

# SUSTAIN & GROW

เติบโตอย่างยั่งยืน  
ก้าวหน้าอย่างมั่นคง



แห่งการดูแล เราแคร์คุณ

27 ปี

## Annual Report 2020

รายงานประจำปี 2563

**T**eamwork and staff value

**N**on-stop learning and improvement

**H**ospitality and quality care

## Medical Executive Committee



06

05

04

03

01

02

07

08

09

10

11

12

01. Charoen Meensook, M.D.

02. Mr. Thiti Sihanatkathakul

03. Vinai Viriyakitjar, M.D.

04. Clinical Prof. Seree Tuchinda, M.D.

05. Clinical Professor Emeritus Khun Dhaivadee Dulayajinda, M.D.

06. Boonruang Triruangworawat, M.D.

07. Hon. Clinical Prof. Chaiporn Bhadrakom, M.D.

08. Virachai Phungrasamee, M.D.

09. Arkom Cheirsilpa, M.D.

10. Asst. Prof. Siroj Kanjanapanjapol, M.D.

11. Peera Changkaew, M.D.

12. Kanitta Tantisirisomboon, M.D.





# Thainakarin...

## The Hospital you can trust.



### Vision

Thainakarin Hospital has earned trust and respect from the general public since the establishment. The success in excellent care comes from the world class quality in health care, warm hospitality that treats everyone like family, affordable price, effective and transparent management and positive attitude staff.

### Mission

- To develop personnel competency, satisfaction and pride in the hospital.
- To elevate the health care quality to be a world-class standard.
- To progressive proceed with continuous and sustainable development of the hospital.
- To achieve the best hospitality with a warm and family-like treatment that creates lasting impressions.
- To manage in accordance with the principles of good governance.



อบอุ่น มั่นใจ  
ที่ไทยนครินทร์

แห่งการดูแล เราคือคุณ



## Thainakarin Kidney Transplantation Center

The Thainakarin Kidney Transplantation Center is well recognized for its kidney transplantation operation since 1996 by specialists in various fields who accumulated their experiences from different institution in Thailand. Thereby they are all ready to take care of their chronic kidney disease patients for required kidney transplantation both before and after operation, including other relevant diseases after kidney transplantation i.e. new organ rejection, transplant renal artery stenosis, infection, and hernia surgical incision etc.

## Hemodialysis Center

Thainakarin Kidney Center also provides hemodialysis for end-stage chronic kidney failure patients and acute renal failure patients.



# CONTENT

4	Message from the Chairman of the Board	
5	Message from the Chief Executive Officer	
6	Board of Directors	
20	Doctor and Medical Team	
21	Administration Executive Team	
22	Awards	
23	Technology	
25	Policy and Overall Business Operations	
28	Nature of Business	
35	Risk Factors	
36	Hospital Information	
37	Shareholder	
38	Dividend Policy	
39	Management Structure	
51	Corporate Governance	
62	Company Executive	
68	Corporate Social Responsibility : CSR	
76	Internal Control and Risk Management	
78	Related-Party Transactions	
80	Report of the Audit Committee	
82	Scope of the Board of Directors' Responsibilities for Financial Reports	
83	Financial Highlights	
85	Independent Auditor's Report and Note to Financial Statement	
120	Management Discussion and Analysis	
127	CSR Activities	

## Message from the Chairman of the Board

In the year 2020 several enterprises face certain changing situations which lead to required adjustment due to the wide spreading of COVID - 19, the critical happening toward which public cooperation is truly essential in all relevant areas. Accordingly, for medical requirement, the Thainakarin Hospital's physicians, practitioners, nurses and personnel strictly follow the set fighting measures against COVID - 19 throughout. We have appointed the Infection Control Committee to study and plan on how to enhance safety by providing the best advices. Thereby, if COVID - 19 does come back the Hospital would be equipped with the enhancing measure to help reducing the number of affected people, or even possibly turn it to 0 (zero).

Although various changes have been seen alongside the occurring situations, but the Thainakarin Hospital is still holding our strong determination to promote all development for the Sustainable Growth based on personnel development as the tool to enhance business prosperity. The Hospital, thus, specifically focuses on personnel recruitment and retention with attention to transfer new know - how and possible capability to our Medical personnel and other personnel by skills training so that they would be updated and able to catch up with ongoing and future changes. Moreover, the Hospital continues on with caring development equipped with certain tools and modern medical technologies aiming to provide the health care services to meet the need of service users. We also have more specialists in various sectors to create operation trust while ensure excellent caring and heart serving with recognition from our service users throughout the period of 27 years.

The services in the year 2020 planned by the Thainakarin Hospital includes additional caring centers to take care of the elders and those who need caring for Orthopedics system, Neuro and Brain system, Respiratory and Blood Circulation system and children who have problems on movement for which the "Rehabilitation Center" shall be established for needed services. The Center will as well take care of patients who need Physiotherapy to rehabilitate muscles, bones, brain, heart, lungs, respiratory system, chest and various surgery wounds. Needed rehabilitation will as well include skill trainings i.e. speaking, chewing, swallowing and children with abnormal development. The Hospital will also increase hemodialysis service of the Hemodialysis Center to enhance Kidney Transplantation Center establishment in the future.

On behalf of the Thainakarin Hospital Public Company Limited, I would like to express my appreciation to our shareholders, supporting customers, public and private enterprises and business alliances who always trust and support us throughout. My high appreciation is also for our physicians, nurses and all personnel who attentively perform with their most efficiency and honesty with complete caring by which our successful businesses based on. I, hereby, confirm that our Company will continue our operation with good governance alongside caring and serving development for our clients to enhance sustainable growth and maximum contribution.



**Charoen Meensook, M.D.**

The Chairman of the Board

*The services in the year 2020 planned by the Thainakarin Hospital includes additional caring centers to take care of the elders and those who need caring for Orthopedics system, Neuro and Brain system, Respiratory and Blood Circulation system and children who have problems on movement for which the "Rehabilitation Center" shall be established for needed services. The Center will as well take care of patients who need Physiotherapy to rehabilitate muscles, bones, brain, heart, lungs, respiratory system, chest and various surgery wounds. Needed rehabilitation will as well include skill trainings i.e. speaking, chewing, swallowing and children with abnormal development. The Hospital will also increase hemodialysis service of the Hemodialysis Center to enhance Kidney Transplantation Center establishment in the future.*



## Message from the Chief Executive Officer



**Mr. Thiti Sihanatkatakul**

Chief Executive Officer

*.... at the Thainakarin Hospital we are well planned to respond to the situation at such recognized standard for both screening and Social Distancing with certain disruption to fit the "New Normal" ...*

The Thainakarin Hospital is presently reaching the 28<sup>th</sup> operation year of "Thainakarin...The Hospital you can trust" as well known among our clients, especially the residents in Eastern Bangkok. Our clients are apparently increasing whether among the general public, corporation groups as well as foreigners due to our international standard and warm caring.

In case of the year 2020 the unexpectedly emerging of COVID - 19 does affect businesses of the private hospital similarly to those other enterprises. However, at the Thainakarin Hospital we are well planned to respond to the situation at such recognized standard for both screening and Social Distancing with certain disruption to fit the "New Normal" trend which includes the online health check-up, home services medicine delivery, vaccination, blood drawing and physiotherapy to save hospital visiting time. These are available measures to enhance safety and convenience for our customers which are well responded not only by our regular clients but also by those increasing new service users.

Our continual operation plans not only focus on the caring standard provided by certain specialists and updated technologies, but we as well pay attention to all required facilities since the business sustainable growth is based on the impressive service experiences. The car park-building will be further built to accommodate increasing customers and the Thainakarin B. building which will be sooner constructed. The new building will allow us to provide more services to our customers i.e. the Women Center with complete care services from prior pregnancy to menopause or for certain harmful sickness such as cancer by expansion of the Cancer Center with the added Radio Therapy Center and the developed Breast Care Center to enhance required cancer caring by the complete dimension. Accordingly, it is expected that the construction will be completed by the end of 2021.

Lastly, as the Chief Executive Officer, I would like to gratefully ensure our all customers that Thainakarin Hospital is quite ready to enhance medical caring with new technologies and complete required facilities to provide the Best Customer Experience while establishing the strong branding. We, therefore, attentively develop our efficient team toward the way forward performing based on good governance, transparency and professional practices by which the sustainable growth will be certainly possible.

