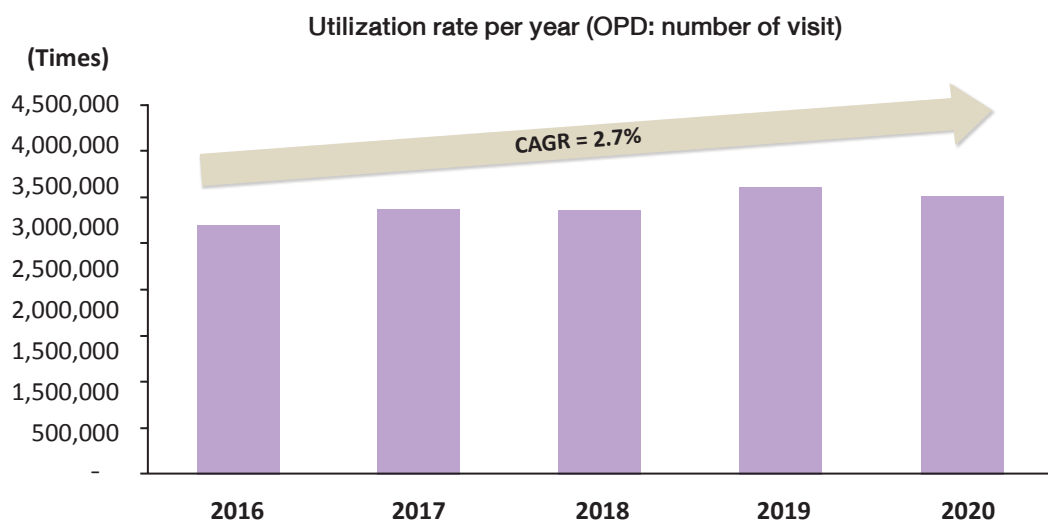
Hospitals	Hospitals Accreditation Level (HA)	Out-Patients	In-Patients
		Number of Examination Room	Number of Licensed Bed
World Medical Hospital	JCI, DNV GL	84	150
Kasemrad International Hospital Rattanaibeth	JCI, 3	41	133
Kasemrad International Hospital Aranyaprathet	TBC	44	51
Kasemrad Hospital Bangkai	3	60	311
Kasemrad Hospital Sriburi	3	40	120
Kasemrad Hospital Saraburi	3	16	200
Kasemrad Hospital Prachachuen	3	55	371
Kasemrad Hospital Mae-sai	-	14	30
- Kasemrad Sriburi Clinic Chiangsan branch	-	13	-
Kasemrad Hospital Chachoengsao	3	32	100
Kasemrad Hospital Rattanaibeth	3	18	119
Kasemrad Hospital Ramkhamhaeng	2	39	139
Karunvej Hospital Pathum Thani	3	22	200
Karunvej Hospital Ayudhya	2	6	105
Total		484	2,029

In-patients Service (bed days)



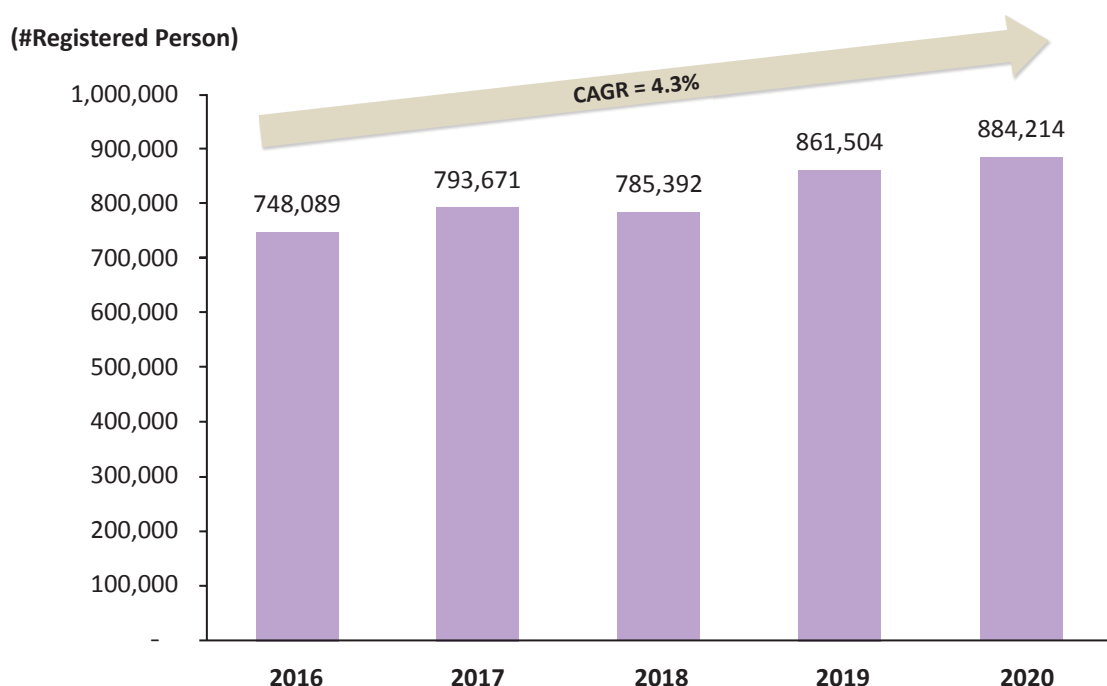
In the past five years, the utilization rate of IPD cash patients and social security patients grew on average of 3.5 percent per annum. After the renovation of in-patients wards in the affiliated hospitals, the hospitals have improved their in-patient departments both medical technology used in the treatment and convenience of service. As a result, the utilization rate of in-patients service has continued to grow. However, in 2020, there is a COVID-19 pandemic which impacted on the utilization rate of in-patients service to declined for the first time in 10 years due to the anxiety in receiving the medical services at the hospital.

Out-patients Service



The utilization rate of OPD general patients and social security patients for the past five years grew on average about 2.7 percent per annum. In 2020, the number of OPD visit decreased as the results of COVID-19 pandemic, especially patients under social security scheme who postponed their treatment for non-severe disease cases. Anywise, the prompt service and strategy adaptation in this crisis helped the affiliated hospitals in having more than 250,000 cases for COVID-19 screening in 2020, which greatly compensated the decline in income and normalized medical service utilization rate.

Averaged number of registered persons under social security scheme in the past five years



In the past five years, the number of registered person under the social security scheme increased on average of 4.3 percent per annum. In 2020, the averaged number of registered person under social security scheme recorded high as a result of the extra quota allowed by the social security office for Kasemrad Hospital Bangkai, Kasemrad Hospital Prachacheun, and Kasemrad Hospital Rattanaibeth. While Kasemrad Hospital Ramkhamhaeng has continued to increase its insurers, the provincial hospital branches, such as Kasemrad Hospital Sriburi, Kasemrad Hospital Chachoengsao, and Kasemrad Hospital Saraburi were also able to increase their insurers over the past year.

Nature of Business

1. Operates business as a group of hospitals and create strategic alliances to improve service efficiency

The Company operates its business as a group of hospitals consisting of thirteen hospital branches and one polyclinic to serve all types of customers resided in Bangkok and provincials. The Company has centers of excellences to provide diagnosis services to patients under BCH Group's hospitals and referred patients from over 40 allied hospitals. The centers of excellences providing tertiary care services for referral patients are as follows:

- Heart Center and Cardiac Cath Lab: Kasemrad Hospital Prachachuen, Kasemrad Hospital Bangkae, Kasemrad Hospital Ramkamheang, Kasemrad Hospital Sriburin, World Medical Hospital, and Kasemrad International Hospital Rattanatibeth are qualified to provide diagnosis and one-stop service treatment for heart problems both Cardiac Cath Lab and Opened Heart Surgery.
- Lasik and Eyes Center: Kasemrad Hospital Prachachuen and World Medical Hospital are qualified to provide eyes surgery with laser technology.
- Imaging Center: Kasemrad International Hospital Rattanatibeth, Kasemrad Hospital Sriburin, Kasemrad Hospital Chachoengsao, World Medical Hospital, Kasemrad Hospital Ramkamhaeng and Kasemrad International Hospital Aranyaprathet provide diagnosis service with the advanced technology equipment e.g. Computed Tomography Scan (CT Scan) and Magnetic Resonance Imaging (MRI).
- Cancer Center: Kasemrad International Hospital Rattanatibeth, and World Medical Hospital are qualified for cancer diagnosis and chemotherapy.

Our hospital group with Centers of Excellence offered an exclusive rate for referred patients from its group of hospitals and other allied hospitals. Under our centers of excellences, patients can undergo treatment or surgery quickly which in turn improves efficiency of equipment's utilization and increases turnover to the Company.

2. Revenue from various types of customer and regular earnings from the Social Security Scheme

The Company offers medical services to both general patients and patients under governmental schemes, the revenue from patient mixed provides diversified sources of income and those incomes are certain and payable on regular basis to the Company. Under the Social Security Schemes, it is compulsory by laws and regulations that Social Security Office is responsible for the medical expenses incurred from patients under the schemes. Having several types of customer also create efficiency and productivity of the Company's resources e.g. such as physicians, nurses, operation staffs, medical equipment and hospital beds, etc.

3. Supply Chain and Inventory Management

As a group of hospitals, the Company benefits from economy of scale in term of bulk purchasing through central procurement unit (purchase of medicines, medical supplies, and medical equipment). The large purchasing volumes attributable to the higher negotiation and bargaining power for prices and credit terms. The Company also applies a material lending policy among hospitals on medical equipment, medicines, medical supplies, blood or parts of blood. As the result, it effectively creates an efficient use of materials, improves lead time of delivery, and reduces materials obsolesces.

4. Management and Administration

BCH Group's hospitals are operated under group policies so that each hospital shares the same directions guided by top management. Moreover, the Company has knowledge sharing policies to exchange administrative experiences among the hospitals. In addition, the top management has several important roles in a national healthcare administrative level and is currently a president of the Private Hospitals Association. Accordingly, the business operations can be well-rounded managed. And, experiences from the top management can be well utilized to resolve any changes to be in line with the current economic situations. For example, the top management led the group of hospitals to participate in the social security scheme since 1992 and join Universal Coverage Care in 2001. In addition, the top management also introduced the centers of excellences to the group in order to reduce referral costs and at the same time group of hospitals also benefit from the centers of excellence as some of the group of hospitals were qualified as the Supra Contractors by the Social Security Office which further resulted to the continual growth.

Nature of Customers

1. Self-Pay Patients

- 1.1 General customers are patients who select their preferred hospital by themselves and are fully and individually responsible for their own expenses. They are health conscious with a focus on quality of life. Accordingly, the hospitals provide value added health package such as health check-up package and promote the other alternative medicines under KH Better Life.

- 1.2 Corporate contract group are those private and governmental employees who are under contracts with the hospitals for their health coverage. Clients under this group are those who have health insured by the private insurance company and government's third-party insurance. Under this group of client, the medical fees are responsible by their contracted corporate under their agreed terms and conditions.
- 1.3 Compensation Fund group is a service to the companies' employees or factory employees. Under the conditions of compensation funds, hospitals shall bill all expenses claimed to the compensation fund. Most of the cases are those who injured from the accidents at their workplace.
- 1.4 Group of Civil Servant Medical Benefit Scheme: Under this scheme the government is providing the compensation to the government officials and their families which covered in both OPD and IPD services. The government officials were solely able to receive treatments or services at the public hospitals in the past but now the government has expanded the benefit to private hospitals in order for the government officials to access to the treatment and services faster, more convenient and reduce service intensity in public hospitals. The Comptroller General's Department (CGD) is responsible for the service and treatment cost and the hospitals in BCH group are also participating in this scheme to support these treatment and service expansion. Moreover, the location of each hospital is the factor that supports the Company to increase the government official customer base.

Social Security Scheme

Under this scheme, private organizational employees shall contribute part of their monthly income into Social Security Fund. They can select their preferred hospital and access the medical services free of charge. As prescribed in Social Security Act B.E.2535, the Office of Social Security is responsible for the medical expenses by captive payment for ordinary out-patients and by Diagnosis related group method measured the severity of diseases. All seven Kasemrad Hospitals and two Karunvej Hospitals are participating in this scheme. In addition, Kasemrad Hospital Prachachuen, Kasemrad Hospital Sriburin, World Medical Hospital, and Kasemrad Hospital Bangkai are providing heart diagnosis and one-stop service treatment both Cardiac Cath Lab and opened heart surgery. Kasemrad Hospital Prachachuen and World Medical Hospital have eye surgery center with laser technology (Lasik). Also Kasemrad Hospital Sriburin, World Medical Hospital, Kasemrad Hospital Ramkhamhaeng, Kasemrad Hospital Chachoengsao, Kasemrad International Hospital Rattanaibeth and Kasemrad International Hospital Aranyaprathet have Imaging Center (MRI) to serve the referral patients from allied hospitals under Social Security Scheme.

Industry and Competition

1. Competitors

The competitors are those hospitals located in the adjacent or same catchment areas (in approximately 20 kilometers radius) and the hospitals located in the different areas where patients rely on. However, the group of hospitals possess the competitive advantages as follows:

- The Company has well recognized physicians who are experienced and specialized in the particular field.
- The Company has varieties of medical products and services to provide a full-range of conventional health service.
- The Company is fully equipped with instruments and facilities to serve both out-patients and in-patients. Also, the facilities are hygienic, nice decorated and well-maintained.
- BCH Group's hospitals are located in the community areas with an easy access hence attracted the physicians and medical professionals to join the hospitals; and
- The Company offers reasonable medical fee in accordance to the levels of income of target customers. Particularly, the price structure is in line with other private hospitals in the same market.

2. Industrial Trend and Competition

Last year was the year that the world faced the pandemic coronavirus 2019 (COVID-19), which each country taking strict disease control measures to prevent and control the spread of COVID-19. Thailand has found the first infectious case in January 2020 and encountered with a large outbreak during March - April 2020. Subsequently, the government has announced State of Emergency along with initiated the country lockdown and temporarily halting certain types of business activities to control the situation which resulted in a slowing economic activities. However, the implementation of such measures resulted in Thailand being able to relatively control the COVID-19 outbreak. Bangkok Chain Hospital Public Company Limited ("Company") and its

affiliated hospitals under the circumstances of COVID-19 have joined forces with the government to provide screening, quarantine, and treatment services for many patients under COVID-19 investigation. Additionally, in May 2020, the Company has launched Kasemrad Hospital International Aranyaprathet, a 90-bedded hospital (51-bed first phase) located in Aranyaprathet District, Sa Kaeo Province to provide medical services to Thai and Cambodian patients.

Competitions among private hospitals are likely to be intense in the form of collaboration among group of hospitals in order to effectively manage their costs and resources for an increasing competitiveness in domestic market and incoming patients from overseas.

Limitations of Business Operation for Private Hospitals

- Numbers of expertise in medical profession, who are widely recognized, are insufficient to serve the increasing public demands. Each private hospital is competing on the healthcare professional remuneration which makes the costs of human resource to be even higher. Thus, human cost management is considered to be one of the key considerations for private hospital's operation nowadays.
- Business operations for private hospitals require high capital investment especially the investment in medical equipment and working capital for medicines, medical supplies and consumables. Financial planning is therefore crucial for the hospitals to run its operations.
- Consumer behavior at a critical stage is receptive to experiences of an individual physician and their expertise. Newly established hospitals shall take longer time to establish their reputation and quality of service.
- Laws under National Public Health system change rapidly which will affect the operation of small hospitals and private hospitals that newly opened.
- Group of hospitals must be in compliance with the public advertisement under the Advertisement Regulations for Health Care Provider B.E.2541 which is very strict on health products and services' advertisement.
- Changes of the Medical Council's regulations may potentially impede our current and future business operations.

Risk Factors

1. Risk from Regulatory Changes on Managed Care Programs

In 2020, the Company has revenue from Social Security Scheme approximately 36 percent of total revenue from hospitals. Therefore, regulatory changes on managed care programs could affect the Company's business operations. However, the management closely monitors the changes and actively participates in the policy setting discussion as well as providing the necessary information to the Government Agencies' Committee. Furthermore, the Company has a policy to control its expenditures and actively assess the changes of aforementioned managed care programs in order to reduce any potential negative effect to the Company's performance.

2. Risk from Competition in Private Hospital Industry

The competition in hospital business has been continually increasing over years. In order to capture the market, the Company has setup the specialized tertiary care centers (Centers of Excellences) to provide full range of medical services in order to increase competitiveness and create uniqueness. As a chained hospitals, the Company also benefits from cost effective procurement through central procurement department which also leads to an increases in competitiveness. According to our business plan of the year 2020, the Company will expand catchment area to serve new cash patients.

3. Risk from Shortage of Medical Staffs

The Company's business operations are service-base which necessarily depends on experienced and well-trained medical staffs including physician, pharmacist, nurse, and other specialties. The intense competitions among hospitals both private and public hospitals caused the snatch of medical staffs across hospitals. To retain its physicians and staffs, the Company provides competitive remuneration package, employees' welfare program and training courses. Moreover, the Company offers employees the opportunities to participate in management discussions so they can be a part of business growth.

Major Shareholders

Ten major shareholders as of 28 August 2020*

List of the Company's major shareholders and proportion of shareholding from paid-up capital shown in Book of shareholders' registration as follows;

Rank	Name of Shareholders	Number of Shares	Percentage
1	Mr.Chalerm Harnphanich	813,750,000	32.63
	Mrs.Somporn Harnphanich	181,750,000	7.29
	Ms.Pornluck Harnphanich	84,000,000	3.37
	Mr.Kantaporn Harnphanich	83,000,000	3.33
	Ms.Pornsuda Harnphanich	84,000,000	3.37
	Total	1,246,500,000	49.99
2	THAI NVDR CO., LTD.	184,238,122	7.39
3	SOCIAL SECURITY OFFICE	149,908,800	6.01
4	THE BANK OF NEW YORK MELLON	120,389,300	4.83
5	SOUTH EAST ASIA UK (TYPE C)	40,517,125	1.62
6	STATE STREET EUROPE LIMITED	15,126,401	0.61
7	HSBC BANK PLC-HSBC GLOBAL INVESTMENT FUNDS		
	ASIA EX JAPAN EQUITY SMALLER COMPANIES	14,981,600	0.60
8	HSBC TRINKAUS & BURKHARDT AG	14,704,500	0.59
9	SOCIAL SECURITY OFFICE	14,173,440	0.57
	by One Asset Management Limited		
10	EGAT Provident Fund	14,153,600	0.57
	Total	568,192,888	22.78
Total		1,814,692,888	72.77

Remark: * 1) As of the ***Latest book*** closing date.

2) The rest is institution and minor shareholder.

Management Structure and Details of the Board of Directors and Executives

Board of Directors Structure

The Company's management structure has four sets of committees which are the Company's Board of Directors, Audit Committee, Executive Committee and Risk Management Committee. Details of each committee are as follows:

Board of Directors

The Company's Board of Directors comprises of twelve directors as follows:

(1)	Prof.Dr.Chalerm Harnphanich, M.D.	Chairman of the Board of Director
(2)	Asst.Prof.Dr.Somporn Harnphanich, M.D.	Director
(3)	Ms.Pornluck Harnphanich, M.D.	Director
(4)	Mr.Kantaporn Harnphanich	Director
(5)	Mr.Phinij Harnphanich	Director
(6)	Ms.Pornsuda Harnphanich	Director
(7)	Mr.Voravee Kiatiniyomsak	Director
(8)	Mr.Pumipat Chatnoraset	Director
(9)	Mr.Virach Aphimetetamrong, Ph.D.	Independent Director
(10)	Mr.Siripong Sombutsiri	Independent Director
(11)	Prof.Piphob Veraphong	Independent Director
(12)	Mr.Thawat Suntrajarn, M.D.	Independent Director

Independent Director means the Director, who is independent in expressing his opinion to the operation of the Company, must be a person who has no involvement or interest to the result of operation either directly or indirectly. The qualifications of the Independent Director are as follows:

1. Hold share not more than 1 percent of paid up capital of the Company, affiliates company, joint company, associated company, including the shares held by the related person.
2. Being independent either directly or indirectly of both financial and management of the Company or joint company or major shareholders of the Company, and having no benefit or interest in such manner within 2 years before being appointed as the Independent Director, unless the Board of Directors has carefully considered and see that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion.
3. Must not be the Director who has been appointed as the representative to maintain the interest of the Director of the Company, major shareholders, or shareholders who are related to the major shareholders of the Company.
4. Must not participate in management and must not be employee, staff or consultant who receives regular salary in the Company, affiliate company, joint company, company or major shareholder of the Company. Must not be related person or relatives of the executive or major shareholders of the Company.
5. Capable to perform his duty and express opinion or report result of duty performing independently as assigned by the Board of Directors, and not under the control of the Executive or major shareholders of the Company, including related person or close relatives of such person.
6. No other character that causes the inability to give opinion to operation of the Company independently.