## Board of Directors



### Charoen Meensook, M.D.

Chairman of the Board and Chief Medical Officer Age 78 Years

Appointment of Board of Directors 11 October 2004

#### Education

- M.D. 1967
- Diplomate American Board of Internal Medicine & Subspecialty Board of Gastroenterology 1968 - 1973
- New York State Board 1974
- DTM & H (Liverpool) 1974
- FACG 1975
- FACP 1986

#### Training

- Director Accreditation Program (DAP) 2005, Thai Institute of Directors (IOD)

#### Work Experience

Mar. 2020 - Present

- Chairman of the Board, Thainakarin Hospital Public Company Limited

2004 - Mar. 2020

- Director, Thainakarin Hospital Public Company Limited

2011 - Present

- Chief Medical Officer, Thainakarin Hospital Public Company Limited

1993 - Present

- Specialist doctor and consultant specialized in internal medicine and gastroenterology, Thainakarin Hospital Public Company Limited

1989 - 2010

- Medical Director, Thainakarin Hospital Public Company Limited

1989 - 2004

- Director, Thainakarin Hospital Company Limited

#### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

- N/A

#### Shareholding in the Company

Shareholding in the Company: 2,500,000 Shares

(Spouse: 2,285,500 Shares)

Shareholding in the Company (%): 1.39 (Spouse: 1.27)

#### Family Relationship among Directors and Executives

- N/A

#### Attendance at the Board of Directors' Meeting

4/4

*Charoen Meensook, M.D. has been appointed as Chairman of the Board, referred to the resolutions of the meeting of the Board of Directors No. 1/2020 hold on 13<sup>th</sup> March 2020.*





## Prof. Emeritus Deja Tanphaichitra, M.D.

Director Age 77 Years

Appointment of Board of Directors 11 October 2004

### Education

- Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
- Internal Medicine, American Board F.A.C.P. (Infectious Disease)

### Training

- Director Accreditation Program (DAP) 2005, Thai Institute of Directors (IOD)

### Work Experience

2004 - Present

- Director, Thainakarin Hospital Public Company Limited

2000 - 2004

- Professor and Head of Infectious Disease and Epidemiology Department, Faculty of Medicine Ramathibodi Hospital, Mahidol University

1989 - 2004

- Director, Thainakarin Hospital Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

- N/A

### Shareholding in the Company

Shareholding in the Company: 375,000 Shares

(Spouse: 325,000 Shares)

Shareholding in the Company (%): 0.21 (Spouse: 0.18)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

0/4



## Mr. Prapat Suthawate

Director Age 76 Years

Appointment of Board of Directors 11 October 2004

### Education

- Bachelor of Political Science (Public Administration), Ramkhamhaeng University
- Master of Political Science (Government), Chulalongkorn University
- Diploma in Tourism Management and Development, University of Haifa, Israel

### Training

- Director Accreditation Program (DAP) 2004, Thai Institute of Directors (IOD)

### Work Experience

2004 - Present

- Director, Thainakarin Hospital Public Company Limited

2016 - Present

- Senior Administrative Advisor, Thainakarin Hospital Public Company Limited

2016 - Present

- Member of Bangna Commercial College Council

2018 (Jun. - Sep.)

- Acting on behalf of the Company Secretary, Thainakarin Hospital Public Company Limited

2011 - 2016

- Acting Administrative Director, Thainakarin Hospital Public Company Limited

2010 - 2017

- Guest Lecturer, Faculty of Business Administration, Ramkhamhaeng University

2007 - 2013

- Guest Lecturer, Faculty of Business Administration, Kasetsart University

2005 - 2011

- Director of International Hotel Management Course, CHN University (Netherlands), Rangsit University

2005 - 2011

- Chairman of Working Group, RSU Horizon Travel, Rangsit University

2005 - 2011

- Senior Advisor, Thainakarin Hospital Public Company Limited

1999 - 2005

- Administrative Director, Thainakarin Hospital Public Company Limited

1999 - 2004

- Director, Thainakarin Hospital Company Limited

1992 - 2005

- Guest Lecturer, Faculty of Liberal Art, Siam University

1992 - 2005

- Manager and Advisor, Human Resources Department, Siam Property Development Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

2016 - Present

- Member of Bangna Commercial College Council

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4





## Mr. Sumeth Jenjesda

Director Age 86 Years

Appointment of Board of Directors 11 October 2004

### Education

- Bachelor of Accounting and Bachelor of Commerce, Faculty of Commerce and Accountancy, Thammasat University

### Training

- Director Accreditation Program (DAP) 2005, Thai Institute of Directors (IOD)

### Work Experience

2004 - Present

- Director, Thainakarin Hospital Public Company Limited

1995 - Present

- Director and Chairman of the Audit Committee, Siam Sport Syndicate Public Company Limited

1994 - Present

- Certified Public Accountant, Lert Nimit Accounting's Law Office Company Limited

2004 - 2005

- Director, Independent Director and Chairman of the Audit Committee, Thainakarin Hospital Company Limited

### Current Position in other business

Listed Companies

1995 - Present

- Director and Chairman of the Audit Committee, Siam Sport Syndicate Public Company Limited

Non-Listed Companies

1994 - Present

- Certified Public Accountant, Lert Nimit Accounting's Law Office Company Limited

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4



## Arkorn Cheirsilpa, M.D.

Director Age 73 Years

Appointment of Board of Directors 20 November 2008

### Education

- M.D. (CIM'76 Philippines)
- B.Sc. Mahidol University
- Board of Internal Medicine, The Medical Council of Thailand
- Sub - Speciality Board Certified in Medical Oncology
- Fellowship in Oncology (RPMI, USA and RMH, UK)
- Mini MBA, Chulalongkorn University
- MBA in Health, Chulalongkorn University
- Cert. in Hospital Management, Harvard School of Public Health, USA

### Training

- Director Accreditation Program (DAP) 2017, Thai Institute of Directors (IOD)

### Work Experience

#### 2008 - Present

- Director and Director of Holistic Oncology Center, Thainakarin Hospital Public Company Limited.

#### 2007 - Present

- Honorary Advisor, Thai Society of Clinical Oncology

#### 2007 - Present

- Medical Consultant, Chulabhorn Hospital, Chulabhorn Research Institute

#### 1980 - Present

- Cancer Specialist, Food and Drug Administration Department, Ministry of Public Health

#### 2007

- Received the World Scientists Forum International Awards in Cancer Research and Clinical Oncology "Eminent Scientist of the Year 2007: Asia" International Research Promotion Council (IRPC), UK

#### 2002 - 2007

- Deputy Director, National Cancer Institute

### Current position in other business

#### Listed Companies

- N/A

#### Non-Listed Companies

#### 2007 - Present

- Honorary Advisor, Thai Society of Clinical Oncology

#### 2007 - Present

- Medical Consultant, Chulabhorn Hospital, Chulabhorn Research Institute

#### 1980 - Present

- Cancer Specialist, Food and Drug Administration Department, Ministry of Public Health

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4





## Mr. Thiti Sihanatkathakul

Director and Chief Executive Officer Age 45 Years  
Appointment of Board of Directors 20 November 2008

### Education

- BBA, Banking and Finance, Chulalongkorn Business School, Chulalongkorn University
- M.Sc. Analysis, Design and Management of Information Systems, The London School of Economics and Political Science, United Kingdom
- MBA, Huron University, United Kingdom

### Training

- N/A

### Work Experience

Apr. 2020 - Present

- Chief Executive Officer,  
Thainakarin Hospital Public Company Limited

2008 - Present

- Director,  
Thainakarin Hospital Public Company Limited

2010 - Present

- Director,  
Corner Décor Company Limited

2010 - Present

- Director,  
Komars Management Company Limited

2010 - Present

- Director,  
Kumpoo Thailand Company Limited

2003 - Present

- Assistant Managing Director and Director,  
The Landmark Group (Bangkok)

2001 - 2002

- Acting Director of Human Resources Department,  
The Landmark Bangkok

1999 - 2000

- Associate Judge,  
The Central Labour Court

1998

- Marketing Department,  
Dhana Siam Finance Public Company Limited

1997

- Management Trainee,  
Royal Lancaster London, United Kingdom

### Current position in other business

Listed Companies

- N/A

Non-Listed Companies

2010 - Present

- Director,  
Corner Décor Company Limited

2010 - Present

- Director,  
Komars Management Company Limited

2010 - Present

- Director,  
Kumpoo Thailand Company Limited

2003 - Present

- Assistant Managing Director and Director,  
The Landmark Group (Bangkok)

### Shareholding in the Company

Shareholding in the Company: 2,485,000 Shares (Spouse: N/A)

Shareholding in the Company (%): 1.38 (Spouse: N/A)