All the definitions above have complied with the rules and regulations stipulated by Securities and Exchange Commission and the Stock Exchange of Thailand.

Directors who have Authorization upon the Company's Affidavit are as follows:

Directors who have authorization to sign on behalf of the Company are consisted of Prof.Dr.Chalerm Harnphanich, M.D. or Asst.Prof.Dr.Somporn Harnphanich, M.D. or Ms.Pornluck Harnphanich, M.D. or Mr.Kantaporn Harnphanich or Ms.Pornsuda Harnphanich, two of these five directors sign together with the Company's seal.

The Scope of Authorities and Responsibilities of the Company's Directors

The Board of Directors has authorities and responsibilities to manage the Company in accordance with the laws, the Company's objectives and regulations and resolutions of the shareholders' meeting in good faith and with care for the best interest of the Company. The scopes of its approval authorities, approval authorities and responsibilities are as follows:

1. To approve the Company's Statements of Financial Position and Statements of Income as at the end of the Company's accounting period, of which review or audit by and report to at the shareholders' meeting for further approval;
2. To authorize a Director or Directors, or other persons to act on behalf of the Board, under their supervision, or authorize within a specific time, or shall cancel or amend their given authority as appropriate.

The Board of Directors may conjure to authorize the Executive Committee to carry out the task with the authorization details in area extended to or limited in the scope of authority of the Committee. Such authority is, however, not enabling the Executive Committee to consider or approve any issue that the Committee or any individual that may investigate a conflict of interest to the Company or its subsidiaries, unless it is an issue approved under policy or rules that have already been considered and approved by the Board;

3. To establish and review the Company's vision, short-term and long-term objectives, policies, business plan, and budgets. Also to supervise the management of the Executive Committee to ensure that objectives are reached. The Board of Directors, however, has to obtain consents from the shareholders' meeting prior to their exercise on the following subjects - approval from the shareholders' meeting that is imposed by laws i.e. increase or decrease of registered capital, issuance of debentures, sales or transfer the Company's main activities partly or wholly to other partners, purchase or acquire other Company's activities, correction of the Memorandum of Association or Regulations. In addition, the Directors are also subjected to supervise the Company to comply with the laws and regulations of the Securities and Exchange Acts, SET's regulations, such as relevant reports and trading on significant properties and assets under SET or other related laws on the Company's business;
4. To decide the structure of administration. To set and appoint the Executive Committee, Chief Executive Officer, or other Committee as appropriate;
5. To follow up on the outcome of the Company's performance.
6. Approving interim dividend payment to shareholders from time to time if it is found that the Company's profit is justifiable to do so, reporting to the next shareholders' meeting;

The Scope of Authorities and Responsibilities of the Chairman of the Board

1. The Chairman of the Board is responsible for overseeing the use of policies and strategic operational guidelines of the management including providing advice and supporting the business operations of the management but not participate in the routine management of the Company.
2. The Chairman of the Board acts as the Chairman of the Board of Directors' meeting and the shareholders' meeting and to encourage all directors to participate in the meeting as well as overseeing that the Board of Directors and shareholders' meetings are conducted effectively and successfully, pursuant to laws, and the Good Corporate Governance and Business Code of Conduct principles of the Company; Directors must also discharge their duties with responsibility to shareholders and any stakeholders concerned.
3. Responsible as the leader of the Board of Directors in monitoring, supervising the Executive Committee and other sub-committees to achieve the objectives.
4. Being the Chairman of the Board of Directors' Meeting and being the Chairman of the shareholders' meeting.
5. Being a casting vote in the event that there are two equal votes in the Board of Directors' meeting.

Audit Committee

The Company's Audit Committee has comprised of three directors as follows:

- | | | |
|-----------------|-------------------------|---------------------------------|
| (1) Mr.Virach | Aphimeteetamrong, Ph.D. | Chairman of the Audit Committee |
| (2) Mr.Siripong | Sombutsiri | Audit Committee |
| (3) Prof.Piphob | Veraphong | Audit Committee |

The Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has the scope of duties and responsibilities as assigned by the Board of Directors and also report to the Board of Directors as follows:

1. Review the accuracy, adequacy and reliability of the Company's financial reporting.
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions of the Company.
3. Participate in reviewing CFO qualification of the Company.
4. Consider, select, appoint and approve the remuneration of internal audit team, by considering their knowledge, proficiency and work experience as well as approve an annual internal audit plan.

In case that the Company sets up an internal audit department, the audit committee will approve the appointment, removal and discharge as well as evaluate the annual performance of internal audit team.

5. Discuss and consider the relationship and coordination of the scope and audit plan of internal and external auditors.
6. Review and consider together with the internal auditor in respect of the results of internal audit, issues and recommendation.
7. Monitor the Company's compliance with Securities and Exchange Acts and Regulations of the SET, and/or any other laws relevant to the Company's business.
8. Consider, select and propose to the Board of Directors for appointment of independent persons to be the Company's auditors as well as the audit fees, by considering the audit firm's independence, credibility, adequacy of its resources, audit engagements, and the experience of its supervisory and professional staff to audit the Company's financial statements, and attend a non-management meeting with auditors at least once a year.
9. Review and consider together with the external auditor in respect of the results of the financial reporting, issues and recommendation.
10. Review the Company and ensure it has been followed the anti-corruption policy.
11. Consider the disclosure of the connected transactions or any transactions that may cause conflict of interest completely, complying with government agencies' rules and regulations to ensure that such transactions are reasonable and create the highest benefit to the Company.
12. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - An opinion on the accuracy, completeness and reliability of the Company's financial report,
 - An opinion on the adequacy of the Company's internal control systems,
 - An opinion on the compliance with the Securities and Exchange Acts and Regulations of the SET, or any other laws relevant to the Company's business,
 - An opinion on the suitability of an auditor,
 - An opinion on the transactions that may cause to conflict of interest,
 - The number of the Audit Committee's meetings, and the attendance of such meetings by each committee member,
 - An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.

13. Perform any other activities as assigned by the Board of Directors, with the approval of the Audit Committee.
 14. Having the authority to examine and scrutinize any related issues, the Audit Committee can seek for the independent advisor with the Company's expenses in order to succeed the assignments.
 15. Review and amend the Audit Committee Charter annually to update and to be suitable for organizational environment.
- Reference to the above responsibilities, the Audit Committee is accountable to the Company's Board of Directors whereas the Board of Directors remains responsible to third persons for the operation of the Company.

Executive Committee

The Company's Executive Committee comprises of nine directors as follows:

(1) Prof.Dr.Chalerm	Harnphanich, M.D.	Chairman of the Executive Board
(2) Asst.Prof.Dr.Somporn	Harnphanich, M.D.	Executive Director
(3) Ms.Pornluck	Harnphanich, M.D.	Executive Director
(4) Mr.Kantaporn	Harnphanich	Executive Director
(5) Ms.Pornsuda	Harnphanich	Executive Director
(6) Mr.Surapant	Taweewiyakarn, M.D.	Executive Director
(7) Mr.Dhiti	Pattanakumjorn, M.D.	Executive Director
(8) Mr.Voravee	Kiatiniyomsak	Executive Director
(9) Mr.Pumipat	Chatnoraset	Executive Director

The Scope of Authorities and Responsibilities of the Executive Committee

The scope of authorities and responsibilities of the Executive Committee includes the regular operations' administration and management of the Company, policy making, business planning, budgeting, structuring administrative process and empowering the line of command in the Company in compliance with the current economic condition, subsequently present in the Board of Directors' Meeting for an approval or consensus, which will then be included the auditing and following-up part as prescribed by the Company. The scopes of authorities and responsibilities are:

1. Carry out the business and manage Company's business activities with objectives, regulations, policy, delegation or consents of the Board of Directors from the Board's Meeting or from the Company's Shareholder Meeting;
2. Analyze and issue the policy, direction, and strategy of the Company's operation. Consider and approve budgeting and financial plans, human resources management, information technology investment, business expansion, public relations, and supervise and direct the works carried out by appointed working groups to meet the objectives; and present the results to the Board of Directors for further development;
3. Plan for an annual budget allocation as being presented by the management team prior to the consideration and approval by the Company's Board of Directors. The scope of responsibilities includes a consideration and approval for the changes or increase in the Company's annual expenses budget during the absence of a seasonal meeting for the Board of Directors. The results shall be presented to the Board of the Directors in the following meeting;
4. Authorized to consider and approve in the Capital Expenditure as being presented by the Board of Directors or primarily have been approved by the Board of Directors;
5. Authorized to consider and approve for loan, procurement of credit lines, or any credit loans made by the Company within each individual line not exceeding Baht 100 million;
6. Having power to approve and withdraw money from all accounts of the Company, and use credits provided by all banks or financial institutions for the Company, including apply for opening accounts and/or apply for credits in various forms with all banks or financial institutions, as well as placing securities of the Company as collateral against such debts, regardless of whether or not it requires registration.
7. The Executive Committee act as consultants to the management team for policies of finance, marketing, human resources management, and other relevant operations;

8. Consider on the profit and loss of the Company and the payment of interim dividend or annual dividend and present them to the Board of Directors for an approval;
9. Play a crucial role in a consideration for organization structure, management and administration including an appointment, employment, allocation, compensation and benefits, and reward to the managerial level who are non-executive directors, excluding the Chief Executive Officer and the termination of employment;
10. Have an authority to authorize or delegate a Director or Directors or other individuals to perform or carry out a task under a supervision of the Executive Committee, or may authorize such individuals as appropriate within a specific period of time. Such authorization may be subjected to terminate, cancel, or amend unto such individuals as appropriate;
11. Operate in other issues as being given by the Board of Directors on a periodical basis.

The authority of the Executive Committee shall not include any approval of the issue that may invoke a conflict, or any issue that the Executive Committee or the person pertaining to the Executive Committee has been involved in with any means to have taken parts for the benefits, or invoke any other conflicts with the Company or its affiliations by rules on the Stock Exchange of Thailand. The approval for such mentioned issues have to be presented to the Board of Directors' Meeting and/ or the Shareholders' Meeting for further consideration and approval as prescribed under the Company's regulations or by relevant laws.

The Scope of Authorities and Responsibilities of the Chief Executive Officer

1. Supervises the Company's operations and/or manage daily operations;
2. Operates and acts in lieu of the policy, plan, and budgets as approved by the Board of Directors and/or the Executive Committee;
3. Authorized by the Company to administer and manage the Company's activities to meet the objectives, regulations, policies and rules, and by consents of the Shareholders' Meetings and/or the Board of Directors' Meeting and/or the Executive Committee's Meeting;
4. Have an authority to appoint and administer Sub-committee to optimize management with transparency. The Sub-committee shall have a periodical empowerment and/or delegates other individuals to perform a particular duty, within the scope as prescribed in the Letter of Authorization and/ or as prescribed by the regulations or by orders of the Board of Directors and/ or the Company;
5. Plans for the Company's Mission, Objectives, and Policies. Delegates the works and directs and supervises the operations as a whole;
6. Continuously follows up and evaluates the Company's performance as a risk management, internally and externally
7. Subjected to make a decision upon the Company's regular operations, such as in Contract for Health Service, Contract for Employment for Medical Services under a Social Security Act B.E.2533, Contract for Medical Services in the Universal Coverage Scheme, Contract of Purchase and Employment, including a decision on the procedures to make those Contracts. Such procedures will be presented to the Executive Committee and the Company's Board of Directors;
8. Authorized to hire, employ, appoint, allocate, or transfer the employees within and between the units, sections, departments; or terminate the employment. Authorized to set salary scales, compensation and benefits, rewards, and total welfare of the Company's employees;
9. Have a full authority to order, announce, delegate of rules and regulations to have the operations meet the policy and objectives of the Company and to restore and ensure that working disciplines are in place;
10. Perform other duties as assigned periodically from the Company's Board of Directors.

The authority of the Chief Executive Officer and the authority given to appropriate personnel are excluding the authority and/or an authorization for an approval that might invoke a conflict of interest and of benefits towards the personnel with the Company or affiliated companies under the SET's regulations. Approval for such cases has to be presented to the Board of Directors' Meeting and/or the Shareholders' Meeting for an approval as required by the Company's regulations or by other related laws.

Risk Management Committee

The Company's Risk Management Committee comprises of six directors as follows:

(1)	Mrs.Saifon Chaimongkol	Chairman of the Risk Management Committee
(2)	Ms.Pornluck Harnphanich, M.D.	Risk Management Committee
(3)	Ms.Pornsuda Harnphanich	Risk Management Committee
(4)	Mr.Voravee Kiatiniyomsak	Risk Management Committee
(5)	Mr.Pumipat Chatnoraset	Risk Management Committee
(6)	Ms.Anchalee Kengkijakarn	Risk Management Committee

The Scope of Authorities and Responsibilities of the Risk Management Committee

1. Examining and agreeing on risk appetite with acceptable risk levels, and present to the Board of Directors.
2. Continuously monitoring development activities and compliance actions according to risk management framework and to ensure that the policy will effect throughout the organization.
3. Assessing risk identification and assessment procedures, reporting on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
4. Coordinating with the Audit Committee about significant risk factors and having the Internal Audit Unit to review that the risk management system of the company's group is appropriate to the exposure, being adapted as needed and adopted throughout the organization.
5. Report to the Board of Directors regularly on significant risks and risk management solutions.
6. Recommending and advising the relevant working committees included significant risks and risk management, as well as evaluate the appropriate solutions to improve the information that are related to the development of risk management solutions.
7. Appointing Sub-Committees and/or additional related personnel, or replacements in the Sub-Risk Management Committee and/or the relevant department and/or the working team that is related to managing risks as necessary, as well as determining their roles and responsibilities in order to achieve the objectives.
8. Perform other duties as assigned periodically from the Company's Board of Directors.

Organizational Structure



Details of the Management and Executives (As of 31 December 2020)

Name	Position
Prof.Dr.Chalerm Harnphanich, M.D.	Chief Executive Officer
Asst.Prof.Dr.Somporn Harnphanich, M.D.	Deputy CEO
Ms.Pornluck Harnphanich, M.D.	Chief Operating Officer
Mr.Kantaporn Harnphanich	Chief Marketing Officer
Ms.Pornsuda Harnphanich	Chief Financial Officer
Mr.Arkanee Sukyu, M.D.	Hospital Director (Kasemrad Hospital Bangkai)
Assoc.Prof.Piya Netrawichien, M.D.	Hospital Director (Kasemrad Hospital Prachachuen)
Mr.Itthipong Yodprasit, M.D.	Hospital Director (Kasemrad Hospital Sriburin)
Mr.Suchai Suttikansanee, M.D.	Hospital Director (Kasemrad Hospital Saraburi)
Mr.Thawatchai Vanichkorn, M.D.	Hospital Director (Kasemrad Hospital Chachoengsao)
Mr.Jorn Jiranakorn, M.D.	Hospital Director (Kasemrad Hospital Rattanaibeth)
Mr.Dhiti Pattanakamjorn, M.D.	Hospital Director (Kasemrad Hospital Ramkhamhaeng)
Prof.Adisorn Patradul, M.D.	Hospital Director (World Medical Hospital)
Mr.Surapant Taweewiyakarn, M.D.	Hospital Director (Kasemrad International Hospital Rattanaibeth)
Mr.Yingkiat Paisalachapong, M.D.	Hospital Director (Karunvej Hospital Phatum Thani)
Mr.Thanawat Wattanawongpiyo, M.D.	Hospital Director (Karunvej Hospital Ayudhya)
Mr.Arush Kumkaewprom, M.D.	Hospital Director (Kasemrad International Hospital Aranyaprathet)
Mr.Voravee Kiatiyomsak	Director of Accounting and Company Secretary
Mr.Pumipat Chatnoraset	Director of Finance and Investor Relations
Mrs.Saifon Chaimongkol	Director of Central Procurement Department
Mr.Wikrom Chuvorachaikul	Engineering Director

Remuneration for Directors and Management

The remuneration policy for directors, approved by the shareholders' meeting, is clearly established. The remuneration for directors is provided at an appropriate level and sufficient to attract and retain the capable and qualified directors. Such remuneration is set at the same level as industry standard suitable to the duty and responsibility assigned.

The 2020 Annual General Meeting of Shareholders held on 23 June 2020 approved the remuneration of year 2020 for directors as follows:

Position	Remuneration (Baht/month)	Pension (Baht/year)	Others Benefits
Chairman of the Audit Committee	60,000.00	665,200.00	No
Audit Committee	55,000.00	608,200.00	No
Director	50,000.00	551,200.00	No

Directors' remunerations for the year ended on 31 December 2020 are as follows:

(Unit : Baht)

No.	Name	Position	Remuneration	Pension	Total
1	Prof.Dr.Chalerm Harnphanich, M.D.	Chairman of the Board of Directors	600,000	551,200	1,151,200
2	Asst.Prof.Dr.Somporn Harnphanich, M.D.	Director	600,000	551,200	1,151,200
3	Ms.Pornluck Harnphanich, M.D.	Director	600,000	551,200	1,151,200
4	Mr.Kantaporn Harnphanich	Director	600,000	551,200	1,151,200
5	Mr.Phini Harnphanich	Director	600,000	551,200	1,151,200
6	Ms.Pornsuda Harnphanich*	Director	600,000	-	600,000
7	Mr.Voravee Kiatiniyomsak**	Director	350,000	-	350,000
8	Mr.Pumipat Chatnoraset**	Director	350,000	-	350,000
9	Mrs.Saifon Chaimongkol*	Director	-	551,200	551,200
10	Mr.Virach Aphimetetamrong, Ph.D.	Independent Director and Chairman of Audit Committee	720,000	665,200	1,385,200
11	Mr.Siripong Sombutsiri	Independent Director and Audit Committee	660,000	608,200	1,268,200
12	Prof.Piphob Veraphong	Independent Director and Audit Committee	660,000	608,200	1,268,200
13	Mr.Thawat Suntrajarn, M.D.	Independent Director	600,000	551,200	1,151,200
Total			6,940,000	5,740,000	12,680,000

Note: * The Board of Meeting No.1/2020 on 13 January 2020. The meeting has passed a resolution to appoint Ms.Pornsuda Harnphanich to be a member of the Board of Directors in replacement of the resigned director with the remaining term left by Mrs.Saifon Chaimongkol.

** The 2020 Annual General Meeting of Shareholders held on 23 June 2020 resolved the meeting's resolutions to the directors being nominated as the new director.

The Company and its subsidiaries have management and executives' remuneration of 21 persons for the year ended on 31 December 2020 (i.e. salary and bonus) totaling Baht 192.94 million. The remuneration for management and executives is set at the same level as industry standard suitable to the duty and responsibility assigned and related to the Company's profitability and performance of each individual.