### Family Relationship among Directors and Executives

- Elder brother of Mr. Pitipat Sihanatkathakul and  
Mr. Tosaporn Sihanatkathakul
- Cousin of Mr. Noratthep Sihanartkatakul

### Attendance at the Board of Directors' Meeting

4/4



## Mr. Pitipat Sihanatkathakul

Director Age 44 Years

Appointment of Board of Directors 20 November 2013

### Education

- B.Acc., Assumption University
- Mini MBA, Chulalongkorn University
- M.M. (Organization Development and Management), Assumption University
- Essentials of Leadership Training Course, London Business School

### Training

- Director Accreditation Program (DAP) 2019, Thai Institute of Directors (IOD)

### Work Experience

2013 - Present

- Director, Thainakarin Hospital Public Company Limited

2016 - Present

- Policy, Marketing & Information Technology Advisor, Thainakarin Hospital Public Company Limited

2006 - 2016

- Assistant Administrative Director, Thainakarin Hospital Public Company Limited

2005 - 2006

- Acting Assistant Administrative Director, Thainakarin Hospital Public Company Limited

2004 - 2005

- Information Center and PR Advisor, Thainakarin Hospital Public Company Limited

2002 - 2004

- Assistant Manager, Board of Directors Office, Siam Property Development Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

- N/A

### Shareholding in the Company

Shareholding in the Company: 1,000,000 Shares (Spouse: N/A)

Shareholding in the Company (%): 0.56 Shares (Spouse: N/A)

### Family Relationship among Directors and Executives

- Younger brother of Mr. Thiti Sihanatkathakul
- Elder brother of Mr. Tosaporn Sihanatkathakul
- Cousin of Mr. Norathep Sihanatkathakul

### Attendance at the Board of Directors' Meeting

3/4



## Mr. Norathep Sihanartkatakul

Director Age 60 Years

Appointment of Board of Directors 19 November 2015

### Education

- Bachelor of Commerce (Marketing), Faculty of Commerce and Accountancy, Chulalongkorn University

### Training

- Director Accreditation Program (DAP) 2019, Thai Institute of Directors (IOD)

### Work Experience

2015 - Present

- Director, Thainakarin Hospital Public Company Limited

1998 - Present

- Director of Legal Affairs, Siam Property Development Company Limited

1999 - 2001

- Associate Judge, The Central Labour Court

1993 - 1998

- Assistant Manager of Internal Audit Department, Siam Property Development Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

1998 - Present

- Director of Legal Affairs, Siam Property Development Company Limited

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- Cousin of Mr. Thiti Sihanatkathakul, Mr. Pitipat Sihanatkathakul and Mr. Tosaporn Sihanatkathakul

### Attendance at the Board of Directors' Meeting

4/4





## Mr. Tosaporn Sihanatkathakul

**Director Age 37 Years**

**Appointment of Board of Directors 13 March 2020**

### Education

- Tonbridge School, United Kingdom
- BSc. Management, The London School of Economics and Political Science, United Kingdom
- MSc. Organizational and Social Psychology, The London School of Economics and Political Science, United Kingdom

### Training

- N/A

### Work Experience

**Mar. 2020 - Present**

- Director,  
Thainakarin Hospital Public Company Limited

**2007 - Present**

- Executive Director,  
The Landmark Bangkok

**2007 - Present**

- Executive Director,  
Lancaster Bangkok

**2007 - Present**

- Executive Director,  
The Landmark London, United Kingdom

**2007 - Present**

- Executive Director,  
Royal Lancaster London, United Kingdom

**2007 - Present**

- Executive Director,  
K West Hotel & Spa, United Kingdom

**2007 - Present**

- Executive Director,  
Basil Street Apartments, United Kingdom

**2006 - 2007**

- Analyst,  
Deloitte Management Consultant Service Ltd.,  
United Kingdom

**2005 - 2006**

- Volunteer,  
Donations for the Human Development Foundation (HDF)  
Mercy Centre

### Current Position in other business

**Listed Companies**

- N/A

**Non-Listed Companies**

**2007 - Present**

- Executive Director,  
The Landmark Bangkok

**2007 - Present**

- Executive Director,  
Lancaster Bangkok

**2007 - Present**

- Executive Director,  
The Landmark London, United Kingdom

**2007 - Present**

- Executive Director,  
Royal Lancaster London, United Kingdom

**2007 - Present**

- Executive Director,  
K West Hotel & Spa, United Kingdom

**2007 - Present**

- Executive Director,  
Basil Street Apartments, United Kingdom

### Shareholding in the Company

Shareholding in the Company: 1,000,000 Shares (Spouse: N/A)

Shareholding in the Company (%): 0.56 (Spouse: N/A)

### Family Relationship among Directors and Executives

- Younger brother of Mr. Thiti Sihanatkathakul and  
Mr. Pitipat Sihanatkathakul
- Cousin of Mr. Noratthep Sihanatkathakul

### Attendance at the Board of Directors' Meeting

1/4

*Mr. Tosaporn Sihanatkathakul has been appointed as Director in replacement of Mr. Jatuporn Sihanatkathakul, the previous Director, referred to the resolution of the meeting of the Board of Directors No. 1/2020 hold on 13<sup>th</sup> March 2020.*



## Mr. Kraisak Kadkum

Director, Independent Director and Chairman of the Audit Committee

Age 57 Years

Appointment of Board of Directors 11 October 2004

### Education

- LL.B., Faculty of Law, Ramkhamhaeng University
- Barrister-at-law, Thai Bar Institute
- Diploma in Business Laws, Thammasat University

### Training

- Director Accreditation Program (DAP) 2004, Thai Institute of Directors (IOD)

### Work Experience

2005 - Present

- Director, Independent Director and Chairman of the Audit Committee, Thainakarin Hospital Public Company Limited

1994 - Present

- Lawyer and Executive Director, Sahakarn Law Office Company Limited

2004 - 2005

- Director, Independent Director and Member of the Audit Committee, Thainakarin Hospital Public Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

1994 - Present

- Lawyer and Executive Director, Sahakarn Law Office Company Limited

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4

### Attendance at the Audit Committee Meeting

5/5

## Pridi Hettrakul, M.D.

Director, Independent Director and Member of the Audit Committee

Age 77 Years

Appointment of Board of Directors 11 October 2004



### Education

- Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate American Board of Surgery
- FACS
- FRCST

### Training

- Director Accreditation Program (DAP) 2005, Thai Institute of Directors (IOD)

### Work Experience

2004 - Present

- Director, Independent Director and Member of the Audit Committee, Thainakarin Hospital Public Company Limited

1989 - 2004

- Director, Thainakarin Hospital Company Limited

1978 - 2017

- Director and Surgeon, Mayo Polyclinic Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

- N/A

### Shareholding in the Company

Shareholding in the Company: 1,500,000 (Spouse: N/A)

Shareholding in the Company (%): 0.83 (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4

### Attendance at the Audit Committee Meeting

5/5





## Assoc. Prof. Chertsak Dhiraputra, M.D.

Director, Independent Director and Member of the Audit Committee

Age 77 Years

Appointment of Board of Directors 8 June 2006

### Education

- Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University
- M.S.C. Microbiology University of New South Wales, Australia

### Training

- N/A

### Work Experience

2006 - Present

- Director, Independent Director and Member of the Audit Committee, Thainakarin Hospital Public Company Limited

2014 - Present

- Advisor, Faculty of Medicine Siriraj Hospital, Mahidol University

2005 - Present

- Honorary Advisor, Siriraj Foundation

1968 - Present

- Lecturer, Faculty of Medicine Siriraj Hospital, Mahidol University

1998 - 2000

- Advisor to Hospital Director, Siriraj Hospital

1997 - 2004

- Executive Director, Faculty of Medicine Siriraj Hospital, Mahidol University

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

2014 - Present

- Advisor, Faculty of Medicine Siriraj Hospital, Mahidol University

2005 - Present

- Honorary Advisor, Siriraj Foundation

1968 - Present

- Lecturer, Faculty of Medicine Siriraj Hospital, Mahidol University

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

3/4

### Attendance at the Audit Committee Meeting

5/5

## Assoc. Prof. Panya Issarawornrawanich, Ph.D.

Director, Independent Director and Member of the Audit Committee

Age 48 Years

Appointment of Board of Directors 27 September 2006



### Education

- B.Acc. Chulalongkorn Business School, Chulalongkorn University
- Diploma (Auditing), Thammasat Business School, Thammasat University
- M.Acc., Thammasat Business School, Thammasat University
- Ph.D. in Accounting, Chulalongkorn Business School, Chulalongkorn University

### Training

- Director Accreditation Program (DAP) 2006, Thai Institute of Directors (IOD)