Directors' Meeting Participation

The company has set a meeting schedule in advance every year to directors for their considerations and study before the meeting. For Directors' Meeting Participation in 2020 as follow ;

Name	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee
1. Prof.Dr.Chalerm Harnphanich, M.D.	6 from 6	12 from 12	-	-
2. Asst.Prof.Dr.Somporn Harnphanich, M.D.	6 from 6	12 from 12	-	-
3. Ms.Pornluck Harnphanich, M.D.	6 from 6	12 from 12	-	4 from 4
4. Mr.Kantaporn Harnphanich	6 from 6	12 from 12	-	-
5. Mr.Phinij Harnphanich	6 from 6	-	-	-
6. Ms.Pornsuda Harnphanich	5 from 6	12 from 12	-	4 from 4
7. Mr.Voravee Kiatiniyomsak	6 from 6	12 from 12	-	4 from 4
8. Mr.Pumipat Chatnoraset	6 from 6	12 from 12	-	4 from 4
9. Mr.Virach Aphimeteetamrong, Ph.D.	6 from 6	-	5 from 5	-
10. Mr.Siripong Sombutsiri	6 from 6	-	5 from 5	-
11. Prof.Piphob Veraphong	6 from 6	-	5 from 5	-
12. Mr.Thawat Suntrajarn, M.D.	6 from 6	-	-	-
13. Mr.Surapant Taweewikayakarn, M.D	-	12 from 12	-	-
14. Mr.Dhiti Pattanakamjorn, M.D.	-	12 from 12	-	-
15. Mrs.Saifon Chaimongkol	-	-	-	4 from 4
16. Ms.Anchalee Kengkijakarn	-	-	-	4 from 4

Auditor's Remuneration

No.	Company Name	Audit	Audit Fee (Baht)	Other Fee
1	Bangkok Chain Hospital PCL.	KPMG Phoomchai Audit Limited	3,000,000	No
2	Other eight subsidiaries	KPMG Phoomchai Audit Limited and KPMG International	3,113,000	No
Total			6,113,000	No

Good Corporate Governance

The Company understands and realizes the importance of good corporate governance. It means that the Company's management and administrations are efficient, transparent, and auditable which leads to the trust and confidence to the shareholders, investors, other stakeholders. In addition, good corporate governance shall add a firm's value and contribute to the sustainable growth of the Company. The Company has complied with the corporate governance guidelines which comprise of five sections as follows:

Section 1 Shareholders' right

- The Board of Directors of the Company has put its priority on rights and fair treatment toward the shareholders by stating clearly in the policy that the shareholders of the company are eligible to receive the share certificate and right to transfer shares, right to receive timely and sufficient information in a format suitable to the decision making, right of shareholders to attend the meeting and cast a vote in the meeting of shareholders for change in major policies of the Company, right to elect and remove the directors and right to appoint the auditor and right in the profit sharing.
- Prior to the Annual General Shareholders Meeting, shareholders have the rights to receive an invitation notice for the Annual General Shareholders Meeting, including the information on the date, time, location of the meeting, detailed information of agenda items, rules and procedures to attend the meeting and issues for consideration. In 2020, the Annual General Shareholders Meeting of the Company was held on 23 June 2020 at the The World Hall Meeting Room on 22nd floor of World Medical Hospital, No. 44 Moo 4 Chaengwattana Road, Pakkred, Nonthaburi. The Company disclosed the documents of the Annual General Shareholders Meeting on 22 May 2020, not less than 30 days prior to the Annual General Shareholders Meeting date, via the Company's website in both Thai and English. The invitation notice, with attachments of agendas of the meeting, Board of Directors' opinion, proxy form B as well as informing the date, time, venue, map as well as all relevant information was sent to all shareholders in advance on 3 June 2020 by the registrar, Thailand Securities Depository Co., Ltd. ("TSD") (not less than 14 days before the meeting). In addition, the Company has a policy to reserve an option to shareholders by nominating one independent directors to be a shareholder's nominee attending the meeting and vote on behalf of them. On 11 December 2019, the Company has informed the shareholders, through SET's website and the Company's website www.bangkokchainhospital.com section Investor Relations to propose any issues as agendas in the Annual General Meeting for the year 2020 by receiving the information until 10 February 2020.
- On the meeting date, the Company used barcode system in registration and ballot counting for timeliness and efficiency. In addition, the Company invited an independent individual from legal consultant company to be a meeting inspector, to observe the meeting and review the vote collecting and counting procedures, to ensure that the meeting was conducted with transparency. Also, the Chairman of the Board and the Chairman of the Committees attended the meeting in order to provide shareholders the equal opportunity to ask, suggest, or discuss on issues relevant to the agendas or the Company's operations before casting vote on each agenda. Significant opinions and/or queries will be recorded in the minutes of the meeting by company secretary.

After the Annual General Shareholders Meeting, the Company duly submitted the summary of meeting resolutions to the Stock Exchange of Thailand within 14 days of the Annual General Shareholders Meeting date. The minutes of the meeting have been disclosed on the Company's website www.bangkokchainhospital.com section Investor Relations for shareholders and public to access the Company's information in time.

Section 2 Fair and Equitable Treatment to Shareholders

- The Company strictly provides equal and fair treatment to all shareholders and stakeholders;
- The Company has an explicit organization structure as well as the policies to prevent any conflict of interest. For example, directors or executives who involve in the related party transaction that may invoke the conflict of interest, they should not vote. Consistently, the Company shall escalate the issues to the audit committees for their considerations and opinions of the related party transaction before presenting to the Board of Directors. In addition, the Company also discloses the related party transactions in the financial statements in accordance with Thai Financial Reporting Standards;
- Prior to the shareholders' meeting, the Company sent out the invitation letter with sufficient information of each agenda to shareholders for their considerations before approvals in the shareholders' meetings, e.g. dividend payment, appointment of directors, consideration of directors' remuneration, appointment of auditors as well as audit fee, and any significant matters, such as amendments of the Company's articles of association, issuance and offer for sale of debentures, etc.;
- The Company has a policy to provide an option to shareholders in which they may nominate an independent director of the Company on their behalf to attend and vote in the meeting;
- The Company reserves the right of each shareholder to select, consider and appoint new members of the Board of Directors. In this case, the Company also informed via SET's websites and the Company's website since 11 December 2019 - 10 February 2020 for shareholders' actions.
- Every director and executive must regularly submit to the Board a report of their ownership of the Company's shares.

Section 3 Awareness in Stakeholders

The Company realizes the importance of the right of each stakeholder as described below:

1. Shareholders and Investors

The Company has a policy and guidelines on equitable and fair treatment of shareholders as follows:

- To perform their fiduciary duties and make decisions carefully for the equal benefit of each shareholder and the shareholders as a whole;
- To present, on a regular basis, its status through the operating result and statement of financial position of the Company including other necessary reports based on accuracy and actuality.
- To report to the shareholders on future trends of the Company both positive trend and negative trend based on the feasible assumptions with the relevant rationale and supporting information;
- Not to seek any benefit for themselves or other persons by using the Company's information which has not been publicly disclosed and not to take any action in a manner which may give rise to conflicts of interest.

2. Employees

The Company is aware that its employees are the most valuable asset of the Company and are crucial to achieve the Company's goals. The Company has therefore set up the following policy that supported employees to have a quality of life with respect to fair employment conditions, promotional opportunities, appropriate remuneration and safely workplace as follows:

- Complying with rules and regulations in relation to labour law;
- To keep the working environment safe for employees' lives and property;
- To treat each employee with respect for their honor, dignity and right of privacy;
- Giving remuneration of various types to employees fairly and providing appropriate welfare and other benefits for employees that are comparable to those of other companies in the same or similar business and as prescribed by law, such as provident fund and right to reimbursement of medical expenses with the hospitals in the Group;

- The appointment, transfer, reward and punishment for any employee shall be done based on good faith and the knowledge, capacity and suitability of such employees;
- To provide knowledge and capacity enhancements for employees by offering them continuous improvement programs which include training, seminars and workshops; such as Excellent Management Course by Thammasat Consulting Networking and Coaching Center;
- The Company actively encourage its employees to comply with the energy saving and environmental management program for efficient use of the resources.
- To avoid any unfair action that may affect the employment stability and mental health of employees;
- Provide communication channels for the employees to report abuses or unlawful acts;
- Impartially and equally open to feedback and suggestions by all employees.

3. Suppliers

The Company does business with partners, competitors, creditors, counter-parties and others according to the trade terms and conditions or agreements that are contractually fair and ethical by taking into consideration the suitability of price, quality and services provided as follows;

- The Company does not support partners with unethical business practices, illegal actions, corruption or human rights violations;
- Strictly comply with the terms and conditions agreed upon by the business partners. In case, unable to fulfill the terms and condition, issues must be promptly informed and solved.
- Will not ask for, accept, or give any unlawful benefits from or to the business partners.

4. Creditors

The Company strictly complies with the credit terms and conditions with respect to the repayment and do not misuse the loans for other purposes other than what have been stipulated in the loan agreements; In addition, the Company will notify the creditors in advance if the Company fail to comply with the loan terms in order to acquire solutions.

5. Customers/Patients

The Company committed to have good quality, service and safety standards by the Quality management system. Therefore, The Company has also received HA certification from the Institute from Hospital Quality improvement and Accreditation, JCI (Joint Commission International) and DNV GL (Det Norske Veritas and Germanischer Lloyd) which are the international health accreditation.

6. Competitors

The Company competes with its competitors fairly and in accordance with the rules and regulations. Also, the Company shall not exploit confidential information of the competitors with unfair and unethical method. Procedures relating to competitors are listed as follows;

- Treating competitors according to the rule and manner of good and fair competition;
- Not intentionally destroying reputation of competitors with groundless slander;
- Not seeking confidential information of competitors with fraudulent, dishonest, or inappropriate method or in breach of laws.

7. Community, Social and Environment

The Company believes in conducting business according to business ethics and good corporate governance principles as follows;

- Constantly create awareness about social and environmental responsibility among all levels of employees;
- Pay back to the society by supporting social and environmental development activities;
- Carry out activities taking into account impacts on the society and communities by means of conserving the natural resources, protecting the environment, and enabling the good quality of life for the public;
- Strictly comply with the authorities' rules and laws in connection with the environment and stipulations of other related organizations;

- Give priorities to activities for community and social development, as part of the core policies of the Company, including the development of the society, the community and the environment, and the creation and the preservation of natural resources such as launched mobile medical units to remote communities, supported exercise for good health events and provided health check-up and treatment for the paupers.

8. Anti-Corruption

The Company conducts business with a commitment to avoid corruption of all forms, and institutes a risk management and audit process to prevent and control corruption and malfeasance. Also, the Company encourages corporate culture where people are firmly committed to integrity and ethics.

The company has implemented the anti-corruption practice approved by the company's Board of Directors. The Company proceeds related to policies and measurements of the anti-corruption practice and publicized to general public as well as within the company internally. For instance; disseminating anti-corruption policies through the company's website www.bangkokchain-hospital.com on the good corporate governance section, and arrange the training and orientation for employees on anti-corruption policies. Furthermore, supplier and contractor of the company will be informed about the anti-corruption practice in order to create transparency of the company operation.

9. Human Rights

The Company gives importance to respecting international human rights, to conducting business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against gender, religion, culture, race and sexual harassment.

10. Intellectual Property Rights

The Company realizes the importance of intellectual property rights and will not encourage any violation of patents, copyrights, trademarks, information, information technology and any other aspects of intellectual assets which regarding to the compliance of its respect for intellectual property rights.

11. Government

The Company operates its business in accordance to the social development as well as complies with laws, regulations and rules issued by the Government.

Section 4 Information Disclosure and Transparency

- The Company shall disclose any relevant information regarding financial performance, shareholding structure, and good corporate governance with accuracy, completeness, regularity, timely manner, transparency and on reliable basis as in Annual Report and Annual Registration Statement (Form 56-1).
- The Company has clearly and transparently determined and disclosed the remuneration policy for directors and management which is approved by shareholders. The remunerations for directors and management are based on the companies in the same industry with similar size of operation and also related to the Company's profitability and performance of each individual.
- The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and information as appeared in the annual report. The financial statements have been prepared in accordance with the Thai Financial Reporting Standards using appropriate and consistent accounting policies. The financial statements were prepared with caution and were evaluated for appropriateness of the overall presentation of the financial statements. There is sufficient information disclosure in the notes to the financial statements. The Board of Directors has set up the Audit Committee comprises of independent directors to oversee the quality of financial report and internal control system.
- The Company has an investor relations team which Mr.Pumipat Chatnoraset, Director of Finance and Investor Relations is taking the highest responsibility in order to provide the relevant information with completeness, accuracy, actuality, reliability, timely manner and transparency to the external parties such as Shareholders, Institutional Investors, Investors, Analysts and other relevance units with integrity and transparency. In 2020, the key activities took place:

Activities	Amount of Activities in 2020
Company Visits / Conference Calls	24 times
Analyst Meetings	4 times
Domestic and International Roadshows	5 times
Opportunity Day	4 times
Statement of operating results to the public communication	4 times

- Information about the Company, Financial Performance, Financial Statement and The Stock Exchange of Thailand's news are found at www.set.or.th and the Company's website at www.bangkokchainhospital.com. If any investors or relevance persons have any questions or additional information please contact to Director of Finance and Investor Relations Tel: +662-836-9940 Fax: +662-106-4858
Email: ir@bangkokchainhospital.com or the Company's website at www.bangkokchainhospital.com

Reporting of Concerns and Whistle-Blower Service

The Company supports whistle-blower service by encouraging all stakeholders to request information, complain or report any misconduct by sending to:

- Email: report@bangkokchainhospital.com
- Address: Complaint, Bangkok Chain Hospital Public Company Limited, 44 Moo.4 World Medical Hospital 22nd Floor Chaengwattana Road, Pakkred, Nonthaburi 11120

Section 5 Directors' Responsibility

1. Structure of the Board and Sub-Committees

The Board of Directors consists of various qualified persons who play an important role in setting the Company's policy together with top executives and determining the business plan both in short-term and long-term as well as the financial policy, risk management, and the organization's overview. In addition, the Board also supervises, investigates and evaluates the Company's results of operations and performance of each top executive to be in line with plan independently.

Presently, the Company has 12 directors which comprise of 7 executive directors, representing 58.33 percent of all directors; 1 non-executive director, representing 8.33 percent of all directors; and 4 independent directors, representing 33.33 percent of all directors. In such a way, it complies with the minimum requirement of the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). In addition, the Board has appointed sub-committees; 1) The audit committee comprised of 3 independent directors, has the duration as well as the Board (names as mentioned under "Management Structure") and 2) The Executive Committee comprised of 9 executive directors (names as mentioned under "Management Structure") 3) The Risk Management Committee comprised of 6 directors (names as mentioned under "Management Structure"), in order to handle specific tasks and propose to the Board of Directors for consideration and acknowledgement. Each sub-committee has its rights and duties prescribed in the scope and responsibilities of each. The Company has segregation of roles, duties and responsibilities between the Board and top executives clearly. The Board has their duties for setting the Company's policies and monitoring implementation by top executives in policy level, while top executives have their duties regarding the management in compliance with the Company's policies. Therefore, the Chairman of the Board of Directors is not the same person as the Chief Executive Officer. Both positions must be selected by the Board of Directors for the most appropriate persons.

2. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors involves in the setting of the Company's vision, mission, strategies, goals, business plans, budgets, internal control, internal audit, and suitable risk management. The Board also ensures that plans are carried out efficiently and effectively. The Board follows up the aforementioned operations regularly in the Board of Directors' meeting. In addition, the Board sets the scope, roles and responsibilities for each committee; the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee and Chief Executive Officer clearly and transparently.

The Company sets the disciplines and practical guidelines for business ethics in written including the punishment for related persons to follow the Company's mission honestly. The Company has a policy and guiding principles to act in avoiding the unethical problems under laws and traditional practices. In addition, the Company has an ethic in service fee in which patients can review the details of services under the nursing business law B.E. 2541, including an ethic in public relation by which the Company acts under the private nursing business law.

The Company has clear management structure including various methods to prevent any conflict of interests. For example, in case the director enters into the related party transactions that may invoke the conflict of interest, that director will be prohibited to vote. The Company shall escalate the issue to the Audit Committee for their considerations and opinions before presenting to the Board of Directors. In addition, the Company has disclosed the related party transactions in the financial statements in conformity with Thai Financial Reporting Standards.

3. Criteria for selection of Directors

The Company does not have an established nominating committee to select directors. The Board of Directors considers in the structure, diversity and the expertise to complement the existing skill of the Board of Directors and personal qualification for directorship as well as experience, skills, directorship performance and who is not prohibited by the law and notification of the Security and Exchange Commissions. The criteria for selection of directors according to the Company Article of Association are as follows:

The shareholders' meeting shall elect the directors by majority vote in accordance with the following rules and procedures:

1. Each shareholder shall have a number of votes at the equivalent of one share per one vote;
2. Shareholders shall vote for each individual director; and
3. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in the order until all of the directorial positions are filled. In the event of tie vote, the Chairman shall have the casting vote.

The Company shall arrange an orientation for the new directors so that they know the Company's information and understand their roles and responsibilities in the position of the Company's director as well as the related laws and regulations. The topics in the orientation shall cover vision and mission of the Company, company profile, shareholding structure, organizational structure, management structure, business plan, and historical agendas in the meeting of Board of Directors. Also, the Company's manual books shall be given to the new directors for their further study.

4. Board Meetings

The Board of Directors usually meets four times a year and the extraordinary meetings are carried out as necessary. The agendas of the meeting shall be clearly set in advance. Additionally, the performance evaluation shall be regularly set and considered in the board of directors' meeting. The Company sends the invitation letters with the agendas and supporting documents to directors for their considerations and study at least 7 days before the meeting. (Details of each committee's meetings are mentioned under "Management Structure").

At the Board meeting of the Board of Directors, the chairman shall give an opportunity to each director to opine on each agenda. In addition any directors or management who may have vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. The quorum for a meeting of the Board of Directors shall be two third of its total directors.

5. Remuneration

The Company has set the policy for directors and management remuneration clearly and transparently and is approved by shareholders. The remunerations for directors and management are based on the companies in the same industry with similar size of operation and also related to the Company's profitability and performance of each individual.

6. Controlling System and Internal Audit

The Company realizes the importance of internal control for both managerial level and operational level. The roles and responsibilities of both management level and operational level are clearly set as well as the delegation of power is also set for the continuity of business. The Company oversees the use of assets and has segregation of duties to assess the performance across departments. In addition, the Company has internal control over financial transactions of which all transactions shall be reported directly to the financial management.

The Company has appointed Dharmniti Internal Audit Company Limited, which is a qualified independent internal auditing firm, to be the internal auditor of the Company. The selection criteria were; its sufficient number of personnel, experience, knowledge, capabilities and its independency to perform duties as an internal auditor in accordance to the assessment program of the Company's internal control system.

Independent Internal auditing firm has duties to perform an investigation on every activity as its annual plan i.e. accounting records, bank deposit, and inventory and fixed assets observation. In case of doubts or unusual events occurred, they will investigate the operations of those departments immediately until the doubtful transaction is verified. Subsequently, the results of those issues shall be reported to the Audit Committee.

7. Board and Management Training

The Company encourages all directors and management to take a training course in accordance with the corporate governance guidelines. All training expenses shall be paid by the Company. The training courses are Director Certification Program (DCP) and Director Accreditation Program (DAP) (12 directors successfully attended).

In 2020, The Board has a policy to continuously encourage and support the directors' development such as

Name	Program
Prof.Dr.Chalerm Harnphanich, M.D.	<ul style="list-style-type: none">Thailand Insurance Super Leadership Program Class 1/2020 by Office of Insurance Commission (OIC)
Ms.Pornluck Harnphanich, M.D.	<ul style="list-style-type: none">Nutrition for Weight Management, 2020 by The Integrative Nutrition and Herbal Medicine Association (INHMA)
Ms.Pornsuda Harnphanich	<ul style="list-style-type: none">Cybersecurity Fundamentals Course, 2020 by Federation of Accounting Professions Under The Royal Patronage of His Majesty The KingPersonal Data Protection Law Practical Action (PDPA), 2020 by OMEGAWORLDCLASS
Mr.Voravee Kiatiniyomsak	<ul style="list-style-type: none">Personal Data Protection Certificate (PDPA), 2020 by The International Computer Driving License (ICDL)
Mr.Pumipat Chatnoraset	<ul style="list-style-type: none">Smart Disclosure Program (SDP), 2020 by Stock Exchange of ThailandRoad to Certify for Corporate, 2020 by Private Sector Collective Action Against Corruption (CAC)

8. Board of Directors and Executive Committee Performance Assessment

The company set up the Assessment to evaluate Board of Directors and Executive Committee performance every year which conducted in three different forms;

1. Group Self-Assessment for Board of Directors, Executive Committee, Risk Management Committee and Audit Committee

Self-Assessment form was adapted from Stock Exchange of Thailand on Corporate Governance guidelines and responsibilities of the board in order to comply with the company management structure. The results represent an important part of improving the director responsibilities and also increase the efficiency of the company management. The director and committee will evaluate the level of opinion or level of performance under four subjects:

1. Structure and Qualification of the Board of Directors.
2. Board Meetings.
3. Roles, Duties and Responsibilities of the Board of Directors.
4. Other issues; the relationship between the board and management.

The company secretary is responsible for delivering out the assessment form to all the directors to evaluate at the end of every year. Also they are in charge of gathering the results and conduct the summary report for the board to discuss further every year.