### Work Experience

2006 - Present

- Director, Independent Director and Member of the Audit Committee, Thainakarin Hospital Public Company Limited

May 2020 - Present

- Lecturer, Associate Professor of Accounting Department, Thammasat Business School, Thammasat University

1997 - Present

- Certified Public Accountant, Federation of Accounting Professions

2004 - 2020

- Lecturer, Assistant Professor of Accounting Department, Thammasat Business School, Thammasat University

2015 - 2016

- Associate Dean for Student Affairs, Thammasat Business School, Thammasat University

2013 - 2015

- Assistant Dean for Finance and Planning, Thammasat Business School, Thammasat University

2000 - 2004

- Head of Accounting Department, Faculty of Business Administration, Mahanakorn University of Technology

1995 - 2000

- Senior Audit Assistant, Ernst and Young Office Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

May 2020 - Present

- Lecturer, Associate Professor of Accounting Department, Thammasat Business School, Thammasat University

1997 - Present

- Certified Public Accountant, Federation of Accounting Professions

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4

### Attendance at the Audit Committee Meeting

5/5



## Mr. Chailerg Viriyarattanaporn

Director, Independent Director and Member of the Audit Committee

Age 69 Years

Appointment of Board of Directors 10 August 2017

### Education

- Bachelor of Business Administration (Accounting), Faculty of Business Administration, Ramkhamhaeng University

### Training

- Director Accreditation Program (DAP) 2018, Thai Institute of Directors (IOD)

### Work Experience

2018 - Present

- Director, Independent Director and Member of the Audit Committee, Thainakarin Hospital Public Company Limited

2013 - 2017

- Accounting & Tax Consultant, I.G.S Public Company Limited

### Current Position in other business

Listed Companies

- N/A

Non-Listed Companies

- N/A

### Shareholding in the Company

Shareholding in the Company: N/A (Spouse: N/A)

Shareholding in the Company (%): N/A (Spouse: N/A)

### Family Relationship among Directors and Executives

- N/A

### Attendance at the Board of Directors' Meeting

4/4

### Attendance at the Audit Committee Meeting

5/5

## Doctor and Medical Team



### 1. Charoen Meensook, M.D.

Chief Medical Officer

### 2. Hon. Clinical Prof. Chaiporn Bhadrakom, M.D.

Medical Director and Operation Director

### 3. Virachai Phungrasamee, M.D.

Deputy Medical Director

### 4. Mrs. Nampetch Saraggananda

Deputy Medical Director - Nursing



### 5. Mrs. Chadarat Siriwat

Deputy Operation Director

### 6. Bancherd Balamongkhon, M.D.

Deputy Operation Director (Quality Management)

### 7. Mr. Pongsak Techasatirakul

Assistant Medical Director - Medical Support

### 8. Miss Patumrat Kachonsrikeat

Assistant Medical Director - Nursing Service



## Administration Executive Team



### 1. Mr. Thiti Sihanatkathakul

Chief Executive Officer

### 2. Miss Malee Boonleechai

Senior Deputy Administrative Director - Corporate Support

### 3. Mrs. Daranee Dhubkaen

Deputy Administrative Director - Finance and Accounting  
and Company Secretary

### 4. Miss Suranchana Tanpleeratana

Assistant Administrative Director - Front Service

### 5. Mr. Sarut Pongpairoj

Assistant Administrative Director - Business Development

## Awards



2019



2018



2017



2016



2015

- 2019**
- Muang Thai Life Assurance Hospital Awards 2019, 2<sup>nd</sup> Prize Excellent Care (Medium Hospital), by Muang Thai Life Assurance PCL.
  - Muang Thai Life Assurance Hospital Awards 2019, 3<sup>rd</sup> Prize Initiative, Accept, New Innovation (Medium Hospital), by Muang Thai Life Assurance PCL.
  - Hospital Accreditation (HA) (Re-accreditation#4)
  - Stroke Ready Award : "Thailand Angels Award 2019", by Prasat Neurological Institute and Prasat Neurological Institute Foundation.
- 2018**
- Standard Stroke Center Certification (SSCC), Department of Medical Services, Ministry of Public Health.
  - Muang Thai Life Assurance Hospital Awards 2018, 2<sup>nd</sup> Prize Cooperation between Organizations (Medium Hospital), by Muang Thai Life Assurance PCL.
  - Excellent Check Up Awards, Allianz Ayudhya Service Awards 2018, by Allianz Ayudhya Assurance PCL.
- 2017**
- Muang Thai Life Assurance Hospital Awards 2017, 1<sup>st</sup> Prize The Best of Customer Satisfaction (Large Hospital), by Muang Thai Life Assurance PCL.
  - Muang Thai Life Assurance Hospital Awards 2017, 2<sup>nd</sup> Prize Excellent Care (Large Hospital), by Muang Thai Life Assurance PCL.
  - IPD Simple Disease 2017, Toyota Motor Thailand Co., Ltd. and Tokio Marine Life Insurance (Thailand) PCL.
- 2016**
- AXA Assistance Award, Best Utilization Provider Awards, by AXA Assistance Co., Ltd.
  - Hospital Accreditation (HA) (Re-accreditation#3)
- 2015**
- Tokio Marine Taiyou Award 2015, Tokio Marine Life Insurance (Thailand) PCL.

## Technology

Thainakarin Hospital focuses on modern and standardized medical equipment. Therefore, it is committed to continually providing medical tools and equipment in the hospital to enable medical and multidisciplinary teams to provide holistic care to patients from prevention, diagnosis, treatment, and rehabilitation under the quality service.

In the year 2020, Thainakarin Hospital has increased its service by opening "Rehabilitation Center" to add different types of treatment services and add modern medical technology to support appropriate treatment, therapy, rehabilitation for patients are as follows:

### Balance training equipment



It is a tool to help balance training and weight transfers on both legs to improve patients' stability and balance. The training relies on various systems' functions, including vision, inner ear system, joint recognition, and muscle training. This can help reduce problems, prevent falls in the elderly, enhance the more stable body, help strengthen the muscles from ankle and knee injuries, help prevent injuries, and improve muscle and body flexibility.





## Body support walking training equipment (Life Gait)

It is a tool to help rehabilitate neuropathy and brain disease. (Neurological Rehabilitation) such as people with weak arms and legs problems, walking or balance, etc. These walking aids can help the patient practice walking more independently, reducing weight loss at the beginning of the training, improving training confidence, preventing falling, and making it possible to walk by releasing the hand from gripping aids. Physiotherapists can analyze the basic gait by using walking support and reduce the trainer and relatives' support strength.







# Policy and Overall Business Operations

## Policy and Commitment of Thainakarin Hospital

Founded under the strategic plan toward Excellence in Medical Care and Services 27 years ago, Thainakarin Hospital has now demonstrated a proven ability to successfully implement such strategy, be the No. 1 hospital in eastern Bangkok area, and stay robust in the industry.

Since the epidemic of COVID - 19 is the unexpected situation and difficult for controlling businesses thereby face certain disruption and turn to the new normal practices. The private hospitals have therefore accepted the Social Distancing operation based on individual caring basis, for instance, the primary health checking and medicine delivery at home for which medical tools and equipment play increasing roles to support various health care services.

It is thereby foreseen that the future hospital businesses will mainly rely on Digital Transformation as the enhancing strategic approaches to respond to all various customers need with convenience and fast management. Accordingly, Thainakarin Hospital, based on our long years accumulated experiences truly views how important those evolution changes are so important. Leadership visions, improved working viewpoints and personnel capacity development are therefore included in our priority lists.

Hospitalization needs specialization and excellence to provide required services. Thainakarin Hospital, thus, continually develop standards in all areas which are caring skills and specific technologies. We always deliver services with our heart and smile caring. Our personals are as well trained to be ready to respond to all needs of our service-users.

Thainakarin Hospital is determined to navigate Thainakarin Hospital into the transformation era so as to remain one of the hospitals that attain business stability and contribute to the society. We resolve to place high priority on being a good member of quality society under the slogan "Thainakarin... The Hospital you can trust." as follows:

1. Thainakarin Hospital is determined and dedicated to developing medical care that is of easy access, high quality and reasonable prices.
2. Thainakarin Hospital shall train and develop young personnel to be the future of the Hospital that is prospering now and ahead.

## 1. Vision

### **Thainakarin...The Hospital you can trust.**

Thainakarin Hospital has earned trust and respect from the general public since the establishment. The success in excellent care comes from the world class quality in health care, warm hospitality that treats every one like family, affordable price, effective and transparent management and positive attitude staff.

## 2. Mission

- To develop personnel competency, satisfaction and pride in the hospital.
- To elevate the health care quality to be a world-class standard.
- To progressively proceed with continuous and sustainable development of the hospital.
- To achieve the best hospitality with a warm and family-like treatment that creates lasting impressions.
- To manage in accordance with the principles of good governance.

### 3. Business Goal and Strategies

The Company aims to drive an enterprise-wide sustainable development program, with 6 business strategies as follows:

1. To operate with transparency, morality, ethics and responsibility to stakeholders and the society;
2. To operate by providing proper and quality medical care matching international standards;
3. To operate with sincerity, attentiveness and understanding toward patients and service users as if they are family members;
4. To operate with emphasis on personnel, the valuable asset, by taking good care of them and building a favorable work environment to promote happiness and organizational pride;
5. To operate with social responsibility by attaining efficient resources management and good environmental management in all the processes;
6. To operate with emphasis on enhancement of personnel and service quality in order to achieve continual and steady growth of the organization.

### 4. Long-term Goal

- The Company focusses on the long term goal to build the Thainakarin Hospital B, initiating by the car park and Radio therapy Center buildings, expected for service providing in the fiscal year 2023.

### 5. Major Changes and Development

#### 2011 - Hepato-Biliary & Pancreas Clinic

Awards

- HA-Hospital Re-Accreditation
- Taxpayer Recognition Award 2011 #1
- Platinum Award Hospital Quality 2011, AIA Co., Ltd.
- Tokio Marine Taiyou Award 2011, Tokio Marine Life Insurance (Thailand) PCL.

#### 2012 - Expand Heart Center and Check-up Center

#### 2013 - Gastrointestinal Center and Diabetes & Endocrinology Clinic

Awards

- HA-Hospital Re-Accreditation #2
- Eat Safe Eat Smart Award, National Food Institute, Ministry of Industry
- Honored Award for Person making Labor Benefits from the Ministry of Labor

#### 2014 - Lasik Center and Breast Care Center

Awards

- Excellent Partner on Rewards Earning from Market for Alternative Investment (MAI)
- Platinum Award Hospital Quality 2014, AIA Co., Ltd.
- Allianz Ayudhya Hospital Service Awards 2014, Allianz Ayudhya Assurance PCL.
- Continuous Excellent Quality, Department of Medical Science, Ministry of Public Health
- Certificate for the Workplace with Drug Prevention and Solution from Department of Labor Protection, Ministry of Labor

## 2015 - Brain and Neurology Department

### Awards

- Tokio Marine Taiyou Award 2015, Tokio Marine Life Insurance (Thailand) PCL.

## 2016 - Brain and Neurology Center

### Awards

- HA-Hospital Re-Accreditation #3
- AXA Assistance Award, Best Utilization Provider Awards, by AXA Assistance Co., Ltd.

## 2017

### Awards

- Muang Thai Life Assurance Hospital Awards 2017, 1<sup>st</sup> Prize The Best of Customer Satisfaction (Large Hospital), Muang Thai Life Assurance PCL.
- Muang Thai Life Assurance Hospital Awards 2017, 2<sup>nd</sup> Prize Excellent Care (Large Hospital), Muang Thai Life Assurance PCL.
- IPD Simple Disease 2017, Toyota Motor Thailand Co., Ltd. and Tokio Marine Life Insurance (Thailand) PCL.

## 2018

### Awards

- Standard Stroke Center Certification (SSCC), Department of Medical Services, Ministry of Public Health
- Muang Thai Life Assurance Hospital Awards 2018, 2<sup>nd</sup> Prize Cooperation between Organizations (Medium Hospital), Muang Thai Life Assurance PCL.
- Excellent Check Up Awards, Allianz Ayudhya Service Awards 2018, Allianz Ayudhya Assurance PCL.

## 2019

### Awards

- Muang Thai Life Assurance Hospital Awards 2019, 2<sup>nd</sup> Prize Excellent Care (Medium Hospital), Muang Thai Life Assurance PCL.
- Muang Thai Life Assurance Hospital Awards 2019, 3<sup>rd</sup> Prize Initiative, Accept, New Innovation (Medium Hospital), Muang Thai Life Assurance PCL.
- Hospital Accreditation (HA) (Re-accreditation #4)
- Stroke Ready Award : "Thailand Angels Award 2019", Prasat Neurological Institute and Prasat Neurological Institute Foundation.

## 6. Company Group's Shareholding Structure

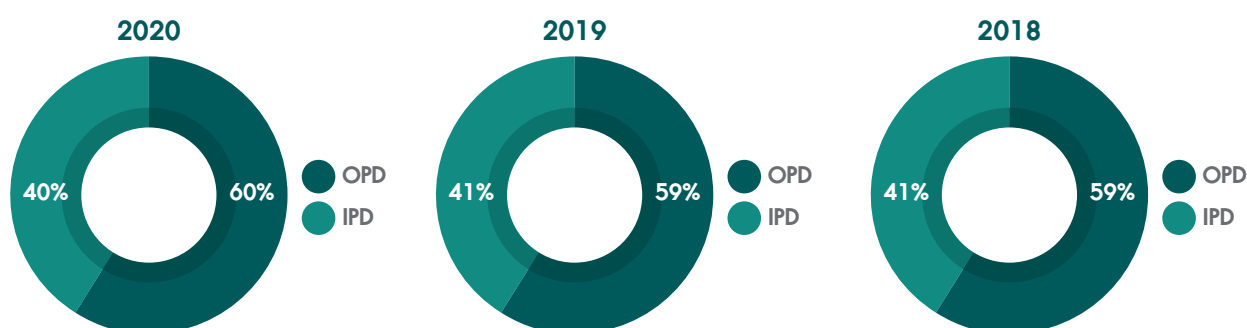
Company has no subsidiary or associated company.

## 7. Relationship with Business Group of Major Shareholders

Company has no relationship with any business group of its major shareholder.

## Nature of Business

Thainakarin Hospital Public Company Limited is situated at 345 Debaratna Road km.3.5, Bangna Nuea, Bangna, Bangkok commenced, on 14<sup>th</sup> June 1993 under the license to operate Health Facility establishment business. Being the private hospital in eastern Bangkok, it renders inpatient, outpatient and 24-hour emergency medical services by a multidisciplinary team of specialized doctors with state-of-the-art and standard facilities. Currently staffed by approximately 320 full-time and part-time doctors and 606 nursing staffs, the Hospital has an inpatient bed capacity of 190 and daily outpatient capacity of 2,000, with an after-hour clinic in service until 24.00 hrs. Medical services can be divided by types of patients into 2 groups, which are outpatient services (OPD) that accounts for 60% of the Company's revenue, and inpatient services (IPD) for 40%.



## Revenue Structure

	2020		2019		2018	
	Amount (MB)	Proportion %	Amount (MB)	Proportion %	Amount (MB)	Proportion %
Revenue from medical services						
OPD	1,207.18	59.25	1,279.80	58.57	1,249.05	57.71
IPD	801.85	39.35	875.35	40.06	885.46	40.91
Total revenue from medical services	2,009.03	98.60	2,155.15	98.63	2,134.51	98.62
Other revenue	28.44	1.40	29.92	1.37	29.76	1.38
Total revenue	2,037.47	100.00	2,185.07	100.00	2,164.27	100.00

## Types of Products and Services

Outpatient service is available from the following departments and centers:

- |  |  |
|--|--|
| 1. Heart Center                            | 14. Mental Health Department             |
| 2. Bone & Joint Center                     | 15. Hepato-Biliary & Pancreas Department |
| 3. Holistic Oncology Center                | 16. Medicine Department                  |
| 4. Breast Care Center                      | 17. Surgery Department                   |
| 5. Hemodialysis Center                     | 18. Pediatrics Department                |
| 6. Check-up Center                         | 19. Obstetrics and Gynecology Department |
| 7. Skin & Laser Center                     | 20. Ear, Nose and Throat Department      |
| 8. Dental Center                           | 21. Laboratory Department                |
| 9. Gastrointestinal Center                 | 22. X-ray Department                     |
| 10. Lasik Center                           | 23. Physical Therapy Department          |
| 11. Diabetes & Endocrinology Department    | 24. Eye Department                       |
| 12. Brain and Neurology Center             | 25. Emergency Department                 |
| 13. Traditional Chinese Medical Department |  |

Patient's room types:

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Operating Room (OR)       | 6. Coronary Care Unit (CCU) |
| 2. Anesthesia Induction Room | 7. Nursery Department       |
| 3. Delivery / Labor Room     | 8. Ward                     |
| 4. Intensive Care Unit (ICU) | 9. Stroke Unit              |
| 5. Cath Lab Department       |                             |

Besides medical services and treatments, the Company also made available at its premises access to high-speed internet connection, 24-hour convenience stores, florist shops, hair salons, coffee shops, bakery shops, maternity shops, optical shop, food center, a Buddhist prayer room and a Muslim prayer room to offer superior convenience to patients and visitors.