2. Individual Self-Assessment for Board of Directors, Executive Committee and Risk Management Committee

An individual self-assessment evaluation form is acting as a tool helping board of director to review and improve the roles and duties of them efficiently. The subjects used for the evaluation are according to the responsibilities, corporate governance charter and ethic of the company board of directors which company has followed the standard of Thai Securities and Exchange Commission and Stock Exchange of Thailand office.

1. Structure and Qualification of the Board of Directors.
2. Board Meetings.
3. Roles, Duties and Responsibilities of the Board of Directors.

The company secretary is responsible for delivering out the assessment form to all the directors to evaluate at the end of every year. Also they are in charge of gathering the results and conduct the summary report for the board to discuss further every year.

3. CEO Performance Assessment

This performance evaluation form is classified into two sections in accordance of SET evaluation guidelines which are the followings:

Section 1 Performance Measurement consisted of 10 subjects as followings:

- | | |
|--|--|
| 1. Leadership | 6. External Relations |
| 2. Strategic Planning | 7. Management and Personnel Relationship |
| 3. Strategic Implementation | 8. Succession (Progression) |
| 4. Financial Planning and Implementation | 9. Product and Service Knowledge |
| 5. Relationship among Board of Directors | 10. Characteristic |

Section 2 In CEO developments are consisted of strength of CEO and issues that CEO should be developing, the additional opinions will be given by company board of directors.

CEO will involve on the target setting and get notified every year. At the end of every year, the company secretary is responsible for delivering out the assessment form to all the directors to evaluate. Also they are in charge of gathering the results and conduct the summary report for the board to discuss further every year.

Evaluation Results

For 2020, the result of self-assessment of the Board of Directors and Sub-committees are as follows:

	Board's Self-Assessment (%)	Director (individual)'s Self-Assessment (%)
Board of Directors	95.0	94.5
Executive Committee	94.5	95.3
Risk Management Committee	91.3	98.0
Audit Committee	92.8	-
CEO	96.0	-

Internal Control of Information

The Company has a policy to prohibit the directors or the management to exploit for their own interest using internal information of the Company. The directors, the management, and the staffs who work within an area of such information are prohibited to trade the Company's stock within a period of one month prior to the public announcement of the financial statements.

The Company has informed the management of each department to understand their roles and duties about the prohibition of trading Company's stock by either himself/herself or their spouse, or children under age of 20. They are obliged to submit a report of their changes of stock holding to the Securities and Exchange Commission Thailand Act 59 and the Penalty Regulation Act 22 under Securities and Exchange Commission Act B.E.2559.

The Company has set the Rules of Enforcement for those breaching and exploiting for their own interest using the Company's internal information. The Enforcements range from verbal warning to expelling.

Internal Control

On 25 February 2020, the Board of Directors, the Audit Committee, and the Management collectively convened for an evaluation of the internal control system in considerations of the auditing results of the internal audit department and suggestions from the auditors and inquiries from the management. From the Company's internal control system evaluation checklists, there are 5 parts to be considered; organization and environment, risk management control for management operation, information technology system, information communication and monitoring system. The committees agreed that the Company had sufficient internal control system with major shareholders, directors, management, and other related persons. For other issues that related to the internal control system, the committees agreed that the Company is in compliance with the internal control system. For good corporate governance, the committee promoted the management to continuously improve internal control quality.

For internal control of the eight subsidiaries, Rattanatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd, Navanakorn Medicare Co., Ltd., Ayudhya Medicare Co., Ltd., Sothorn Vejchakit Co., Bangkok Chain Management Co., Ltd., and Bangkok Chain International (Lao) Co., Ltd. the Company regulated that all subsidiaries must be in compliance with the group's internal control system. Additionally, the Company also assigned the internal auditors to audit the business operation of each subsidiary. In 2020, the internal auditors reported that all subsidiaries sufficiently and efficiently applied the same internal control system as the Company.

Dividend Policy

The Company and its subsidiaries have the dividend policy to pay at least 40 percent of the net profit of the separated financial statements after deducting income tax and legal reserve of the Company. However, the dividend shall be paid in case there are no unusual events and no significant effect to the Company's operations. The dividend payment of the Company shall be considered based on the Company's operating results, liquidity, business expansion, and other related factors. Consistently, the Company's dividend payment shall be approved by shareholders and/or the Board of Directors as appropriate.

Related Party Transaction

The Company has an agreement between its subsidiaries of which the subsidiaries must have no individual who possess more than 10 percent ownership that potentially invoke a conflict of interest. Those subsidiaries are Rattanatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd, Navanakorn Medicare Co., Ltd., Sothorn Vejchakit Co., Ltd. and Bangkok Chain Management Co., Ltd., and Bangkok Chain International (Lao) Co., Ltd. The related party transactions are those involved selling and purchasing goods and services across group companies and inter-company loans. The price and interest rate of those related party transactions are set to be in line with the regular business agreement and at the prevailing market rate. Consistently, the Company disclosed the related transaction information in the notes to the financial statements.

Regulations and Procedures for an Approval of the Related Party Transactions

According to the regulations and procedure for related party transactions, related party transactions within the regular business activities, such as the purchase of raw materials within BCH Group, are carried out by the Central Purchasing Unit such that the service and administrative fees shall be charged to its subsidiaries with respect to the best practice for the Company's benefits. However, the price and trade terms shall be set based on the actual cost of material purchased with a reasonable profit margin added on. In the Audit Committee's meeting, the Company shall report to the committees on the necessity and rational of those related party transactions.

For other related party transactions, such as inter-company loans, the Company sets the interest rate and condition at the prevailing market price and practice. The Company, in this regard, shall seek an opinion from the Audit Committee if the transactions are practicable. In case the committees have no expertise in the particular area, the company shall seek an additional opinion from the independent financial advisor prior to the approval of the Company's directors and shareholders.

With respect to the related party transaction, the Company shall conform to the Securities and Exchange Commission's regulations and comply with regulations, notices, and announcements from the Stock Exchange of Thailand. In addition, the Company shall comply with the regulations on the disclosure of information on the related party transactions involving acquisition or disposal of the Company's asset such that the directors or the stakeholders shall have no right to vote on such issues.

Policy or Trend to Make Related Party Transactions in the Future

The Company foresees that there shall be an ongoing related party transaction on a regular business operation among its subsidiaries for example the purchase of goods and services, and purchase of properties from individuals that may invoke conflict of interest.

For financial services, the Company has no policy to make any additional transaction unless if necessary, for instance, its subsidiaries encounter with the liquidity problems. However, the directors of the Company shall act in accordance with the regulations and procedures for future related party transactions as specified above. In addition, the Company shall disclose the related party transactions in the audited note to the financial statements with an awareness to comply with the Thai Financial Reporting Standards.

Board of Directors' Responsibilities for the Company's Financial Statements

The Board of Directors is responsible for the financial statements of the Company whose accounting method meets the Thai Financial Reporting Standards. The Board has chosen the most appropriate accounting policy to which they consistently conform. With regard to the information disclosure, the Boards have revealed sufficient information attached with the remarks of the Company's financial statement.

In addition, the Board of Directors has appointed the Audit Committee consisting of independent directors to supervise and evaluate the internal control system and financial statement to ensure accuracy, completeness and timeliness and also to prevent fraud and misconduct. The opinion of the Audit Committee has already reported to the Board and is attached in the Company annual report.

The Board of Directors is unanimous in its opinion that the Company's internal control system was satisfactory and the Company's financial statements have demonstrated accurate financial status and significant operational performance.



(Prof.Dr.Chalerm Harnphanich, M.D)

Chairman of the Board of Directors

Management Discussion and Analysis and the Company's operating results

The Company and its subsidiaries which the Company holds more than 50 percent of the voting right (collectively called the “Company”) operate private hospitals located in Bangkok, Bangkok vicinity, Ayudhaya Province, Saraburi Province, Chachoengsao Province, Chiangrai Province and Sa Kaeo Province. Currently, there are thirteen hospital branches and one polyclinic opened under four brands; World Medical Hospital, Kasemrad International Hospital, Kasemrad Hospital and Karunvej Hospital. The Company would like to report the operating results for year ended 31 December 2020 which had been audited by the independent auditor. Details are as follows:

1. Main events of the Company
2. Summary of the Company's operating results
3. Analysis of the consolidated financial performance
4. Analysis of the consolidated financial position
5. Analysis of the consolidated cash flow
6. Future operating trends

Main events of the Company

The coronavirus pandemic (COVID-19) that arose in the beginning of the year and a new wave of outbreak in late 2020 has affected the economy and financial problems of household, as well as the traffic normalized medical services as a result of patient's anxiety in visiting the hospital. However, the Company has enhanced the pandemic preventive measures within the organization and promptly adapted to the situation by joining with the government in provision of COVID-19 related services such as screening, quarantine, and treatment to compensate the impacts on normalized medical services. In addition, the Company has initiated measures to manage costs and expenses in order to maximize the operation efficiency. The Company's milestones in 2020 are as follows:

Month	Events
January	Kasemrad Hospital Ramkhamhaeng has opened the heart center to provide comprehensive diagnosis and treatment for heart diseases.
	Kasemrad International Hospital Rattanaethibeth upgraded its Ophthalmology Department to support comprehensive diagnosis and treatment for ophthalmic diseases.
March	The affiliated hospitals started installing and requesting certification of laboratories that have passed the laboratory expertise test (SARS-CoV-2) with Real-time RT-PCR method from the Department of Medical Sciences, Ministry of Public Health.
	The Company and its affiliated hospitals have started to provide COVID-19 screening services to those who wish to be screened at the rates specified by the hospital.
April	The Company and its affiliated hospitals have joined with the National Health Security Office (NHSO) in providing free COVID-19 screening services to Thai citizens who are under PUI criteria.
May	The affiliated hospitals offered new way of medical services by providing home healthcare, medicine postal service, and telemedicine consultation services.
	Kasemrad International Hospital Aranyaprathet was officially opened for operation.
July	Kasemrad Hospital Saraburi has opened OPD Premium department to enhance the capability of its medical services.
	World Medical Hospital has cooperated with many hotel operators in providing alternative state quarantine.
	The affiliated hospitals were accredited by the Public Health Emergency Operation Center to provide alternative hospital quarantine.

Month	Events
August	The Company continues to be ranked as one of the ESG100 with an outstanding business practices in terms of environment, society, and good governance from the assessment by Thaipat Institute.
September	The Company was cooperated with Allianz Ayudhya Assurance PCL to providing healthcare services to policy holders via online channels.
October	The Company and its affiliated hospitals have collaborated with the Social Security Office in organizing an influenza vaccination campaign for insured persons aged 50 and above without any charge. The affiliated hospitals have started providing medical services in the form of One Day Surgery (ODS).
November	Kasemrad International Hospital Rattanaibeth has been certified by Joint Commission International (JCI). The Company received a credit rating at “A-”, with “positive” outlook, which reflects the expectation that the Company will continue to improve its performance and be able to maintain its strong financial position and liquidity. The Company was ranked “good” in the report on corporate governance of listed companies for the year 2020 of the Thai Institute of Directors Association. Kasemrad Hospital Prachachuen in collaboration with TangMing Green Health Company Limited have established Tangming Traditional Chinese Medical Center offering medical care by skilled and experienced Chinese doctors.
December	The Company has been awarded certificate for excellence in investor relations at IR Magazine Awards South East Asia 2020 held by IR magazine. The affiliated hospitals have cooperated with the government to provide proactive COVID-19 screening in precarious community in order to prevent and control the outbreak to be limited.

Summary of the company’s operating results

For overall performance of the year 2020, the Company reported total revenue of 9,014.36 million baht, an increase of 22.78 million baht or 0.25 percent, a gross profit of 2,953.38 million baht, an increase 125.08 million baht or 4.42 percent. Profit before finance costs, tax expense, depreciation and amortization was 2,609.03 million baht, an increase of 236.61 million baht or 9.97 percent. For the profit attributable to owners of the Company amounted to 1,229.40 million baht, an increase of 94.50 million baht or 8.33 percent.

Analysis of the consolidated financial performance

<i>Statement of Comprehensive Income (Unit : Million Baht)</i>	For the year ended 31 December		% Change
	2020	2019	YoY
Revenue from hospital operations	8,927.91	8,880.47	0.53%
Other income	86.45	111.11	-22.19%
Total Revenue	9,014.36	8,991.58	0.25%
Cost of hospital operations	(5,974.53)	(6,052.17)	-1.28%
Distribution and Administrative expenses	(1,212.81)	(1,231.69)	-1.53%
Total Cost	(7,187.34)	(7,283.86)	-1.33%
Operating Profit	1,827.02	1,707.72	6.99%
Interest income	7.00	4.70	48.86%
Finance costs	(132.13)	(130.74)	1.06%
Share of profit of investment in associate	2.99	2.36	26.55%
Tax expense	(312.83)	(285.99)	9.38%
Profit for the year	1,392.05	1,298.04	7.24%

<i>Statement of Comprehensive Income (Unit : Million Baht)</i>	For the year ended 31 December		% Change
	2020	2019	YoY
Owners of the Company	1,229.40	1,134.91	8.33%
Non-controlling interests	162.65	163.13	-0.30%
Gross Profit Margin	33.08%	31.85%	
Operating Profit Margin	20.27%	18.99%	
Profit before Finance costs, Tax expense, Depreciation and Amortization margin	28.94%	26.38%	
Profit attributable to owners of The Company	13.64%	12.62%	

Revenue Composition by Type (Unit : Million Baht)	2020		2019		% Change
	Revenue	Proportion	Revenue	Proportion	YoY
General patients	5,688.13	63.10%	5,791.07	64.41%	-1.78%
Social security patients	3,239.78	35.94%	3,089.40	34.36%	4.87%
Other revenue	86.45	0.96%	111.11	1.23%	-22.19%
Total Revenue	9,014.36	100.00%	8,991.58	100.00%	0.25%

The Company's total revenue for the year ended 31 December 2020 was 9,014.36 million baht, an increase of 22.78 million baht or 0.25 percent from the previous year, with the proportion of general patient revenue accounting for 63.10 percent, 35.94 percent from the Social Security patients, and 0.96 percent from other revenue. The details are as follows:

General patients revenue for the year ended 31 December 2020 was 5,688.13 million baht, a decrease of 102.94 million baht or 1.78 percent, mainly due to the situation of the COVID-19 pandemic which affected the utilization rate of normalized medical service of Thai and foreign patients. Nevertheless, such impact has already passed its bottom in the second quarter of 2020, despite a new wave of the outbreak in the fourth quarter. The affiliated hospitals have measures to control and prevent the spread of disease and be able to provide normal medical services. Besides, the Company has recognized the revenue from the reimbursement for COVID-19 screening service from NHSO as well as additional income from participating in alternative state quarantine and alternative hospital quarantine.

Social Security patients revenue for the year ended 31 December 2020 was 3,239.78 million baht, an increase of 150.38 million baht or 4.87 percent from last year. The increase in revenue was mainly due to the Social Security Office has adjusted the rate of medical service rate up by 7.25 percent which effective from January 1, 2020. Additionally, insured persons increased from 861,504 persons to 884,214 persons or 2.60 percent, and the Company recognized additional income for medical services based on risk-adjusted capitation in the third quarter which was accrued income from the disbursement for the remainder of the year 2019. The said additional incomes mitigated the compensation of the impact of the income from high-cost care (Adj.RW \geq 2), dental, and health check-up, which are a group that can be reimbursed based on actual service usage and has been mostly impacted by the COVID-19 situation.

Other revenue such as rental income for the year ended 31 December 2020 was 86.45 million baht, a decrease of 24.66 million baht or 22.19 percent as a result of measures to help tenants in the affiliated hospitals.

Operating expenses (including depreciation and amortization) for the year ended 31 December 2020 was 7,187.34 million baht, a decrease of 96.53 million baht or 1.33 percent thanks to the decrease in doctor fees, personnel expenses, and utilities expenses, as a result of cost management measures.

For financial costs, the Company's debt has increased significantly due to the expansion of hospital branches, however the Company was still able to well manage its financial costs in consequence of financial management in the downtrend interest rate.

To sum up, the overall profitability of the Company has expanded, gross margin increased from 31.85 to 33.08 percent, operating profit margin increased from 18.99 to 20.27 percent, profit before finance costs, tax expense, depreciation and amortization margin increased from 26.38 to 28.94 percent, and net profit margin attributable to the Company's shareholders increased from 12.62 to 13.64 percent, respectively.

Analysis of the consolidated financial position

<i>Statement of Financial Position</i> (Unit : Million Baht)	For the period ended 31 December		% Change
	2020	2019	YoY
Total assets	16,527.29	14,115.63	17.09%
- Current assets	3,538.41	2,966.94	19.26%
- Non-current assets	12,988.88	11,148.69	16.51%
Total liabilities	8,900.98	7,137.36	24.71%
- Current liabilities	5,667.39	2,185.81	159.28%
- Non-current liabilities	3,233.59	4,951.54	-34.70%
Equity	7,626.31	6,978.27	9.29%
Equity attributable to the Company	6,884.50	6,247.99	10.19%
Non-controlling interests	741.81	730.28	1.58%

Financial Ratio	for the period ended 31 December	
	2020	2019
Current Ratio (times)	0.62	1.36
Average Collection Period (days)	84.23	68.40
Average Inventory Period (days)	14.68	14.15
Average Payables Period (days)	32.34	30.03
Debt to Equity (times)	1.17	1.02
Return on Assets (%)	11.92	12.77
Return on Equity (%)	18.72	19.00

Remark: *Decrease in Current Ratio was due to an increase in short-term loan (Bridging Loan) which will be repaid by long-term loan in the future and an increase in current portions of debenture and long-term loan.

As of 31 December 2020, the Company had total assets of 16,527.29 million baht, an increase of 2,411.67 million baht or 17.09 percent from 31 December 2019, mainly due to the following activities:

- An increase in trade accounts receivable of 511.92 million baht from the government contracted institution (UCEP COVID-19) and embassy customers.
- An increase in rights of use of 74.45 million baht from applying TFRS 16 which effective from January 1, 2020, however there was no significant impact on the average return on assets.
- An increase in property, plant and equipment amounted to 1,748.42 million baht were also contributed to the total asset, most of which were an increase in investment of new hospital namely Kasemrad International Hospital Aranyaprathet, Kasemrad Hospital Prachinburi and Kasemrad International Hospital Vientiane, and assets purchased by a subsidiary.

The Company had total liabilities of 8,900.98 million baht, an increase of 1,763.63 million baht or 24.71 percent from 31 December 2019, mainly due to an increase in short-term loans from financial for using as a bridge to manage liquidity and finance costs of projects under construction before converting to long-term loan in the future.

The Company had total shareholders' equity of 7,626.31 million baht, an increase of 648.04 million baht or 9.29 percent from 31 December 2019 due to an increase in the Company's retained earnings.

Analysis of the consolidated financial position

<i>Statement of Financial Position</i> (Unit : Million Baht)	for the period ended 31December	
	2020	2019
Cash flow from operating activities	1,863.16	1,902.47
Cash flow from (used in) investing activities	(2,597.35)	(1,729.24)
Cash flow from (used in) financing activities	885.57	(26.51)
Net increase in cashand cash equivalents	151.38	146.72
Cash and cash equivalents at 1 January	792.42	645.70
Cash and cash equivalents at 31December	943.80	792.42

At the end of 31 December 2020, the Company had a net increase in cash and cash equivalents of 151.38 million baht, with the Company's net cash at the beginning of the period as of 1 January 2020 in the amount of 792.42 million baht, resulting in the net cash at the end of the period ended 31 December 2020 remained at 943.80 million baht. Details of cash flows for each activity are as follows:

The Company reported cash flow from operating activities of 1,863.16 million baht which were contributed from net profit, depreciation and amortization. The cash flow used in investing activities was 2,597.35 million baht, mainly from the investment in 1 newly opened hospital and incremental assets under construction of two new hospitals and asset purchased by a subsidiary. The Company had net cash flow from financing activities in the amount of 885.57 million baht, mainly due to an increase in short-term loan from financial institutions, as well as 2019 annual dividend payment and 2020 interim dividend payment.