## Capacity Utilization

Capacity utilization is assessed based on a comparison between the actual service capacity and projected maximum capacity, divided into OPD and IPD groups. The Hospital's service utilization has obviously decreased as a result of economic circumstance of the outbreak of Coronavirus disease 2019 (COVID - 19) and more severe competition.

OPD	2020	2019	2018
Capacity per day (times)	2,000	2,000	2,000
Capacity per annum (times)	732,000	730,000	730,000
Service per annum (times)	533,149	596,561	602,771
Capacity utilization (%)	72.83	81.72	82.57



IPD	2020	2019	2018
Bed in service per day (beds)	190	190	190
Total capacity per annum (beds)	69,540	69,350	69,350
Bed in service per annum (beds)	34,190	40,263	43,531
Bed occupancy rate (%)	49.17	58.06	62.77

## Market and Competition

### Overview of Private Hospital Industry in Thailand

The spread of viral Coronavirus disease 2019 (COVID - 19) intensified and spread rapidly throughout the world, including in Thailand, impacting the overall economy in all sectors, including private hospital business. It is due to a decrease in the number of foreign users caused by travel restrictions to receive medical treatment in Thailand. It is projected that the number of foreign tourists in 2020 will drop by 79.6% compared to 2019, affecting foreign service users.

The number of Thai service users is also declining due to government lockdown measures and concerns about the potential to be infected with the coronavirus 2019 (COVID - 19). As the hospital is a high-risk place, the group of patients who use non-urgent or emergency medical services such as dental services and medical examinations delay their visits.

In addition to the Coronavirus disease (COVID - 19) epidemic, other factors are also affecting the private hospital business, such as the world oil price war, which resulted in the global oil price declining. As a result, patients' income in the Middle East has decreased, causing patients to decline even more. Private hospitals with a high percentage of income from foreign users are most affected. It is expected that the overall income of private hospitals in 2020 will shrink 6-8% compared to 2019, and in 2021 private hospital business revenues will expand at 8-10% compared to the year 2020 with the potential and quality of treatment.

**The main risk factors affecting the overall picture of the private hospital business in 2020 are:**

- The Coronavirus Disease 2019 (COVID - 19) situation pressured private hospital revenues both among Thai and foreign service users who cannot enter Thailand due to government lockdown measures.
- The impact of the world oil price war has made users' income in the Middle East pressured by the contraction of oil prices.
- The coronavirus disease's shrinking purchasing power epidemic will be a major factor in depressing private hospital revenues in the next phase. Users with moderate purchasing power will be more cautious of their spending in the economic contraction situation.
- The unclear guidelines for price control measures for drugs, medical supplies, and medical services increase private hospitals' risks, especially the private hospital group categorized under the high selling price of drugs.

After gradually easing the lockdown measures in the coronavirus disease 2019 (COVID - 19) outbreak, the private hospital business trend estimates that it will be a V-Shape fast recovery business (recovering within 3 months after the Relaxation of lockdown measures). This is in line with the current signs of a recovery in the business, with hospital departments that have been temporarily closed to resume services. After Thailand has eased the lockdown measures, it is expected that Thai users will return to use their medical services as usual. Especially in the treatment department, Thai people have a high illness rate, such as heart disease, hypertension, diabetes, as well as the fact that Thailand has entered an aging society, the elderly tend to return to receive more medical care.

Also, Thais will pay more attention to health insurance, resulting in the expansion of health insurance. It allows private hospitals to expand their customer groups to insurance companies to compensate for the shrinkage of income from self-pay customers following economic contraction.

The private hospital that relies on income from foreign service users, known as the dependence on Medical Tourism from foreign tourists, is likely to be affected, resulting in lower-income, due to foreign service users' inability to travel for treatment in Thailand in the epidemic of coronavirus disease 2019 (COVID - 19), throughout the world. From the income structure of private hospitals in Thailand, it was found that the income from Medical Tourism accounted for 8% of the total private hospital revenue. Therefore, it is viewed that foreigners' income this year will not recover very well if Thailand continues to lock down foreign travelers' measures or screen foreign travelers. If the opening of the country loosens the lock-down measures, the income from the Medical Tourism group in Thailand will become active again because foreigners think that Thailand has good treatment standards and reasonable prices. It is also recognized as being able to control the spread of coronavirus disease (COVID - 19) very well and have the ability to treat patients with COVID - 19 infection. In Thailand, the mortality rate is only 1.8% of the total number of cases. This is lower than the global patient mortality rate of 6.5%. Therefore, private hospitals need to adapt to drive business for sustainable growth, as follows:

1. **Introduction of technology to assist in treatment**, such as the use of robots or telemedicine to assist in remote patient examinations, will greatly facilitate the treatment of patients who need to follow up treatment.
2. **Maintaining hospital standards to build confidence among domestic and international users** can maintain the current customer base and attract more new customers and health tourists to get treatment at our hospital.
3. **Facilitating foreign service users who have passed the COVID - 19 screening**. The hospital has a service to coordinate with the embassy to bring foreign users who wish to come to Thailand for treatment. It will also provide accommodation for the users and their relatives in which the government sector is authorized to make it more convenient for foreigners.

*Resource: Krungthai COMPASS and TMB Economic Analysis Center or TMB Analytics*

## Major Customers

According to the situation of Coronavirus disease (COVID - 19) epidemic, Thainakarin Hospital has organized measures to take care of service users by monitoring the temperature at every building entrance and exit. It also opened a temporary respiratory disease clinic (ARI Clinic), separated from the general consumer service area for patients with fever, cough, sore throat, and a history of exposure to risk groups or people traveling from risk areas. There are alcohol service stations, washing hands in various areas, adding cleaning cycles every hour, setting social Distancing to create safety (Social Distancing). Doctors and medical personnel have all protective equipment as required. There is a reduction in the length of stay in the hospital and reducing users' density in the hospital by setting up a Home Service project such as medicine delivery, blood drawing, vaccination, physical therapy, and wound cleaning at the user's residence, etc. It is to support services for users who are not of comfortable traveling to the hospital for general customers, life insurance customers, and contractual corporate. As a result, the Thainakarin Hospital has earned the trust of clients for over 27 years. The main goal from now on is to develop medical quality for users, develop services by understanding the needs of existing customers, and expand the market to a new customer group to establish a stable hospital business base. The main customer groups of the hospital are:

1. **Corporate:** Customers who are the employees of the contractual corporate making an agreement to define its employees to exercise medical welfare right at Thainakarin Hospital with expense of such corporate.
2. **Insurance:** Customers who are general customers and employees of the company providing welfare to its employees for receiving medical services at Thainakarin Hospital through health insurance with expenses of the insurance company based on coverage and conditions of each policy made by the insurance company.
3. **Self-pay:** General customers who pay for medical fee by themselves in the form of debit card, credit card or cash. Most of them live in the nearby area while others are customers who live far from the hospital but be confident with quality and standards of Thainakarin Hospital as well as patients transferred from other hospitals.

## Customer Satisfaction Survey

The Company places an importance on building customer satisfaction with services, and regards satisfaction surveying as a key strategy in competition. Thus, the Company regularly conducts customer satisfaction surveys and utilizes the results, summarized annually, in enhancing service efficiency so as to boost customer satisfaction and also to retain them for repeat business. According to the customer satisfaction survey results for 2020, overall satisfaction of outpatient and inpatient customers is 95.94 percent higher than the target set.