Future operating trends

The year 2021, the Company remains committed to providing regular medical services as well as offering medical services in accordance with patient behavior under the pandemic situation along with co-operating with the government in the screening, quarantine, and prevention and control of the spread of COVID-19. In addition, to maintain profitability, the Company has still been implementing cost and expense management measures in consideration to the importance of service efficiency and variety. The factors supporting the Company's performance in 2021 are as follows:

1. Provision of medical services in accordance with the Control and Prevention of COVID-19

According to the situation of the COVID-19 pandemic new wave in Thailand which spread more widely and faster than the first wave, this time it was evidenced that patients' anxiety of accessing medical services in hospitals was less as a result of the readiness of national disease control and prevention measures. In 2021, the Company and its affiliated hospitals continue to work with the government to provide screening, quarantine, pastoral and treatment services in accordance with the COVID-19 Control and prevention measures until the pandemic situation returns to normal.

2. Situation after vaccination against COVID-19 in Thailand

Currently, the situation of the procurement and distribution of the COVID-19 vaccine by the government to people, and permission the Private Sector to participate in the Provision of the COVID-19 Vaccine in Thailand started to materialize, this will greatly support measures to prevent the pandemic. The Company and its affiliated hospitals have been closely monitoring the situation and carrying out preparations to join the government in the prevention of the spread of COVID-19 with vaccines to build immunity among large groups of people. However, if the vaccination plan is as scheduled, it will reduce the spread of the COVID-19 pandemic which will lead to the recovery of the economy, especially the tourism and services sector.

The Company expects that the situation following the vaccination against COVID-19 in Thailand will continue to improve which will lead to a significant increase in number of foreign medical tourists and the utilization rate of medical services of Thai patients, in particular, the utilization rate of alternative medical centers, namely, Aesthetic Center, Regenerative Medical Center, IVF Center, and Dental Center.

3. Business Expansion

After the opening of Kasemrad Hospital Prachinburi on January 1, 2021, the Company aims to open Kasemrad International Hospital Vientiane in 2Q2021 to serve local patient, expatriate, and foreign tourists in the Lao PDR. In addition, the Company also plans to improve and increase the capacity of the existing hospital branches as well as studying the feasibility of expanding service territories to new potential areas to promote access to medical services to cover the needs of local patients.

Long Term Goal

Business Aspiration	To be one of the leaders in healthcare service industry in Thailand and ASEAN. <i>Note: Reviewed by the Board of Director, Meeting No.4/2020 on 13 May 2020, the opinions remain the same.</i>
3 Years Business Goals	<ul style="list-style-type: none">• Target revenue growth at 10-15% p.a. with and appropriate improved profitability margin.• To continue the plan to open new hospital branches to expand the service areas• To achieve one million insured persons under Social Security that registered with BCH.• To upgrade the existing hospitals to be the tertiary referral hospitals.• Increase variety of products and service.• Internal process improvement.• Improve service standard.• Upgrade hospital accreditation level.• To achieve the best practice in corporate governance and sustainability.



**Bangkok Chain Hospital Public Company Limited
and its Subsidiaries**

**Financial statements for the year ended
31 December 2020
and Independent Auditor's Report**



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To the Shareholders of Bangkok Chain Hospital Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Bangkok Chain Hospital Public Company Limited and its subsidiaries (the “Group”) and of Bangkok Chain Hospital Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in 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.

22.

KPMG Phoomchai Audit Ltd., a Thai liability limited company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

Valuation of trade accounts receivable and accrued income	
Refer to Notes 4, 8 and 27	
The key audit matter	How the matter was addressed in the audit
<p>The Group has overdue trade accounts receivable and accrued income from medical services to patients under the government welfare schemes such as revenue under service agreement with the Social Security Office, etc. Trade accounts receivable are material and accrued income under the service agreement with the Social Security Office is based on the information, criteria and conditions for calculation defined by the Social Security Office, such as, the number of insured persons registered with the hospital, and statistical information of the services provided by the hospital, etc. In addition, the repayment is dependent on the policy and budget of the government welfare schemes.</p> <p>The Group is exposed to the risk of recoverable amount of trade accounts receivable and accrued income due to the complexity of the reimbursement rules and process which is time consuming. The determination of recoverable amount of trade accounts receivable and accrued income require management's professional judgement and analysis of future payment expectation of these government sector. I determine that this matter is a key audit matter.</p>	<ul style="list-style-type: none"> • Understanding the procedure of estimating net realisable value of trade accounts receivable, revenue recognition and estimating accrued income from medical services to patients under the government welfare schemes Office by making enquiry of responsible executives and selecting representative samples to test the operation of the designed controls. • Selecting samples to test trade account receivable and accrued income aging report with supporting documents. • Perform a reasonableness check of management's expectation for recoverability of trade accounts receivable and accrued income by comparing with the historical data, actual amount received during the year, and relevant documents. • Evaluate the status of the repayments that the Group has discussed and followed up with customer and the government entity. • Perform subsequent cash receipt after the reporting period with relevant documents. • Assessing the adequacy of Group's disclosures in accordance with Thai Financial Reporting Standards.
Impairment assessment of goodwill	
Refer to Notes 4 and 16	
The key audit matter	How the matter was addressed in the audit
<p>The Group has goodwill, which is material to the financial statements whereby the Group perform test impairment of goodwill annually. Impairment loss will occurred when the carrying amount of goodwill exceed its recoverable amount The Group determine the recoverable amount by using the estimation of future cash flows ("DCF") method.</p> <p>Due to the estimation are important to use judgment. I determine that this matter is a key audit matter.</p>	<p>The audit procedures included the following:</p> <ul style="list-style-type: none"> • Enquiry with management to understanding the operation plan and the estimation process for calculation recoverable amount. • Evaluate the appropriateness of the Group's future cash flows projections method and assumptions by considering financial performance, operation plan with supporting document and the information from external sources and test calculation. • Perform sensitivity analysis around the significant key assumption. • Assessing the adequacy of Group's disclosures in accordance with Thai Financial Reporting Standards.



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. The annual report 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 will 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 identified above when it becomes available 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 and request that the correction be made.

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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of 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, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's 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 TSAs 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 TSAs, I exercise professional judgment and maintain professional scepticism through out 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.

22.



- 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 and the Company 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.

(Nawarat Nitikeatipong)
Certified Public Accountant
Registration No. 7789

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2021

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current assets					
Cash and cash equivalents	7	943,805,233	792,421,425	491,809,426	357,694,619
Other current financial assets					
(2019: Current Investments)	27	1,978,313	86,229,490	653,530	641,166
Trade accounts receivable	3, 6, 27	1,486,800,804	974,879,903	1,231,376,702	775,773,885
Accrued income	8	816,370,406	842,327,481	525,407,352	519,092,902
Other receivables	6	32,306,785	35,863,073	27,006,211	28,285,784
Short-term loans to related parties	6	-	-	898,800,000	140,000,000
Inventories	9	249,554,591	231,170,037	141,766,477	132,629,857
Other current assets		7,596,403	4,048,475	4,086,809	3,616,582
Total current assets		3,538,412,535	2,966,939,884	3,320,906,507	1,957,734,795
Non-current assets					
Restricted deposits	10	764,311	762,207	-	-
Other non-current financial assets					
(2019 : Other long-term investments)	27	22,191,346	28,843,440	-	-
Investment in associate	11	9,563,688	7,822,434	-	-
Investments in subsidiaries	12	-	-	2,556,519,048	2,556,519,048
Long-term loans to related parties	6	-	-	164,900,000	164,800,000
Investment properties	14	966,228,979	968,579,862	966,228,979	968,579,862
Property, plant and equipment	15	11,437,900,163	9,615,032,155	6,037,292,691	5,951,779,283
Goodwill	16	329,376,024	329,376,024	-	-
Intangible assets	17	124,846,896	121,604,747	64,513,455	71,471,826
Deferred tax assets	24	67,761,342	47,938,118	39,810,992	20,500,165
Other non-current assets		30,251,674	28,729,847	24,310,637	21,627,150
Total non-current assets		12,988,884,423	11,148,688,834	9,853,575,802	9,755,277,334
Total assets		16,527,296,958	14,115,628,718	13,174,482,309	11,713,012,129

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term loans from financial institutions	18	2,165,346,641	419,450,421	1,348,000,000	223,000,000
Short-term loan from related party	6, 18	-	-	70,000,000	-
Trade accounts payable	6	564,862,521	493,724,242	389,883,017	332,060,505
Construction and equipments payables		71,611,121	221,359,238	25,345,429	171,215,775
Other payables		147,332,012	137,029,479	106,187,531	112,524,038
Current portion of long-term loan from financial institution	18	621,327,161	289,000,000	621,247,279	289,000,000
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	18	2,036,824	9,867,896	773,361	1,729,577
Current portion of debentures	18	1,499,970,885	-	1,499,970,885	-
Current tax payable		141,388,446	119,997,376	91,305,550	55,011,575
Accrued expenses	6	395,571,975	412,481,571	241,008,212	237,359,482
Deferred income		29,125,121	49,163,856	13,917,209	31,381,289
Other current liabilities		28,821,831	33,740,935	16,525,113	22,156,183
Total current liabilities		5,667,394,538	2,185,815,014	4,424,163,586	1,475,438,424
Non-current liabilities					
Long-term loans from financial institutions	18	746,960,705	1,061,734,777	294,175,430	914,087,565
Lease liabilities (2019: Finance lease liabilities)	18	80,704,762	-	-	-
Debentures	18	2,198,838,726	3,697,724,363	2,198,838,726	3,697,724,363
Provision for employee benefit	19	116,268,067	118,002,710	52,290,261	49,504,311
Deferred tax liabilities	24	1,956,323	1,317,010	-	-
Other non-current liabilities		88,862,707	72,761,081	14,131,804	30,508,615
Total non-current liabilities		3,233,591,290	4,951,539,941	2,559,436,221	4,691,824,854
Total liabilities		8,900,985,828	7,137,354,955	6,983,599,807	6,167,263,278

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Equity					
Share capital					
Authorised share capital (2,494 ordinary million shares, par value at Baht 1 per share)		2,493,748,115	2,493,748,115	2,493,748,115	2,493,748,115
Issued and paid-up share capital (2,494 ordinary million shares, par value at Baht 1 per share)		2,493,747,984	2,493,747,984	2,493,747,984	2,493,747,984
Share premium on ordinary shares	20	644,640,000	644,640,000	644,640,000	644,640,000
Retained earnings					
Appropriated					
Legal reserve	20	249,374,812	249,374,812	249,374,812	249,374,812
Unappropriated		3,588,592,340	2,935,093,943	2,803,119,706	2,157,986,055
Other components of equity	20	(91,852,370)	(74,861,035)	-	-
Equity attributable to the Company		6,884,502,766	6,247,995,704	6,190,882,502	5,545,748,851
Non-controlling interests	13	741,808,364	730,278,059	-	-
Total equity		7,626,311,130	6,978,273,763	6,190,882,502	5,545,748,851
Total liabilities and equity		16,527,296,958	14,115,628,718	13,174,482,309	11,713,012,129

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenue	6				
Revenue from hospital operations	21	8,927,910,075	8,880,470,542	5,416,143,064	5,216,303,860
Rental income		52,523,096	72,209,379	37,556,394	55,489,144
Other income		33,925,859	38,898,178	82,877,873	88,605,370
Total revenue		9,014,359,030	8,991,578,099	5,536,577,331	5,360,398,374
Expenses	6, 23				
Cost of hospital operations		5,974,529,973	6,052,171,850	3,725,323,153	3,701,552,487
Distribution costs		168,345,914	268,102,545	128,707,255	228,317,171
Administrative expenses		1,044,463,609	963,590,137	649,156,148	597,125,005
Total expenses		7,187,339,496	7,283,864,532	4,503,186,556	4,526,994,663
Profit from operating activities		1,827,019,534	1,707,713,567	1,033,390,775	833,403,711
Interest income		6,999,221	4,701,999	16,649,595	9,472,337
Dividend income	12	-	-	474,913,546	318,138,424
Finance costs		(132,127,014)	(130,742,218)	(129,166,716)	(129,170,945)
Share of profit of associate for using equity method	11	2,991,254	2,363,654	-	-
Profit before income tax expense		1,704,882,995	1,584,037,002	1,395,787,200	1,031,843,527
Tax expense	24	(312,830,386)	(285,993,355)	(173,548,235)	(135,057,902)
Profit for the year		1,392,052,609	1,298,043,647	1,222,238,965	896,785,625
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations of subsidiary		(17,292,272)	(47,535,712)	-	-
Total item that will be reclassified subsequently to profit or loss		(17,292,272)	(47,535,712)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Losses on measurement of financial asset	27	(6,652,094)	(1,484,733)	-	-
Losses on remeasurements of defined benefit plans	19	-	(1,704,487)	-	(11,141,750)
Income tax relating to items that will not be reclassified	24	1,330,419	637,844	-	2,228,350
Total items that will not be reclassified to profit or loss		(5,321,675)	(2,551,376)	-	(8,913,400)
Other comprehensive income for the year, net of tax		(22,613,947)	(50,087,088)	-	(8,913,400)
Total comprehensive income for the year		1,369,438,662	1,247,956,559	1,222,238,965	887,872,225

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the Company		1,229,404,576	1,134,906,873	1,222,238,965	896,785,625
Non-controlling interests	13	162,648,033	163,136,774	-	-
Profit for the year		1,392,052,609	1,298,043,647	1,222,238,965	896,785,625
Total comprehensive income attributable to:					
Owners of the Company		1,212,413,241	1,095,179,543	1,222,238,965	887,872,225
Non-controlling interests		157,025,421	152,777,016	-	-
Total comprehensive income for the year		1,369,438,662	1,247,956,559	1,222,238,965	887,872,225
Basic earnings per share	25	0.49	0.46	0.49	0.36

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
Note	Retained earnings			Other components of equity					Total equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Translation foreign operations of subsidiary (in Baht)	Fair value reserve	Total other components of equity	Equity attributable to owners of the Company		
Year ended 31 December 2020										
Balance at 31 December 2019 - as reported										
	2,493,747,984	644,640,000	249,374,812	2,935,093,943	(59,133,030)	(15,728,005)	(74,861,035)	6,247,995,704	730,278,059	6,978,273,763
3	-	-	-	(2,349,402)	-	-	-	(2,349,402)	441,347	(1,908,055)
Balance at 1 January 2020 - restated										
	2,493,747,984	644,640,000	249,374,812	2,932,744,541	(59,133,030)	(15,728,005)	(74,861,035)	6,245,646,302	730,719,406	6,976,365,708
Transaction with owners, recorded directly in equity										
Distribution to owners										
	-	-	-	(573,556,777)	-	-	-	(573,556,777)	(145,936,463)	(719,493,240)
26	-	-	-	-	-	-	-	-	-	-
Total transaction with owners, recorded directly in equity										
	-	-	-	(573,556,777)	-	-	-	(573,556,777)	(145,936,463)	(719,493,240)
Comprehensive income for the year										
	-	-	-	1,229,404,576	-	-	-	1,229,404,576	162,648,033	1,392,052,609
	-	-	-	-	-13,120,880	-3,870,455	-16,991,335	(16,991,335)	(5,622,612)	(22,613,947)
Total comprehensive income for the year										
	-	-	-	1,229,404,576	(13,120,880)	(3,870,455)	(16,991,335)	1,212,413,241	157,025,421	1,369,438,662
Balance at 31 December 2020										
	2,493,747,984	644,640,000	249,374,812	3,588,592,340	(72,253,910)	(19,598,460)	(91,852,370)	6,884,502,766	741,808,364	7,626,311,130

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements						
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total equity
	Note			Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2019						
Balance at 1 January 2019		2,493,747,984	644,640,000	249,374,812	1,818,732,308	5,206,495,104
Transaction with owners, recorded directly in equity						
Distribution to owners						
Dividends to owners of the Company	26	-	-	-	(548,618,478)	(548,618,478)
Total distribution to owners of the Company		-	-	-	(548,618,478)	(548,618,478)
Total transaction with owners, recorded directly in equity		-	-	-	(548,618,478)	(548,618,478)
Comprehensive income for the year						
Profit for the year		-	-	-	896,785,625	896,785,625
Other comprehensive income		-	-	-	(8,913,400)	(8,913,400)
Total comprehensive income for the year		-	-	-	887,872,225	887,872,225
Balance at 31 December 2019		2,493,747,984	644,640,000	249,374,812	2,157,986,055	5,545,748,851

The accompanying notes are an integral part of these financial statements.

BBangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in Baht)	Retained earnings	
Year ended 31 December 2020						
Balance at 31 December 2019 - as reported		2,493,747,984	644,640,000	249,374,812	2,157,986,055	5,545,748,851
Impact of changes in accounting policies		-	-	-	(3,548,537)	(3,548,537)
Balance at 1 January 2020 - restated		2,493,747,984	644,640,000	249,374,812	2,154,437,518	5,542,200,314
Transaction with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Dividends to owners of the Company	26	-	-	-	(573,556,777)	(573,556,777)
Total transaction with owners, recorded directly in equity		-	-	-	(573,556,777)	(573,556,777)
Comprehensive income for the year						
Profit for the year		-	-	-	1,222,238,965	1,222,238,965
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,222,238,965	1,222,238,965
Balance at 31 December 2020		2,493,747,984	644,640,000	249,374,812	2,803,119,706	6,190,882,502

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from operating activities					
Profit for the year		1,392,052,609	1,298,043,647	1,222,238,965	896,785,625
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	24	312,830,386	285,993,355	173,548,235	135,057,902
Finance costs		132,127,014	130,742,218	129,166,716	129,170,945
Depreciation and amortisation		782,009,115	664,708,153	480,824,766	388,914,867
Gains on fair value of debt instrument adjustment		(9,274)	(209,201)	-	-
Losses on disposal debt instruments		363,296	-	-	-
Share of profit of associate for using equity method, net of tax	11	(2,991,254)	(2,363,654)	-	-
Expected credit loss	27	33,989,285	10,534,250	29,883,202	8,603,381
Impairment loss on asset		24,385,526	25,053,789	19,526,143	16,338,599
Reversal of impairment loss on land		(7,489,000)	-	-	-
Losses on inventories devaluation		4,736,242	755,529	4,969,176	57,617
Write-off inventories		1,067,593	-	3,345	-
Losses on disposal of plant and equipment		3,981,591	1,959,343	710,510	2,065,885
Dividend income	12	-	-	(474,913,546)	(318,138,424)
Interest income		(6,999,221)	(4,701,999)	(16,649,595)	(9,472,337)
		2,670,053,908	2,410,515,430	1,569,307,917	1,249,384,060
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(548,295,256)	(222,932,528)	(489,921,690)	(210,914,383)
Accrued income		1,571,549	(118,557,084)	(25,840,593)	(69,575,926)
Other receivables		5,554,755	16,480,227	2,244,114	10,089,632
Inventories		(24,188,389)	6,101,986	(14,109,141)	7,780,184
Other current assets		(3,547,928)	(2,307,094)	(470,227)	(2,374,933)
Other non-current assets		(1,072,958)	5,721,577	(2,683,487)	(1,040,795)
Trade accounts payable		71,138,279	(8,568,425)	57,822,512	(12,971,764)
Other payables		10,361,821	42,718,390	(6,336,507)	40,350,850
Accrued expenses		(13,664,670)	15,941,954	4,190,962	14,122,573
Deferred income		(20,038,735)	14,167,342	(17,464,080)	4,898,361
Other current liabilities		(4,848,224)	(13,808,825)	(5,631,070)	(16,247,942)
Provision for employee benefit		(1,734,643)	(6,740,652)	2,785,950	(20,102,717)
Other non-current liabilities		30,690,643	61,016,607	(16,376,811)	23,105,738
Net cash generated from operating		2,171,980,152	2,199,748,905	1,057,517,849	1,016,502,938
Taxes paid		(308,815,794)	(297,279,492)	(155,677,954)	(160,031,623)
Net cash from operating activities		1,863,164,358	1,902,469,413	901,839,895	856,471,315

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Increase in restricted deposits		(2,104)	(3,303)	-	-
(Increase) decrease in short-term deposit					
at bank institution		24,066,030	(26,049,787)	(12,364)	(6,274)
Proceeds from sale of debt securities		89,831,125	222,590,037	-	13,417
Acquisition of debt securities		(30,000,000)	(185,000,000)	-	-
Proceeds from sale of plant and equipment		11,163,950	1,923,949	1,705,980	3,806,665
Acquisition of property, plant and equipment		(2,670,891,921)	(1,741,449,352)	(686,434,258)	(904,740,564)
Acquisition of intangible assets		(29,764,679)	(8,503,965)	(10,093,674)	(5,537,664)
Proceeds from short-term loans to related parties		-	-	90,000,000	82,670,228
Paid for short-term loans to related parties		-	-	(848,800,000)	-
Paid for long-term loans to related party		-	-	(100,000)	(160,100,000)
Dividends received		1,250,000	2,500,000	474,913,546	318,138,424
Interest received		6,999,221	4,754,890	15,685,054	9,059,780
Net cash used in investing activities		(2,597,348,378)	(1,729,237,531)	(963,135,716)	(656,695,988)
<i>Cash flows from financing activities</i>					
Increase in short-term loans from financial institutions		1,741,367,748	76,495,606	1,125,000,000	39,000,000
Proceeds from short-term loans from related party		-	-	70,000,000	-
Repayment of short-term loan from related party		-	-	-	(30,000,000)
Proceeds from debenture		-	1,200,000,000	-	1,200,000,000
Payment of lease liabilities					
(2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)		(14,805,797)	(3,425,570)	(3,109,729)	(508,787)
Proceeds from long-term loans		333,179,372	156,676,470	-	-
Repayment of long-term loans		(289,000,000)	(644,500,000)	(289,000,000)	(644,500,000)
Dividends paid to owners of the Company	26	(573,556,777)	(548,618,478)	(573,556,777)	(548,618,478)
Dividends paid to non-controlling interests		(145,936,463)	(118,851,577)	-	-
Finance costs paid		(165,680,255)	(144,291,072)	(133,922,866)	(135,424,686)
Net cash from (used in) financing activities		885,567,828	(26,514,621)	195,410,628	(120,051,951)
Net increase in cash and cash equivalents		151,383,808	146,717,261	134,114,807	79,723,376
Cash and cash equivalents at 1 January		792,421,425	645,704,164	357,694,619	277,971,243
Cash and cash equivalents at 31 December	7	943,805,233	792,421,425	491,809,426	357,694,619
<i>Non-cash transactions :</i>					
Property, plant and equipment - right of use assets		78,964,600	-	2,080,392	-
Construction and equipments payables		71,611,121	221,359,238	25,345,429	171,215,775
Lease liabilities (2019: Finance lease liabilities)		82,741,586	9,867,896	773,361	1,729,577

The accompanying notes are an integral part of these financial statements.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2021.

1 General information

Bangkok Chain Hospital Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on November 2004. The Company’s registered office at 44 Moo 4 Chaengwattana Road, Pakkred Nonthaburi.

The Company’s major shareholders during the financial year were Harnphanich family (49.99% shareholding).

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are private hospitals, nursing business to provide medical treatment to patients with a total of 15 chained hospitals in Bangkok vicinity, Chiang Rai, Saraburi, Nonthaburi, Pathumthani, Ayudhaya, Chachoengsao, Prachinburi, Sa Kaeo Province and Lao People’s Democratic Republic (has 2 chained hospitals not started commercial operation) as well as selling healthy drinks, providing medical analysis and research services in operation rooms, and providing assets management services relevant to the hospital and property for rent. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 12.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- | | |
|-------------|---|
| 4(k) and 15 | Leases: |
| | - whether an arrangement contains a lease; |
| | - whether the Group is reasonably certain to exercise extension options; |
| | - whether the Group exercise termination options; |
| | - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees; |
| 4(q) and 21 | Revenue recognition: |
| | - whether performance obligations in a bundled sale of products and services are capable of being distinct; |
| | - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal; |
| 5 | Impact of COVID-19 Outbreak; |
| 11 | Equity-accounted investees: whether the Group has significant influence over an investee. |

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- | | |
|------------|---|
| 4(k) | Determining the incremental borrowing rate to measure lease liabilities; |
| 5 | Impact of COVID-19; |
| 4(q) and 8 | Income from services provided to patients under the service contract with the Social Security Office and the National Health Security Office; |
| 16 | Impairment test of goodwill: key assumptions underlying recoverable amounts; |
| 19 | Measurement of defined employee benefit obligations: key actuarial assumptions; |
| 24 | Recognition of deferred tax assets; |
| 27 | Measurement of expected credit loss allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; |
| 29 | Recognition and measurement of provisions and contingencies key assumptions about the likelihood and magnitude of an outflow of resources. |

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

		Consolidated financial statements		Separate financial statements
		Retained earnings	Non-controlling interests	Retained earnings
	<i>Note</i>		<i>(in thousand Baht)</i>	
At 31 December 2019 - as reported		2,935,094	730,278	2,157,986
<i>Increase (decrease) due to:</i>				
Adoption of TFRS - Financial instruments standards				
Impairment losses on financial assets	<i>(a.2)</i>	(2,936)	551	(4,436)
Related tax		587	(110)	887
Adoption of TFRS 16 - net of tax	<i>(b)</i>	-	-	-
At 1 January 2020 - restated		2,932,745	730,719	2,154,437

(a) TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(l). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

The following table shows classification and measurement categories under TAS 105 and TFRS 9

Consolidated financial statements					
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	FVTPL	FVOCI	Amortised cost - net	Total
(in thousand Baht)					
Financial assets					
<i>Other current financial assets</i>					
(2019: Current Investments)					
Short-term deposits at financial institutions	25,321	-	-	25,321	25,321
Trading mutual funds	60,908	60,908	-	-	60,908
	86,229	60,908	-	25,321	86,229
Restricted deposits	763	-	-	763	763
<i>Other non-current financial assets</i>					
(2019: Other long-term investments)					
Available-for-sale mutual funds	28,843	-	28,843	-	28,843

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Separate financial statements				
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	FVTPL	FVOCI (in thousand Baht)	Amortised cost - net Total
Financial assets				
<i>Other current financial assets</i> (2019: Current Investments)				
Short-term deposits at financial institutions	641	-	-	641
Short-term loans to related parties	140,000	-	-	140,000
	140,641	-	-	140,641
<i>Other non-current financial assets</i> (2019: Other long-term investments)				
Long-term loans to related parties	164,800	-	-	164,800

(a.2) Impairment - Financial assets and contract assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and debt investments measured at FVOCI, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	Separate financial statements
<i>Allowance for doubtful debts - trade accounts receivables</i>		
	(in thousand Baht)	
At 31 December 2019	45,644	25,150
Additional impairment loss recognised	2,385	4,436
At 1 January 2020	48,029	29,586

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

(b) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise leases of low-value assets;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
	<i>(in thousand Baht)</i>	
<i>At 1 January 2020</i>		
Increase in property plant and equipment	78,965	2,080
Decrease in accrued expenses	6,314	-
Increase in lease liabilities	(95,147)	(3,810)
Decrease in finance lease liabilities	9,868	1,730
	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liabilities</i>		
	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	149,967	17,928
Recognition exemption for short-term leases	(3,880)	-
Recognition exemption for leases of low-value assets	(27,189)	(15,816)
	118,898	2,112
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	85,279	2,080
Finance lease liabilities recognised as at 31 December 2019	9,868	1,730
Lease liabilities recognised at 1 January 2020	95,147	3,810
Weighted-average incremental borrowing rate (% per annum)	2.69	2.50

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associate.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b) Investments in subsidiaries and associate

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until the sale of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets — business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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Notes to the financial statements

For the year ended 31 December 2020

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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For the year ended 31 December 2020

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Accounting policies applicable before 1 January 2020

Investments in other equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of investment in other equity securities is determined as the quoted bid price at reporting date.

Equity securities which are not marketable are stated at cost less any impairment losses.

Investments in mutual funds

Marketable mutual funds held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable mutual funds, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of marketable mutual funds is determined as net assets value at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

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

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For the year ended 31 December 2020

(f) Trade and other accounts receivable and accrued income

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable and accrued income are measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which are determined based on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

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

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

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

(h) Investment properties

Investment properties are property which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and buildings improvements	30 years
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No depreciation is provided on freehold land.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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Land use rights were land in Lao People's Democratic Republic which the Group has ownership and consume of benefit in such land throughout the term of the land assignment agreement. Land use rights measured at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over the contract period.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land use right	90 years (Contract period)
Land improvement	30 years
Buildings and buildings improvements	6 - 40 years
Buildings equipment	5 - 30 years
Hospital equipment and medical instrument	5 - 20 years
Office equipment	5 - 20 years
Computer and system work	3 - 20 years
Vehicles	5 - 20 years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

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Other Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current period and comparison period are as follows:

Software licenses	3 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

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For the year ended 31 December 2020

(1) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

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Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an 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.

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Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(p) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs to use unobservable inputs.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(q) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered. The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Income from services provided to patients under the service contract with Social Security Office is recognised on the basis, procedures and conditions for reimbursement as stipulated by the aforesaid offices, such as, the number of insured persons registered with the hospital, and statistical information of the services provided by the hospital, etc. In addition, the repayment is depended on the policy and budget of the government welfare schemes. The management is required to make an estimation of such accrued income in accordance with the basis, procedures and conditions as stipulated by the aforesaid offices.

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For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

(r) *Other income*

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) *Interest*

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss as it accrues.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(t) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(v) *Related parties*

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) *Impairment of assets*

The Group considered impairment of trade accounts receivables under provision matrix using historical loss rate and did not take forward-looking information into account.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

6 Related parties

Relationships with subsidiaries and associates are described in notes 11 and 12. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the company.
Balleto Foods Co., Ltd.	Thailand	Common directors
Coffee and Latte House Co., Ltd.	Thailand	Common directors
K.P.A. food Co., Ltd.	Thailand	Common directors
Lattee Coffee Shop Co., Ltd.	Thailand	Common directors
P Medical Co., Ltd.	Thailand	Common key management
M Medical Care Co., Ltd.	Thailand	Common key management

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policy
Revenues from hospital operations	Agreed price
Dividends income	Based on declaration price
Rental income	Contractually agreed price
Interest income	Contractually agreed rate
Management service fee	Contractually agreed price
Procurement service fee	Contractually agreed price
Sale assets	Agreed price
Other income	Agreed price
Purchases inventories / services	Agreed price
Purchases assets	Agreed price
Interest expense	Contractually agreed rate
Doctor fee	Contractually agreed price
Management benefit expenses	Contractually agreed price
Other expenses	Agreed price

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated <i>financial statements</i>		Separate <i>financial statements</i>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Revenues from hospital operations	-	-	69,713	61,877
Dividend income	-	-	474,914	318,138
Interest income	-	-	15,819	8,107
Rental income	-	-	180	456
Management service fee	-	-	55,095	57,479
Procurement service fee	-	-	11,140	10,284
Sale assets	-	-	1,044	3,291
Other income	-	-	2,429	2,340
Purchases inventories / services	-	-	85,458	81,262
Purchases assets	-	-	128	-
Other expenses	-	-	6,118	7,347
Interest expense	-	-	73	232
<i>Associate</i>				
Revenue from hospital operations	73	48	-	-
Dividend income	1,250	2,500	-	-
Rental income	1,073	990	-	-
Other income	-	40	-	-
Purchases inventories / services	6,808	6,983	-	-
<i>Other related parties</i>				
Rental income	498	2,412	350	2,412
Other expenses	6,078	5,858	6,000	5,858
<i>Key management personnel</i>				
Doctor fee	39,264	37,273	14,958	13,690
Key management personnel compensation				
Short-term employee benefit	190,969	201,949	127,032	136,433
Post-employment benefits	1,969	3,750	620	1,784
Total key management personnel compensation	192,938	205,699	127,652	138,217

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

Balances as at 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Trade accounts receivable</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	32,344	14,251
Associate	8	5	-	-
Total	8	5	32,344	14,251

	Consolidated		Separate	
	financial statements		financial statements	
<i>Other receivables</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	11,516	10,702
Associate	83	83	-	-
Total	83	83	11,516	10,702

	Consolidated		Separate	
	financial statements		financial statements	
<i>Interest receivables - loans to related parties</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	2,211	1,247

	Interest rate	At	Separate financial statements		At
<i>Movement of short-term loans to</i>	At	1 January	Increase	Decrease	31 December
	(% per annum)		<i>(in thousand Baht)</i>		
2020					
Subsidiaries	1.50 - 3.00	<u>140,000</u>	848,800	(90,000)	<u>898,800</u>
2019					
Subsidiaries	2.00 - 3.00	<u>222,670</u>	-	(82,670)	<u>140,000</u>
	Interest rate	At	Separate financial statements		At
<i>Movement of long-term loans to</i>	At	1 January	Increase	Decrease	31 December
	(% per annum)		<i>(in thousand Baht)</i>		
2020					
Subsidiaries	1.80 - 3.00	<u>164,800</u>	100	-	<u>164,900</u>
2019					
Subsidiaries	1.80 - 3.00	<u>4,700</u>	160,000	-	<u>164,800</u>

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Trade accounts payable</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	48,676	30,855
Associate	1,410	2,092	-	-
Total	1,410	2,092	48,676	30,855

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Accrued expenses</i>				
	<i>(in thousand Baht)</i>			
Key management personnel	3,037	3,566	1,215	1,344

	Interest rate		Separate financial statements		
	At	At			At
<i>Movement of short-term loans</i>	31 December	1 January	Increase	Decrease	31 December
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
2020					
Subsidiaries	1.00	-	70,000	-	70,000
2019					
Subsidiaries	-	30,000	-	(30,000)	-

Significant agreements with related parties

Ordering goods

The Company has entered into the procurement agreements with Rattatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd., Navanakorn Medicare Co., Ltd., Sothon Vejchakit Co., Ltd., and Bangkok Chain International (Lao) Co., Ltd. for the purchase of medicines, medical supplies, general goods, equipment, medical instruments and fixed assets. The service charges are computed at the agreed percentage of the asset value. The agreements expired on 31 December 2020. Nevertheless, in 2021, the Company has entered into the new with such subsidiaries and addition another subsidiary who is Bangkok Chain Management Co., Ltd. with the period of 1 year.

Management

The Company has entered into a management service agreement with Rattatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd., Navanakorn Medicare Co., Ltd., Sothon Vejchakit Co., Ltd. and Bangkok Chain International (Lao) Co., Ltd. to provide advisory services and management assistance for running of the hospital, including accounting, tax, personnel management and facilities management. The service charges are computed at the agreed rate of gross revenue prior to deduction of expenses. The agreement expired on 31 December 2020. Nevertheless, in 2021, the Company has entered into the new with such subsidiaries and addition another subsidiary who is Bangkok Chain Management Co., Ltd. with the period of 1 year.

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	5,838	6,119	2,830	1,761
Cash at banks	937,962	780,277	488,979	355,934
Highly liquid short-term investments	5	6,025	-	-
Total	943,805	792,421	491,809	357,695

8 Accrued income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Accrued income	74,636	86,611	45,773	42,257
Accrued income - the Social Security Office	825,576	820,903	529,034	508,258
Total	900,212	907,514	574,807	550,515
Less allowance for impairment loss				
- the Social Security Office	(83,842)	(65,187)	(49,400)	(31,422)
Net	816,370	842,327	525,407	519,093

Accrued incomes were mainly from the unearned proceeds owed by the Social Security Office of which has the reimbursements in accordance with terms and conditions stipulated by the aforesaid authority. As of 31 December 2020, the Group had accrued income overdue more than 12 months which mainly from the medical service fees under the type of medical service fees under the type of Risk Adjusted Capitation.

The Group experienced incomplete payments for the medical service fees under the type of High Cost Care in the fourth quarter for the year 2017 and 2018 as a result of an insufficient budget for year 2017 and 2018 to allocate payments to all hospitals participated in the Social Security Scheme with respect to the preceding payment criteria. However, the Social Security Office notified the hospitals in the scheme that the payments for the remaining balance shall be remitted after the investigations of the reimbursement data has been fulfilled. Given that the Managements have considered partially recording the allowance for impairment loss in which the expected receipt of the unearned proceeds will not significantly differ from their estimate.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Medicine and medical supplies	211,670	192,070	116,966	105,411
Supplies and equipment	50,615	47,093	33,090	30,540
Total	262,285	239,163	150,056	135,951
Less allowance for decline in value	(12,730)	(7,993)	(8,290)	(3,321)
Total	249,555	231,170	141,766	132,630
Inventories recognised in cost of hospital operations	1,639,666	1,494,993	1,002,785	919,888

10 Restricted deposits

Fixed deposits of the Group at banks as at 31 December 2020 amounting Baht 0.76 million were pledged as collateral for nursing care agreement and utilities use (2019: Baht 0.76 million).

Bangkok Chain Hospital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

11 Investment in associate

Investment in associate as at 31 December 2020 and 2019, and dividend income for the year then ended were as follows:

Consolidated financial statements							
Type of business	Ownership Interest		Paid-up capital		Cost		Dividend income for the year
	2020	2019	2020	2019	2020	2019	
	(%)				(in thousand Baht)		
Chiang Rai Imaging Center Co., Ltd. (31.22% holding by Sriburin Medical Co., Ltd.)	31.22	31.22	15,000	15,000	5,000	5,000	2,500
					9,564	7,822	
					1,250		

Investment in associate was incorporated in Thailand and none of the Group's and the Company's associates are publicly listed and consequently do not have published price quotations.

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For the year ended 31 December 2020

Immaterial associate

The following is summarised financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associate	
	2020	2019
	(in thousand Baht)	
Carrying amount of interests in immaterial associate	9,564	7,822
Group's share of:		
- Profit from continuing operations	2,991	2,364
- Other comprehensive income	-	-
- Total comprehensive income	<u>2,991</u>	<u>2,364</u>

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12 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income for the years then ended were as follows:

Separate financial statements														
Type of business	Ownership Interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019				
(in thousand Baht)														
Direct subsidiaries	Rattanaibeth General Hospital Co., Ltd.	72.73	72.73	300,000	300,000	448,258	448,258	-	-	448,258	448,258	196,370	130,913	
	Saraburi Wetchakit Co., Ltd.	59.92	59.92	321,000	321,000	225,653	225,653	-	-	225,653	225,653	67,324	84,635	
	Sriburin Medical Co., Ltd.	93.67	93.67	170,000	170,000	544,164	544,164	-	-	544,164	544,164	127,396	63,698	
	Navanakorn Medicare Co., Ltd.	79.44	79.44	375,000	375,000	357,496	357,496	-	-	357,496	357,496	53,624	26,812	
	Sothorn Veichakit Co., Ltd.	86.29	86.29	700,000	700,000	604,051	604,051	-	-	604,051	604,051	30,200	12,080	
	Bangkok Chain Management Co., Ltd													
Bangkok Chain International (Lao) Co., Ltd.														
Indirect subsidiary														
Co., Ltd.	79.44	79.44	-	-	-	-	-	-	-	-	-	-	-	
(100% holding by Navanakorn Medicare Co., Ltd.)											2,556,519	2,556,519	474,914	318,138
Total														

All subsidiaries were incorporated in Thailand, except Bangkok Chain International (Lao) which was incorporated in Lao People's Democratic Republic.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

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13 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group elimination

	31 December 2020						Intra-group eliminations	Total
	Rattanaibeth General Hospital Co., Ltd.	Saraburi Wetchakit Co., Ltd.	Sriburin Medical Co., Ltd.	Navanakorn Medicare Co., Ltd.	Ayudhya Medicare Co., Ltd.	Sothorn Vejhakit Co., Ltd.	Bangkok Chain International (Lao) Co., Ltd.	
Non-controlling interest percentage	27.27%	40.08%	6.33%	20.56%	20.56%	13.71%	24.00%	
Current assets	358,282	223,284	257,572	242,522	3,840	199,087	28,370	
Non-current assets	1,325,816	374,137	911,660	331,582	91,395	1,551,121	1,102,034	
Current liabilities	(830,705)	(97,539)	(230,648)	(77,390)	(28,486)	(795,418)	(277,905)	
Non-current liabilities	(15,508)	(17,364)	(100,202)	(92,200)	(1,956)	(115,515)	(491,409)	
Net assets	837,885	482,518	838,382	404,514	64,793	839,275	361,090	
Carrying amount of non-controlling interest	228,491	193,393	53,070	83,168	13,321	115,065	86,661	(31,361)
								741,808
Revenue	1,110,597	695,382	862,451	599,436	15,889	483,762	1,526	
Profit (loss) for the year	230,936	161,813	137,804	107,823	8,677	63,138	(27,143)	
Other comprehensive income	(5,322)	-	-	-	-	-	(17,383)	
Total comprehensive income	225,614	161,813	137,804	107,823	8,677	63,138	(44,526)	
Profit (loss) allocated to non-controlling interest	62,976	64,855	8,723	22,168	1,784	8,656	(6,514)	162,648
Other comprehensive income allocated to non-controlling interest	(1,451)	-	-	-	-	-	(4,172)	(5,623)
Cash flows from (used in) operating activities	84,650	81,915	12,507	28,834	1,872	18,341	(2,254)	
Cash flows used in investing activities	(192,484)	(41,999)	(3,467)	(7,877)	-	(82,335)	(123,962)	
Cash flows from (used in) financing activities	98,172	(45,165)	(9,988)	(12,973)	(1,889)	69,797	125,986	
(Dividend paid to non-controlling interests in Baht 146 million)								
Net increase (decrease) in cash and cash equivalents	(9,662)	(5,249)	(948)	7,984	(17)	5,803	(230)	