## Performance Highlights

During 2020, the Company has enhanced its medical care capacity and service strengths in pursuit of service and academic excellence, as follows:

1. **Promptness of Professional Treatment and Services (PROFESSIONAL):** Both medical and supporting personnel of the Hospital use knowledge and expertise in best performing their duties to ensure that the service users receive appropriate medical care and highest possible satisfactory services. Improvement and rectification of problems shall be readily and regularly carried out.
2. **Promptness of Physicians, Nurses and Multi-disciplinary Team (MULTI-DISCIPLINARY TEAM):** Accessibility for patients and service users to comprehensive, swift and precise medical care is enabled by the promptness of our proficient medical team through 24-hour emergency units, namely (1) 24-hour Emergency Heart Center thus capable of treating all irregular conditions of acute and chronic heart diseases (2) 24-hour Emergency Brain and Neurology Center thus capable of treating acute and chronic brain diseases, both of which help reduce mortality or disability rate of patients to a great extent, and (3) Gastrointestinal Center to serve patients with the increasingly-prevalent gastrointestinal tract diseases by a team of specialized physicians and standard medical devices that can facilitate fast, accurate and precise diagnostic results.
3. **Assured Trustworthiness of Medical Care and Hospitable Services (TRUST):** To assure service users that they will receive quality care and be assisted by personnel with a true service-minded attitude, the Hospital has constantly pursued pertinent developments and been widely recognized. This is endorsed by its receiving of the "2<sup>nd</sup> Prize Excellent Care (Medium Hospital)" and "3<sup>rd</sup> Prize Initiative, Accept, New Innovation (Medium Hospital)" at the "Muang Thai Life Assurance Hospital Awards 2019" held by Muang Thai Life Assurance PCL.

4. **International Standard Quality (INTERNATIONAL QUALITY):** The Hospital's medical care has been monitored and controlled in compliance with standards of relevant quality accreditation institutes. In 2003, the Hospital was granted a quality accreditation by the Healthcare Accreditation Institute (Public Organization), being one of the first hospitals to receive this endorsement. In 2011, the hospital re-accreditation #2 was granted by the Hospital Accreditation Institute, In 2016, the re-accreditation #3 was granted by the Hospital Accreditation Institute, and in 2019, the re-accreditation #4 was granted by the same institute.

## Procurement of Products or Services

### ◎ Medical Personnel

The Company has a policy to recruit doctors in various specialties, including such other medical personnel as nurses, etc., in order to deliver full-range and quality services. Up to now, it has succeeded in recruiting and retaining proficient medical personnel through appropriate remuneration and fringe benefits, favorable workplace environment, along with constant seminars and training schemes for doctors, nurses and medical personnel for their skills development and up-to-date knowledge to ensure of safety services.

### ◎ Medicines and Medical Supplies

As medicines and medical supplies are essential raw materials for hospital business, the Company adopts a procurement process that is stringent in every step, from order placement where details of medicines shall be screened and decided by a committee consisting of doctors, pharmacists and procurement staff established to oversee appropriate medicine procurement, as well as inventory control.

Almost all medicines and medical supplies of the Company are procured domestically, hence no risk of shortage. To ensure availability of supplies, moreover, the Company establishes effective procurement and inventory management systems, alongside assessment of price suitability, efficiency and quality of products.

### ◎ Medical Equipment and Tools

Due to increasing complexity of diseases nowadays, the Company needs latest medical equipment and tools to provide patients with quality services. As it is a large sum of investment, the Company takes into meticulous consideration the necessity and quality of the equipment and tools that can meet adequacy and utilization requirements. The Company has usually made purchases from domestic distributors and also secured clear terms and conditions on prices and after-sales services for the cost-effectiveness and best utilization benefit.

## Operating Assets

### ◎ Core Assets

The Company is in the process of working on the land with an area of 16-3-19.5 rai, in order to maximize the benefits of the Company's business.

The Company has a leasehold right of land and building which is the current establishment with the Thai Red Cross Society, situated at No.345, Debaratna Road km.3.5, Bangna Nuea, Bangna, Bangkok 10260 with a total area of 6-2-42 rai which has The term of the lease is 30 years from 9<sup>th</sup> November 2018 to 8<sup>th</sup> November 2048.

The Company's core assets as of 31<sup>st</sup> July 2020 are as follows:

(Unit: Million Baht)

Asset	Book Value	Type of Ownership
Land and land improvement	227.15	Owner
Land, construction and work in process	161.80	Please see notes
Operating systems	316.24	Owner
Office equipment and furniture	155.62	Owner
Medical equipment and tools	531.13	Owner
Vehicles	12.47	Owner
Total	1,404.41	
Less: Accumulated depreciation	924.30	
<b>Total Net</b>	<b>480.11</b>	

**Notes:** The Company comprises of 2 buildings 14-storey front building and a 7-storey rear one, with a combined usable area of 64,325 square meters. From 9<sup>th</sup> November 2019 to 9<sup>th</sup> November 2020, the Company has insurance for all buildings, including foundations, fences, walls, gates, renovation items (excluding tools, machinery, spare parts, equipment, appliances for medical treatment), elevator systems, sanitation systems, fire extinguishing systems, wastewater treatment systems, water supply systems, chillers, electrical systems, air conditioning systems, and generator equipment. The sum insured is 500 million baht. The beneficiary of the insurance is the Property Management Office of the Thai Red Cross Society. As for furniture, decorations, furnishings as movable assets, computer systems and equipment, communication systems, telephone systems, air-conditioned and climate-controlled rooms and refrigerators, instruments, machinery, and medical appliances, all kinds of medical assistive devices, medical supplies, drugs for medical treatment, all types of movable assets in the building, the sum insured is 300 million baht, the beneficiary of the insurance is Thainakarin Hospital Public Company Limited.

## Investment Policy

As of 31<sup>st</sup> July 2020, the Company has no investment in any firms. However, it has a policy to invest in enterprises associated with and supportive to its hospital business.



## Risk Factors

### Risk factors for the Company's business are identified as follows:

- 1. Risk from shortage of medical personnel.** There is a risk of shortage of medical professionals as well as difficulty in recruiting skilled and proficient personnel, e.g. specialist physicians or experienced nurses for the upcoming specialty centers, due to increasing demand for these professionals among both private and public hospitals
- 2. Risk from intense competition in hospital business.** Bangna area and its vicinities are viewed as high-potential locations with continual population expansion. Private hospitals take this as their marketing strength. Therefore, competition for market share in healthcare business in these areas will unceasingly intensify.
- 3. Risk from changes in government policies.** At present, the government sector has taken a more active role in supervising private hospital operations, such as price control on drugs, medical supplies and healthcare services, or the state initiation of "Universal Coverage for Emergency Patients" policy, all of which affect the Company's business.
- 4. Legal dispute.** Currently, disputes and lawsuits by patients against hospitals and doctors are increasing because more laws related to medical facility business have been enacted or amended with the aim of securing and protecting the rights of patients, who are regarded as consumers. This results in higher risk of legal disputes.
- 5. The spread of viral Coronavirus disease 2019 (COVID - 19)** since the beginning of 2020. So rapid externally and internationally, impacting the overall economy in all sectors as apparently visible in the lower spending capacity among the public at large. This situation is of impact against various businesses including hospitalization.

# Hospital Information



## Hospital Information

Name of Company : Thainakarin Hospital Public Company Limited or "Thainakarin Hospital"

Type of Business : Private hospital

Address : 345 Debaratna Rd, km.3.5, Bangna Nuea, Bangna, Bangkok 10260

Registration Number : 0107547000974

Registered Capital : Baht 180,000,000. The capital is fully paid-up and comprised of 180 million ordinary shares of the par value of Baht 1 per share.

Website : [www.thainakarin.co.th](http://www.thainakarin.co.th)

E-mail : [ir@thainakarin.co.th](mailto:ir@thainakarin.co.th)

Telephone : 0 2361 2727, 0 2361 2828, 0 2340 6499, 0 2340 6488

Fax : 0 2340 6431

## Reference Information

### ◎ Securities Registrar

Name : Thailand Securities Depository Co., Ltd.

Address : Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Telephone : 0 2009 9000

Fax : 0 2009 9991

SET Contact center : 0 2009 9999

Website : <http://www.set.or.th/tsd>

### ◎ Auditor

Name : EY Office Limited

ชื่อผู้สอบบัญชี : Ms. Satida Ratananurak, Certified Public Accountant, License No.4753 or  
Mr. Wichart Loketekrawee, Certified Public Accountant, License No.4451 or  
Ms. Siriwan Nitdamrong, Certified Public Accountant, License No.5906

Address : 193/136-137, Lake Rajada Building, 33<sup>rd</sup> Floor, Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone : 0 2264 0777

Fax : 0 2264 0789

This year, the Company's auditor is Ms. Satida Ratananurak, Certified Public Accountant, License No.4753, from EY Office Limited (formerly known as Ernst & Young Office Limited). The audit fee is Baht 1,220,000 with the out-of-pocket expenses which includes, for example, travel and copying costs as actually incurred but not exceeding Baht 30,000.

### ◎ Internal Auditor

Name : Dharmniti Internal Auditing Co., Ltd.

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## Shareholder

### Shareholding and Management Structure

#### ◎ Company's Securities

The Company's total registered capital is Baht 180 million. The capital is fully paid and has 180 million total shares at the par value of Baht 1 per share.