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	31 December 2019					Bangkok Chain International (Lao) Co., Ltd.		Intra-group eliminations		Total
	Rattanaibeth General Hospital Co., Ltd.	Saraburi Wetchakit Co., Ltd.	Sriburi Medical Co., Ltd.	Navanakorn Medicare Co., Ltd.	Ayudhya Medicare Co., Ltd.	Sothorn Vejjakit Co., Ltd.				
Non-controlling interest percentage	27.27%	40.08%	6.33%	20.56%	20.56%	13.71%	24.00%			
Current assets	369,188	213,587	249,093	177,731	6,724	147,552	48,224			
Non-current assets	723,730	318,718	969,987	275,494	87,814	972,999	597,367			
Current liabilities	(195,926)	(83,408)	(277,557)	(75,871)	(725)	(220,026)	(59,248)			
Non-current liabilities	(14,721)	(15,845)	(105,019)	(13,163)	(851)	(89,388)	(180,729)			
Net assets	882,271	433,052	836,504	364,191	92,962	811,137	405,614			
Carrying amount of non-controlling interest	240,595	173,567	52,921	74,866	19,111	111,242	97,347		(39,371)	730,278
Revenue	1,209,273	666,737	1,002,969	521,702	8,400	460,898	2,010			
Profit (loss) for the year	291,520	137,075	195,417	45,074	2,966	47,516	(230)			
Other comprehensive income	6,977	(1,852)	2,024	(931)	-	144	(47,818)			
Total comprehensive income	298,497	135,223	197,441	44,143	2,966	47,660	(48,048)			
Profit (loss) allocated to non-controlling interest	79,497	54,940	12,363	9,266	610	6,516	(55)			163,137
Other comprehensive income allocated to non-controlling interest	1,903	(742)	128	(192)	-	19	(11,476)			(10,360)
Cash flows from operating activities	100,600	65,345	18,524	13,575	742	15,752	7,079			
Cash flows used in investing activities	(27,393)	(12,602)	(6,158)	(5,060)	-	(29,797)	(78,445)			
Cash flows from (used in) financing activities	(49,086)	(56,647)	(7,797)	(6,729)	-	13,518	49,178			
(Dividend paid to non-controlling interests in Baht 119 million)										
Net increase (decrease) in cash and cash equivalents	24,121	(3,904)	4,569	1,786	742	(527)	(22,188)			

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14 Investment properties

	Consolidated / Separate financial statements					
	Land	2020 Building and building improvements	Total (in thousand Baht)	Land	2019 Building and building improvements	Total
Cost						
At 1 January	911,773	70,520	982,293	911,773	70,520	982,293
At 31 December	911,773	70,520	982,293	911,773	70,520	982,293
Accumulated depreciation						
At 1 January	-	13,713	13,713	-	11,362	11,362
Depreciation charge for the year	-	2,351	2,351	-	2,351	2,351
At 31 December	-	16,064	16,064	-	13,713	13,713
Net book value						
At 31 December	911,773	54,456	966,229	911,773	56,807	968,580

	Consolidated / Separate financial statements	
	2020	2019
Year ended 31 December	(in thousand Baht)	
Amounts recognised in profit or loss for investment properties		
Rental income	510	3,936

	Consolidated / Separate financial statements	
	2020	2019
At 31 December	(in thousand Baht)	
Minimum lease payments under non-cancellable operating lease are receivable:		
Within 1 year	792	120
1 - 5 years	924	-
Total	1,716	120

The fair value of investment properties as at 31 December 2020 of Baht 1,134 million (2019: Baht 1,134 million) was determined by independent professional valuers, at market comparison approach for land and cost approach for building and building improvements. The fair value measurement for investment property has been categorised as a Level 3 fair value.

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15 Property, plant and equipment

Consolidated financial statements										
	Land and land improvement	Land use right	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments (in thousand Baht)	Office equipment	Computer and system work	Vehicles	Assets under construction	Total
<i>Cost</i>										
At 1 January 2019	1,802,976	308,656	6,040,546	1,607,969	2,756,342	516,657	234,838	117,048	265,078	13,650,110
Additions	-	-	34,552	36,986	249,614	23,814	20,342	9,479	1,408,417	1,783,204
Transfers	2,892	-	256,564	108,658	15,310	14,428	1,289	2,058	(401,199)	-
Disposals	-	-	-	(22,121)	(25,461)	(15,997)	(8,479)	(4,101)	-	(76,159)
Exchange differences on translating foreign operations	-	(32,542)	(36)	-	-	(7)	(2)	(3)	(18,654)	(51,244)
At 31 December 2019 and 1 January 2020	1,805,868	276,114	6,331,626	1,731,492	2,995,805	538,895	247,988	124,481	1,253,642	15,305,911
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3(b))	2,080	-	76,885	-	-	-	-	-	-	78,965
At 1 January 2020 - as adjusted	1,807,948	276,114	6,408,511	1,731,492	2,995,805	538,895	247,988	124,481	1,253,642	15,384,876
Additions	627,567	-	30,732	32,270	286,252	38,838	20,699	10,916	1,525,076	2,572,350
Transfers	-	-	750,731	333,528	37,078	12,238	5,345	2,265	(1,141,185)	-
Disposals	-	-	(46)	(5,878)	(76,838)	(5,819)	(7,371)	(5,600)	-	(101,552)
Exchange differences on translating foreign operations	-	(13,017)	(22)	-	-	(9)	(2)	(2)	(52,070)	(65,122)
At 31 December 2020	2,435,515	263,097	7,189,906	2,091,412	3,242,297	584,143	266,659	132,060	1,585,463	17,790,552

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Consolidated financial statements										
	Land and land improvement	Land use right	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments	Office equipment	Computer and system work	Vehicles	Assets under construction	Total
<i>(in thousand Baht)</i>										
<i>Accumulated depreciation and impairment losses</i>										
At 1 January 2019	17,176	5,361	2,131,280	747,155	1,581,467	365,163	196,608	79,582	-	5,123,792
Depreciation charge for the year	1,935	-	260,712	110,949	200,406	31,316	18,526	13,097	-	636,941
Depreciation transfers to assets under construction	-	3,220	-	-	-	-	-	-	-	3,220
Disposals	-	-	-	(21,859)	(22,836)	(15,099)	(8,472)	(4,081)	-	(72,347)
Exchange differences on translating foreign operations	-	(720)	(6)	-	-	(1)	-	-	-	(727)
At 31 December 2019 and 1 January 2020	19,111	7,861	2,391,986	836,245	1,759,037	381,379	206,662	88,598	-	5,690,879
Depreciation charge for the year	2,917	-	313,574	138,046	224,865	38,305	21,872	13,558	-	753,137
Depreciation transfers to assets under construction	-	3,130	-	-	-	-	-	-	-	3,130
Reversal of impairment losses	(7,489)	-	-	-	-	-	-	-	-	(7,489)
Disposals	-	-	(46)	(5,534)	(62,653)	(5,679)	(7,253)	(5,242)	-	(86,407)
Exchange differences on translating foreign operations	-	(571)	(21)	-	-	(4)	(1)	(1)	-	(598)
At 31 December 2020	14,539	10,420	2,705,493	968,757	1,921,249	414,001	221,280	96,913	-	6,352,652
<i>Net book value</i>										
At 31 December 2019	1,786,757	268,253	3,939,640	895,247	1,224,826	157,516	41,326	35,883	1,253,642	9,603,090
Owned assets	-	-	-	-	11,942	-	-	-	-	11,942
Assets under finance leases	1,786,757	268,253	3,939,640	895,247	1,236,768	157,516	41,326	35,883	1,253,642	9,615,032
At 31 December 2020	2,420,210	252,677	4,410,732	1,122,655	1,321,048	170,142	45,379	35,147	1,585,463	11,363,453
Owned assets	766	-	73,681	-	-	-	-	-	-	74,447
Right-of-use assets	2,420,976	252,677	4,484,413	1,122,655	1,321,048	170,142	45,379	35,147	1,585,463	11,437,900

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For the year ended 31 December 2020

Accumulated depreciation and impairment losses

Net book value

At 31 December 2019

Owned assets
Assets under finance leases

At 31 December 2020

Owned assets

Right-of-use assets

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The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 1,741 million (2019: Baht 1,798 million).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 858 million (2019: Baht 903 million).

As from 1997, servitude has been made to Land & House Public Company Limited for a passage way with a width of not less than 7 meters for all motor vehicles, drainage water, electricity and telephone systems, on a plot of land, under the title deed No. 2175, Khwaeng Bangsue, Khet Bangsue, Bangkok running along the whole length of the south side of the land, without any compensation and time frame.

Property, plant and equipment under construction

Capitalised borrowing costs relating to the acquisition of the construction of the new hospitals of the Group and the Company amounted to Baht 44.35 million and Baht 6.71 million, respectively (2019: Baht 10 million and Baht 5 million, respectively), with a capitalisation rate as contractually agreed price (note 18).

The Company leased property for 3 years and paid fixed lease payment. These payment terms are common in Thailand.

The subsidiary entered into a 30 years lease agreement for a plot of parking area with a company for certain operations of a hospital which will expire on 31 December 2043. The rental and services fees are charged at various rates each year.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	1,314	-	1,314	-
- Buildings	3,204	-	-	-
- Equipment and Medical Supplies	1,417	-	552	-
Interest on lease liabilities	2,400	-	73	-
Expenses relating to leases of low-value assets	20,384	-	12,219	-
Lease expense	-	2,896	-	432

In 2020, total cash outflow for leases of the Group and the Company were Baht 14.81 million and Baht 3.11 million, respectively.

16 Goodwill

<i>Cost</i>	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	329,376	329,376
At 31 December	<u>329,376</u>	<u>329,376</u>
<i>Net book value</i>		
At 31 December	329,376	329,376

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

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For the year ended 31 December 2020

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Rattanatibeth General Hospital Co., Ltd.	100,550	100,550
Saraburi Wetchakit Co., Ltd.	46,944	46,944
Sriburin Medical Co., Ltd.	8,617	8,617
Navanakorn Medicare Co., Ltd.	45,624	45,624
Sothon Vejchakit Co., Ltd.	127,641	127,641
Total	329,376	329,376

The recoverable amount of these CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the Group's.

The key assumptions used in the estimation of value in use were as follows:

	Consolidated financial statements	
	2020	2019
	<i>(%)</i>	
Discount rate	9.7	8.3
Budgeted revenue growth rate (average of next five years)	2 - 5	1 - 4

The discount rate was a pre-tax measure based on the rate of weighted average of cost of capital (WACC), adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product (GDP) rates for the countries and revenue growth was projected taking into account the average growth levels experienced over the past years by management and the estimated patients and price average per head for the next five years.

17 Intangible assets

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Software licenses		
Cost		
At 1 January 2019	346,117	211,821
Additions	8,503	5,538
Disposals	(6,141)	(6,141)
At 31 December 2019 and 1 January 2020	348,479	211,218
Additions	29,764	10,094
At 31 December 2020	378,243	221,312
Accumulated amortisation		
At 1 January 2019	207,528	128,500
Amortisation for the year	25,416	17,316
Disposals	(6,070)	(6,070)
At 31 December 2019 and 1 January 2020	226,874	139,746
Amortisation for the year	26,522	17,053
At 31 December 2020	253,396	156,799
Net book value		
At 31 December 2019	121,605	71,472
At 31 December 2020	124,847	64,513

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Notes to the financial statements

For the year ended 31 December 2020

18 Interest-bearing liabilities

	Consolidated financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in thousand Baht)					
Short-term loans from financial institutions	261,347	1,904,000	2,165,347	50,450	369,000	419,450
Long-term loans from financial institutions	452,866	915,422	1,368,288	147,647	1,203,088	1,350,735
Lease liabilities (2019: Finance lease liabilities)	-	82,742	82,742	-	9,868	9,868
Debentures	-	3,698,810	3,698,810	-	3,697,724	3,697,724
Total	714,213	6,600,974	7,315,187	198,097	5,279,680	5,477,777

	Separate financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in thousand Baht)					
Short-term loans from financial institutions	-	1,348,000	1,348,000	-	223,000	223,000
Short-term loans from related party	-	70,000	70,000	-	-	-
Long-term loans from financial institutions	-	915,422	915,422	-	1,203,088	1,203,088
Lease liabilities (2019: Finance lease liabilities)	-	773	773	-	1,730	1,730
Debentures	-	3,698,810	3,698,810	-	3,697,724	3,697,724
Total	-	6,033,005	6,033,005	-	5,125,542	5,125,542

Short-term loans from financial institutions

As at 31 December 2020, short-term loans from financial institutions of the Group consisted of promissory notes at call with interest rate of 0.90% - 2.47% per annum. (2019: interest rate of 1.50% - 3.00% per annum).

Long-term loans from financial institutions

		Interest rate	Maturity	Consolidated	
	2020	2019	date by	financial statements	
		(% per annum)		2020	2019
				(in thousand Baht)	
Unsecured loan	BIBOR 3 monts plus	BIBOR 3 monts plus			
	fixed interest	fixed interest	May 2022	500,000	500,000
Unsecured loan	Fixed interest	Fixed interest	June 2022	416,500	705,500
Secured loan by the Company	MLR less fixed interest	-	June 2028	5,325	-
Secured loan by the Company	Fixed interest at 1-4 years,	Fixed interest at 1-4 years,			
(LAK 138,806 million)	then LLR 12 months	then LLR 12 months			
(31 December 2019:	less fixed interest	less fixed interest	May 2030	448,898	149,171
Total long-term loans from financial institutions				1,370,723	1,354,671
Less deferred financial costs				(2,435)	(3,936)
Long-term loans from financial institutions - net				1,368,288	1,350,735
Less current portion of long-term loans from financial institutions				(621,327)	(289,000)
Long-term loans from financial institutions due more than one year				746,961	1,061,735

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For the year ended 31 December 2020

	2020	Interest rate (% per annum)	2019	Maturity date by	Separate financial statements	
					2020	2019
					(in thousand Baht)	
Unsecured loan	BIBOR 3 monts plus	BIBOR 3 monts plus				
	fixed interest	fixed interest		May 2022	500,000	500,000
Unsecured loan	Fixed interest	Fixed interest		June 2022	416,500	705,500
Total long-term loans from financial institutions					916,500	1,205,500
Less deferred financial costs					(1,078)	(2,412)
Long-term loans from financial institutions - net					915,422	1,203,088
<i>Less current portion of long-term loans from financial institutions</i>					(621,247)	(289,000)
Long-term loans from financial institutions due more than one year					294,175	914,088

The long-term loans contain certain significant covenants with which the Company must comply throughout the term of the long-term loans such as the maintenance of interest bearing liabilities to equity ratio not exceeding 2:1 and maintenance of major shareholding.

Debentures

	Interest rate (% per annum)	Issue Date	Maturity date	Consolidated / Separate financial statements	
				2020	2019
				(in thousand Baht)	
No. 1/2559	2.87	27 January 2016	27 January 2021	1,500,000	1,500,000
No. 1/2560	2.54	22 December 2017	22 December 2022	1,000,000	1,000,000
No. 1/2562	2.55	18 June 2019	18 June 2022	1,200,000	1,200,000
Total debentures - carrying amount				3,700,000	3,700,000
Less debenture issuance expense				(1,190)	(2,276)
Debentures - net				3,698,810	3,697,724
Less current portion of debentures				(1,499,971)	-
Debentures due more than one year				2,198,839	3,697,724

Movements of debentures before deduction of debenture issuance expense for the year ended 31 December are summarised as follows:

	Consolidated / Separate financial statements	
	2020	2019
	(in thousand Baht)	
At 1 January	3,700,000	2,500,000
Issuance of debentures during the year	-	1,200,000
At 31 December	3,700,000	3,700,000

The debentures are in the name of specific holders, unsubordinated, without collateral and with semi-annually interest payment throughout the term of the debentures. The debentures contain certain significant covenants with which the Company must comply throughout the term of the debentures such as the maintenance of interest bearing liabilities to equity ratio not exceeding 2:1 as of the end of each quarter and a dividend payment restriction.

As at 31 December 2020, the Group had unutilised credit facilities from financial institutions totalling Baht 5,413 million and LAK 41,194 million (2019: 4,791 million and LAK 136,049 million).

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For the year ended 31 December 2020

As at 31 December 2020, the Company secured loan from financial institution of a subsidiary.

	Consolidated financial statements 2020			Separate financial statements 2019		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Finance lease liabilities						
<i>As at 31 December 2019</i>						
Within 1 year	<u>10,068</u>	<u>200</u>	<u>9,868</u>	<u>1,776</u>	<u>46</u>	<u>1,730</u>

Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Debtentures	Other loans	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
2020				
Balance at 1 January	3,697,724	1,770,185	9,868	5,477,777
Changes from financing cash flows	-	1,785,547	(14,806)	1,770,741
The effect of changes in foreign exchange rates	-	(23,533)	-	(23,533)
Other changes:				
Right-of-use	-	-	85,279	85,279
Other non-cash movement	1,086	1,436	2,401	4,923
Balance at 31 December	<u>3,698,810</u>	<u>3,533,635</u>	<u>82,742</u>	<u>7,315,187</u>
2019				
Balance at 1 January	2,498,366	2,191,550	9,933	4,699,849
Changes from financing cash flows	1,200,000	(411,328)	(3,425)	785,247
The effect of changes in foreign exchange rates	-	(8,473)	-	(8,473)
Other changes:				
Finance leases	-	-	3,360	3,360
Other non-cash movement	842	1,133	-	1,975
Finance costs	(1,484)	(2,697)	-	(4,181)
Balance at 31 December	<u>3,697,724</u>	<u>1,770,185</u>	<u>9,868</u>	<u>5,477,777</u>

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For the year ended 31 December 2020

	Separate financial statements			
	Debtentures	Other loans	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
2020				
Balance at 1 January	3,697,724	1,426,088	1,730	5,125,542
Changes from financing cash flows	-	906,000	(3,110)	902,890
Other changes:				
Right-of-use assets	-	-	2,080	2,080
Other non-cash movement	1,086	1,334	73	2,493
Balance at 31 December	3,698,810	2,333,422	773	6,033,005
2019				
Balance at 1 January	2,498,366	2,061,550	2,239	4,562,155
Changes from financing cash flows	1,200,000	(635,500)	(509)	563,991
Other changes:				
Other non-cash movement	842	1,103	-	1,945
Finance costs	(1,484)	(1,065)	-	(2,549)
Balance at 31 December	3,697,724	1,426,088	1,730	5,125,542

19 Provision for employee benefit

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Post-employment benefits				
Defined benefit plan	116,268	118,033	52,290	49,504

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Present value of the defined benefit obligations				
At 1 January	118,003	123,039	49,504	58,465
Include in profit or loss:				
Current service cost	11,742	12,264	5,541	6,536
Past service cost	-	17,789	-	6,439
Interest on obligation	1,661	2,372	697	962
	13,403	32,425	6,238	13,937

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Included in other comprehensive income:				
Actuarial loss				
- Financial assumptions	-	4,459	-	2,085
- Experience adjustment	-	(2,754)	-	9,057
	<u>-</u>	<u>1,705</u>	<u>-</u>	<u>11,142</u>
Benefit paid	<u>(15,138)</u>	<u>(39,166)</u>	<u>(3,452)</u>	<u>(34,040)</u>
At 31 December	<u>116,268</u>	<u>118,003</u>	<u>52,290</u>	<u>49,504</u>

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.5	1.5	1.5	1.5
Future salary increases	4.5	4.5	4.5	4.5

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 8 years (2019: 8 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Effect to the defined benefit obligation				
At 31 December				
Discount rate	(2,895)	(3,479)	4,063	3,669
Future salary growth	4,515	3,543	(3,357)	(3,398)
	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Effect to the defined benefit obligation				
At 31 December				
Discount rate	(2,311)	(1,618)	1,046	1,712
Future salary growth	1,236	1,653	(2,507)	(1,580)

20 Share premium and reserve

Share premium

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

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Legal reserve

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

The Company's legal reserve as at 31 December 2020 and 2019 was equal to 10% of the registered authorised capital.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve of 2020

The fair value reserve comprise:

— the cumulative net change in the fair value of equity securities designated at FVOCI; and

Fair value reserve of 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

21 Segment information and disaggregation of revenue

Segment information

Management considers the Group operates in single line of business, private hospital business, and has, therefore only one reportable segment. Nevertheless, the Group has expanded business to the Lao People's Democratic Republic. Therefore, the Group has 2 segments which comprise of the Kingdom of Thailand and in the Lao People's Democratic Republic. Nevertheless, business operations in the Lao People's Democratic Republic does not meet the quantitative thresholds for determining reportable segments in 2019 and 2020.

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

Disaggregation of revenue

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue from hospital by type of patient				
Revenue from general patient	5,688,129	5,791,070	3,226,336	3,128,916
Revenue from Social Security Office	3,239,781	3,089,401	2,189,807	2,087,388
Total revenue	8,927,910	8,880,471	5,416,143	5,216,304

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for hospital business and specialised medical center business. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

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Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2020			2019		
	Promoted businesses	Non-Promoted businesses	Total	Promoted businesses	Non-Promoted businesses	Total
	<i>(in million Baht)</i>					
Revenue from hospital operation	<u>222</u>	<u>8,706</u>	<u>8,928</u>	<u>159</u>	<u>8,721</u>	<u>8,880</u>
	Separate financial statements					
	2020			2019		
	Promoted businesses	Non-Promoted businesses	Total	Promoted businesses	Non-Promoted businesses	Total
	<i>(in million Baht)</i>					
Revenue from hospital operation	<u>91</u>	<u>5,325</u>	<u>5,416</u>	<u>-</u>	<u>5,216</u>	<u>5,216</u>

22 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries and other benefits		1,263,328	1,238,185	751,712	722,915
Defined benefit plans	19	13,403	32,425	6,238	13,937
Defined contribution plans		14,934	14,751	10,862	10,420
Others		469,435	566,418	307,848	347,738
Total		<u>1,761,100</u>	<u>1,851,779</u>	<u>1,076,660</u>	<u>1,095,010</u>

Defined contribution plans

The defined contribution plans comprise provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Group at 2% to 15% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

23 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Personnel expenses	22	1,761,100	1,851,779	1,076,660	1,095,010
Inventory cost	9	1,639,666	1,494,993	1,002,785	919,887
Doctor fee		1,593,117	1,765,449	975,000	1,060,295
Depreciation and amortisation	14,15,17	782,010	664,708	480,826	388,915
Referring cost		378,307	397,128	306,003	321,283
Utility expenses		199,048	204,920	122,148	124,327
Repairs and maintenance		132,432	134,316	76,139	81,029
Promotion expenses		99,812	200,329	87,875	188,991
Rental expense		69,247	84,047	39,205	40,730
Cleaning service expense		60,284	57,996	40,094	38,771
Expected credit loss		33,989	10,534	29,883	8,603
Security guard expense		33,421	31,381	20,783	19,205
Impairment loss on asset		24,386	25,054	19,526	16,339
Others		380,520	361,231	226,260	223,610
Total cost of hospital operations, distribution costs and administrative expenses		<u>7,187,339</u>	<u>7,283,865</u>	<u>4,503,187</u>	<u>4,526,995</u>

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24 Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	330,684	294,492	192,859	140,788
Deferred tax expense				
Movements in temporary differences	(17,854)	(8,499)	(19,311)	(5,730)
Total income tax expense	312,830	285,993	173,548	135,058

	Consolidated financial statements					
		2020			2019	
<i>Income tax</i>	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
			(in thousand Baht)			
<i>Recognised in other comprehensive income</i>						
Differences from foreign operations translation	(17,292)	-	(17,292)	(47,535)	-	(47,535)
Financial assets at FVOCI	(6,652)	1,330	(5,322)	(1,485)	297	(1,188)
Losses on remeasurements of defined benefit plans	-	-	-	(1,705)	341	(1,364)
Total	(23,944)	1,330	(22,614)	(50,725)	638	(50,087)

			Separated financial statements			
		2020			2019	
<i>Income tax</i>	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
			<i>(in thousand Baht)</i>			
<i>Recognised in other comprehensive income</i>						
Losses on remeasurements of defined benefit plans	-	-	-	(11,141)	2,228	(8,913)

Reconciliation of effective tax rate				
Consolidated financial statements				
	2020	2019		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,704,883		1,584,037
Income tax using the Thai corporation tax rate	20	340,977	20	316,807
Income not subject to tax		(6,093)		(12,234)
Expenses not deductible for tax purposes		3,796		5,124
Expenses with tax deductible benefits		(31,315)		(23,794)
Current year losses for which no deferred tax asset is recognised		5,465		90
Total	18	312,830	18	285,993

Reconciliation of effective tax rate				
Separate financial statements				
	2020	2019		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,395,787		1,031,844
Income tax using the Thai corporation tax rate	20	279,157	20	206,369
Income not subject to tax		(94,983)		(63,628)
Expenses not deductible for tax purposes		1,126		1,314
Expenses with tax deductible benefits		(11,752)		(8,997)
Total	12	173,548	13	135,058

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<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Total	91,920	78,813	(26,115)	(32,192)
Set off of tax	(24,159)	(30,875)	24,159	30,875
Deferred tax assets - net	<u>67,761</u>	<u>47,938</u>	<u>(1,956)</u>	<u>(1,317)</u>

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Total	54,270	39,904	(14,459)	(19,404)
Set off of tax	(14,459)	(19,404)	14,459	19,404
Deferred tax assets - net	<u>39,811</u>	<u>20,500</u>	<u>-</u>	<u>-</u>

<i>Deferred tax</i>	Consolidated financial statements					
	(Charged) / Credited to					
	At 1 January	Impact on changes in accounting policy	At 1 January - adjusted	Profit or loss	Other comprehensive income	At 31 December
				<i>(in thousand Baht)</i>		
2020						
<i>Deferred tax assets</i>						
Allowance for loss on account receivables and accrued income	22,166	477	22,643	9,531	-	32,174
Allowance for decline in value of inventories	1,599	-	1,599	947	-	2,546
Provision for employee benefit	23,601	-	23,601	(347)	-	23,254
Impairment of assets	1,498	-	1,498	(1,498)	-	-
Payable for Social Security Office referring	23,280	-	23,280	3,930	-	27,210
Accrued rental expense	1,263	-	1,263	(1,263)	-	-
Adjust in fair value on equity instruments	5,406	-	5,406	-	1,330	6,736
Total	<u>78,813</u>	<u>477</u>	<u>79,290</u>	<u>11,300</u>	<u>1,330</u>	<u>91,920</u>
<i>Deferred tax liabilities</i>						
Difference from the depreciation of right-of-use assets	(20,521)	-	(20,521)	5,446	-	(15,075)
Deferred finance cost	(938)	-	(938)	(60)	-	(998)
Fair value adjustment assets acquired through business combination	(10,733)	-	(10,733)	691	-	(10,042)
Total	<u>(32,192)</u>	<u>-</u>	<u>(32,192)</u>	<u>6,077</u>	<u>-</u>	<u>(26,115)</u>
Net	<u>46,621</u>	<u>477</u>	<u>47,098</u>	<u>17,377</u>	<u>1,330</u>	<u>65,805</u>

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		Consolidated financial statements		
		(Charged) / Credited to		
	At	Profit or	Other	At
	1 January	loss	comprehensive	31 December
		(in thousand Baht)		
2019				
Deferred tax assets				
Allowance for doubtful debt	19,260	2,906	-	22,166
Allowance for decline in value of inventories	1,447	152	-	1,599
Provision for employee benefit	24,608	(1,348)	341	23,601
Impairment of assets	1,498	-	-	1,498
Payable for Social Security Office referring	22,559	721	-	23,280
Accrued rental expense	961	302	-	1,263
Loss on remeasuring available for sale securities	5,109	-	297	5,406
Total	75,442	2,733	638	78,813
Deferred tax liabilities				
Difference from the depreciation of equipment under the financial leases	(25,719)	5,198	-	(20,521)
Deferred finance cost	(817)	(121)	-	(938)
Fair value adjustment assets acquired through business combination	(11,422)	689	-	(10,733)
Total	(37,958)	5,766	-	(32,192)
Net	37,484	8,499	638	46,621

<i>Deferred tax</i>	At 1 January	Impact on changes in accounting policy	At 1 January - adjusted <i>(in thousand Baht)</i>	Separate financial statements (Charged) / Credited to		At 31 December
				Profit or loss	Other comprehensive income	
<i>2020</i>						
<i>Deferred tax assets</i>						
Allowance for loss on account receivables and accrued income	11,315	887	12,202	9,411	-	21,613
Allowance for decline in value of inventories	664	-	664	994	-	1,658
Provision for employee benefit	9,901	-	9,901	557	-	10,458
Payable for Social Security Office referring	18,024	-	18,024	2,517	-	20,541
Total	39,904	887	40,791	13,479	-	54,270
<i>Deferred tax liabilities</i>						
Difference from the depreciation of right-of-use assets	(18,466)	-	(18,466)	5,005	-	(13,461)
Deferred finance cost	(938)	-	(938)	(60)	-	(998)
Total	(19,404)	-	(19,404)	4,945	-	(14,459)
Net	20,500	887	21,387	18,424	-	39,811

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Allowance for doubtful debt	6,998	4,317	-	11,315
Allowance for decline in value of inventories	653	11	-	664
Provision for employee benefit	11,693	(4,020)	2,228	9,901
Payable for Social Security Office referring	17,811	213	-	18,024
Total	37,155	521	2,228	39,904
<i>Deferred tax liabilities</i>				
Difference from the depreciation of equipment under the financial leases	(23,796)	5,330	-	(18,466)
Deferred finance cost	(817)	(121)	-	(938)
Total	(24,613)	5,209	-	(19,404)
Net	12,542	5,730	2,228	20,500

The tax losses expire in 2021 - 2025 of Baht 28.79 million. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

25 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to equity shareholders of the Company (basic)	1,229,405	1,134,907	1,222,239	896,786
Number of ordinary shares outstanding	2,493,748	2,493,748	2,493,748	2,493,748
Earnings per share <i>(in Baht)</i>	0.49	0.46	0.49	0.36

26 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
2020				
Interim dividend for the year 2020	13 August 2020	September 2020	0.10	249.38
Interim dividend for the year 2019	13 April 2020	May 2020	0.13	324.18
Total				573.56
2019				
Interim dividend for the year 2019	9 August 2019	September 2019	0.10	249.38
Annual dividend for the year 2018, net from interim dividend paid in September 2018	29 April 2019	May 2019	0.12	299.24
Total				548.62

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27 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

At 31 December 2020	Consolidated financial statement			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
				(in thousand Baht)			
Financial assets							
Other financial assets:							
Debt instruments	723	-	723	-	723	-	723
Equity instruments	-	22,191	22,191	-	22,191	-	22,191
Total other financial assets	723	22,191	22,914				

At 31 December 2020	Carrying amount	Consolidated financial statement / Separate financial statements			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
Financial liabilities not measured at fair value					
31 December 2020					
Debentures	3,700,000	-	3,723,855	-	3,723,855
31 December 2019					
Debentures	3,700,000	-	3,758,417	-	3,758,417

Financial instruments measured at fair value

The Group determines Level 2 fair values for debt securities and equity securities based on net assets value of investments at reporting date.

The fair value of long-term loans to and long-term loans from is taken to approximate the carrying value because of contractual interest rate is taken to approximate the discount rate which measured at fair value by discounted projected cash flows method.

The fair value of financial assets and liabilities excluded from the above stated is taken to approximate the carrying value because of containing short period of maturity.

(b) Movement of marketable equity and debt securities

Marketable equity and debt securities	At 1 January	Purchase	Disposal	Consolidated financial statements		At 31 December
				Fair value adjustment		
				(in thousand Baht)		
2020						
Current financial assets						
Debt securities measured at - FVTPL	60,908	30,000	(90,194)	9		723
Non-current financial assets						
Equity securities measured at - FVOCI	28,843	-	-	(6,652)		22,191

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<i>Marketable equity and debt securities</i>	Consolidated financial statements				At 31 December
	At 1 January	Purchase	Disposal (in thousand Baht)	Fair value adjustment	
2019					
Current investment					
Trading mutual funds	<u>98,289</u>	185,000	(222,590)	209	<u>60,908</u>
Other long-term investments					
Available-for-sale mutual fund	<u>30,328</u>	-	-	(1,485)	<u>28,843</u>

(c) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) *Trade accounts receivables*

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts receivable are regularly monitored, and the Company does not have high concentrations of credit risk since it has a large and diverse customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The Group classifies trade accounts receivable segments by similar credit risks and calculates expected credit losses by consideration the outstanding debts aging of each segment, the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade accounts receivable is written-off if past due for more than two years and may consider legal action against such debtor. In addition, the Group will write-off the trade accounts receivable when it has been taken an action in accordance with the Revenue Code, the Write-Off of Bad Debts from Debtor Accounts.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 12 months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

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<i>At 31 December 2020</i>	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for impairment losses (in thousand Baht)	Trade accounts receivables	Allowance for impairment losses
Within credit terms	378,904	2,309	330,318	1,295
Overdue:				
1-90 days	326,713	9,440	210,704	7,611
91-180 days	266,996	10,635	223,477	9,425
181-365 days	420,085	14,197	373,058	12,277
More than 365 days	171,133	40,449	152,483	28,055
Total	1,563,831	77,030	1,290,040	58,663
Less allowance for expected credit loss	(77,030)		(58,663)	
Net	1,486,801		1,231,377	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

<i>Trade accounts receivable</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
<i>At 31 December 2019</i>		
Within credit terms	495,114	394,318
Overdue:		
Less than 3 months	317,422	234,176
3-6 months	110,776	99,555
6-12 months	64,496	56,207
Over 12 months	32,716	16,668
Total	1,020,524	800,924
Less allowance for doubtful accounts - trade accounts receivable	(45,644)	(25,150)
Net	974,880	775,774

The normal credit term granted by the Group ranges from 30 - 150 days.

<i>Movement of allowance for expected credit loss of trade accounts receivables and contract assets</i>	Note	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 January 2020 - restated	3(a.2)	48,029	29,586
Addition		29,780	29,856
Write-off		(779)	(779)
At 31 December 2020		77,030	58,663

(c.1.1) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary (see note 18).

(c.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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At 31 December 2020	Consolidated financial statements					
	Carrying amount	1 Year or less	More than 1 Year but less than 2 years	More than 2 Years but less than 5 years	More than 5 years	Total
			(in million Baht)			
Non-derivative financial liabilities						
Short-term loans from financial institutions	2,165	2,165	-	-	-	2,165
Trade accounts payable	565	565	-	-	-	565
Long-term loans from financial institutions	1,368	621	294	37	416	1,368
Lease liabilities	83	2	2	5	74	83
Debentures	3,699	1,500	2,199	-	-	3,699
	7,880	4,853	2,495	42	490	7,880

At 31 December 2020	Separate financial statements					
	Carrying amount	1 Year or less	More than 1 Year but less than 2 years	More than 2 Years but less than 5 years	More than 5 years	Total
			(in million Baht)			
Non-derivative financial liabilities						
Short-term loans from financial institutions	1,348	1,348	-	-	-	1,348
Short-term loan from related party	70	70	-	-	-	70
Trade accounts payable	390	390	-	-	-	390
Long-term loans from financial institutions	915	621	294	-	-	915
Lease liabilities	1	1	-	-	-	1
Debentures	3,699	1,500	2,199	-	-	3,699
	6,423	3,930	2,493	-	-	6,423

At 31 December 2019	Consolidated financial statements				
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 Years	Total
			(in thousand Baht)		
Financial liabilities					
Short-term loans - financial institutions	1.50 - 3.00	419	-	-	419
Long-term loans - financial institutions	2.17 - 6.75	289	918	144	1,351
Debentures	2.54 - 2.87	-	3,698	-	3,698
Finance lease liabilities	3.35	10	-	-	10
Total		718	4,616	144	5,478

At 31 December 2019	Separate financial statements				
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 Years	Total
			(in thousand Baht)		
Financial assets					
Loans receivable - related parties	2.00 - 3.00	140	-	-	140
Loans receivable - related parties	1.80 - 3.00	-	165	-	165
Total		140	165	-	305
Financial liabilities					
Short-term loans - financial institutions	1.50	223	-	-	223
Long-term loans - financial institutions	2.17 - 2.67	289	914	-	1,203
Debentures	2.54 - 2.87	-	3,698	-	3,698
Finance lease liabilities	3.35	2	-	-	2
Total		514	4,612	-	5,126

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(c.3) Market risk

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

(c.3.1) Foreign currency risk

Management believe that the foreign currency risk for the operation is minimal because revenues and expenses are principally denominated in the Group functional currency.

Assets and liabilities to foreign currency as at 31 December	Consolidated financial statements	
	2020	2019
	(in million Baht)	
United States Dollars		
Cash and cash equivalents	22.13	13.97
Other investments	-	24.08
Other receivables	0.28	0.11
Construction and equipments payables	-	(1.21)
Other payables	-	(0.02)
Accrued expenses	(0.58)	(0.57)
Other current liabilities	-	(0.14)
Total	21.83	36.22

(c.3.1) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates from financial institutions are float from market interest rates. The Group is primarily exposed to interest rate risk from its borrowings. However, management believe that the Group is primarily exposed to low interest rate risk from loans to, loans from and debentures because interest of loans to, loans from and debentures are fixed rate.

28 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

29 Commitments with non-related parties and litigations

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Capital commitments				
<i>Contracted but not provided for:</i>				
Building and constructions	133,518	1,145,431	11,448	161,565
Hospital equipment and medical instruments	3,480	14,820	-	9,160
Computer, system work and other	4,293	5,711	2,862	4,760
Total	141,291	1,165,962	14,310	175,485

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Future minimum lease payments under non-cancellable operating leases and service agreements</i>				
Within 1 year	22,680	22,126	13,144	9,617
After 1 year but within 5 years	24,863	30,158	14,673	8,571
After 5 years	-	99,084	-	-
Total	47,543	151,368	27,817	18,188
<i>Other commitments</i>				
Letters of guarantees for nursing care	189,507	173,986	83,829	77,400
Letters of guarantees for electricity use	26,790	25,014	16,695	16,055
Letters of guarantees for purchase of assets	2,042	1,708	1,125	720
Total	218,339	200,708	101,649	94,175

Other

At 31 December 2020, the Company had commitment for letters of guarantee issued by certain local banks totaling Baht 688 million (2019: Baht 206 million).

In 2020, the Company has entered into a service agreement for the solar power plant project to reduce the cost of electricity for a period of 15 years from the date of commencement of distributing electricity to the company. Which compensation depends on the amount of electricity consumption This project is under construction and is expected to be completed in 2021.

Litigations

The Group has been claimed for the provision in the total amount of Baht 166 million as at 31 December 2020 (2019: Baht 173 million). Up to the date of this report, the legal claims are still in the consideration processes of the court and the ultimate outcome is not finalised. According to the management's assessment, there is no expected losses. The Group has not recorded any provision in the financial statements.

30 Events after the reporting period

The appropriation of dividends

At the Board of Directors' meeting of the Company held on 24 February 2021, the directors approved the appropriation of cash dividends for Baht 0.23 per share amounting to Baht 573.56 million, from 2020 operations. The interim dividends were paid in September 2020 for Baht 0.10 per share, of Baht 249.38 million. The additional cash dividend payment is Baht 0.13 per share, amounting to Baht 324.19 million. The dividend will be paid to shareholders in May 2021 subject to approval by the Annual General Meeting of Shareholders of the Company.

Situation of the Coronavirus 2019 (Covid 19) Outbreak

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group Management is closely monitoring the situation and managing to lessen the impact as much as possible.



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