List of top 10 major shareholders of the Company as of May 7<sup>th</sup>, 2020.

#### Shareholder

Names of Shareholders		Number of Shares	Proportion of shares (%)
1.	Siam Property Development Company Limited	50,000,000	27.78
2.	Mr. Jatuporn Sihanatkathakul	21,540,000	11.97
3.	Vibhavadi Medical Center Public Company Limited	13,024,800	7.24
4.	Mr. Phitjitt Wiriyamettakul	4,530,000	2.52
5.	Mrs. Nilnate Mahatthanarak	4,500,800	2.50
6.	Mrs. Vaewta Looareesuwan	4,435,500	2.46
7.	Mrs. Somporn Juangroongruangkit	3,763,000	2.09
8.	Mrs. Nipapat Sihanatkathakul	3,000,000	1.67
9.	Mr. Niwatsilp Srisook	3,000,000	1.67
10.	Ms. Jane Olaric	3,000,000	1.67

Source: Thailand Securities Depository Co., Ltd.

The major shareholders having material influence on the Company's decisions on policies, management and operations are as follows:

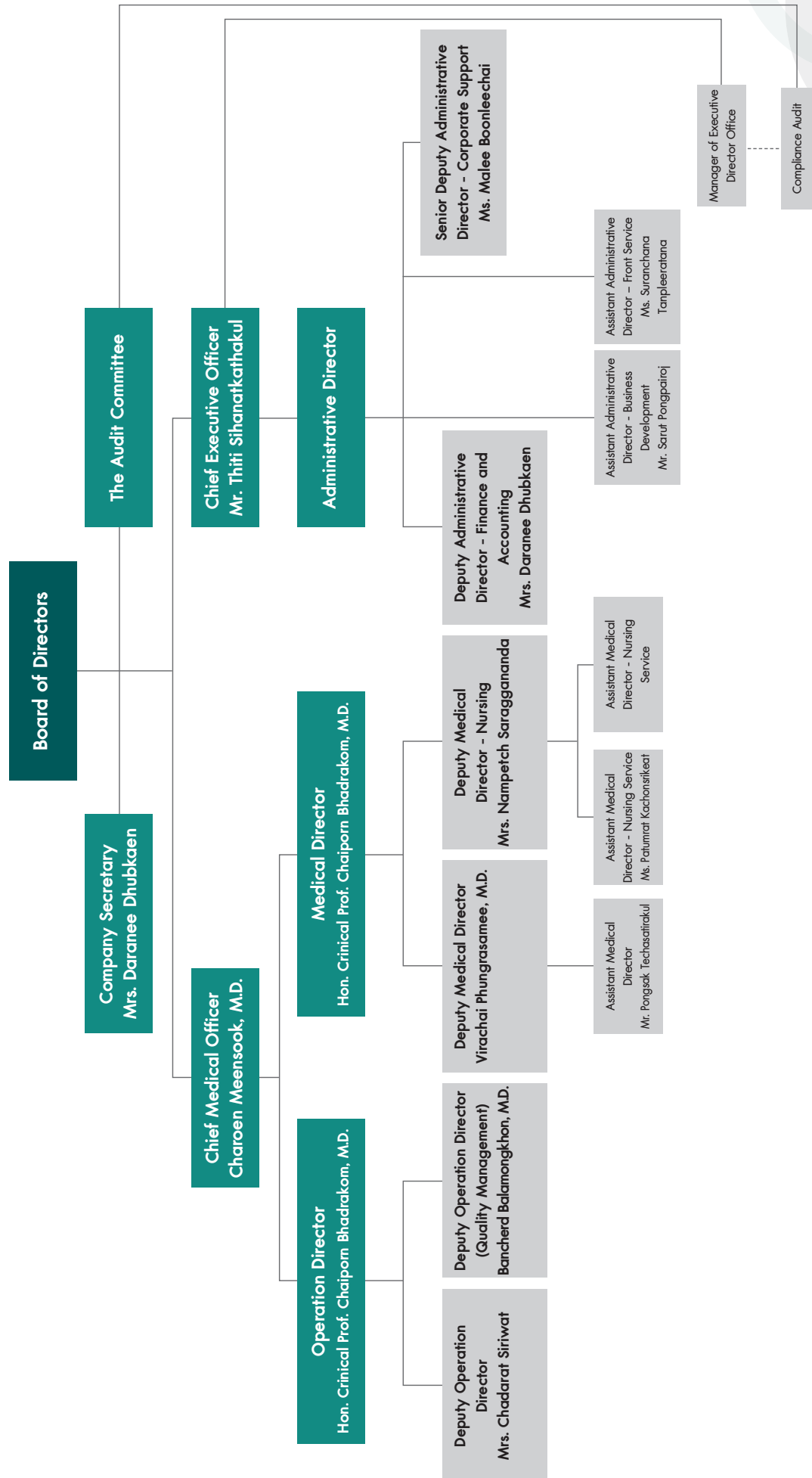
1. The Sihanatkathakul family, which includes Mr. Jatuporn Sihanatkathakul, Mr. Suchart Sihanatkathakul, Mrs. Nipapat Sihanatkathakul, Mr. Thiti Sihanatkathakul, Mr. Pitipat Sihanatkathakul, Miss Onaree Sihanatkathakul and Mr. Tosaporn Sihanatkathakul, holds approximately 16.98 percent shareholding in the Company.
2. Members of the Sihanatkathakul family hold shares in Siam Property Development Company Limited and are authorized directors of Siam Property Development Company Limited

## Dividend Policy

According to the Company's dividend policy, the dividend payment shall be at least 60 percent of the net profit after corporate income tax. Nonetheless, the payout ratio may be lower than the said level if the Company finds it necessary to allocate the net profit to its business expansion.

On 11<sup>th</sup> September 2020, the Board of Directors, in its meeting no. 3/2020, resolved to propose the 2020 annual dividend payment (from the operating results of the period between 1<sup>st</sup> August 2019 and 31<sup>st</sup> July 2020) at the rate of Baht 0.45 per share, totaling Baht 81,000,000 (Baht Eighty One million Only) to the 2020 annual general meeting of shareholders for approval.

## Management Structure





## Board of Directors

As of 31<sup>st</sup> July 2019, the Board is comprised of 14 members as detailed below:

1. Dr. Charoen	Meensook	Chairman of the Board
2. Prof. Dr. Deja	Tanphaichitra	Director
3. Mr. Prapat	Suthawate	Director
4. Mr. Sumeth	Jenjesda	Director
5. Dr. Arkom	Cheirsilpa	Director
6. Mr. Thiti	Sihanatkathakul	Director
7. Mr. Pitipat	Sihanatkathakul	Director
8. Mr. Norathep	Sihanatkathakul	Director
9. Mr. Tosaporn	Sihanatkathakul	Director
10. Mr. Kraissak	Kadkum	Director, Independent Director and Chairman of the Audit Committee
11. Dr. Pridi	Hetrakul	Director, Independent Director and Member of the Audit Committee
12. Assoc. Prof. Dr. Chertsak	Dhiraputra	Director, Independent Director and Member of the Audit Committee
13. Assoc. Prof. Dr. Panya	Issarawomrawanich	Director, Independent Director and Member of the Audit Committee
14. Mr. Chailerg	Viriyarattanaporn	Director, Independent Director and Member of the Audit Committee

## Authorized Director

Two of the four authorized directors, namely Mr. Thiti Sihanatkathakul, Mr. Prapat Suthawate, Mr. Tosaporn Sihanatkathakul, and Mr. Arkom Cheirsilpa shall co-sign and affix the Company's seal to legally bind the Company.

## Scope of Duty and Responsibility of Chairman of the Board

The Chairman of the Board has Duty and Responsibility as followings:

- A. Acting as the Chairman of the Board Meeting to enhance efficiency as required by Articles of Association of the Company or relevant laws.
- B. In case of an equality vote, the Chairman of the meeting shall have a casting vote.
- C. Supporting for the Board effective operation by management principles of good governance.
- D. Acting as the Chairman of the shareholders' meeting to enhance effectiveness as required by Articles of Association of the Company or relevant laws.

## Scope of Duty and Responsibility of the Board

The Board shall have the authority, duties and responsibilities to perform acts with care and integrity to ensure the Company's compliance with applicable laws, the corporate purpose, the articles of association, and the resolutions of legitimate shareholders' meetings. Key authority and responsibilities of the Board are as summarized below.

- (a) The Board shall convene an annual general meeting of shareholders within 4 months from the end of the Company's accounting period.
- (b) The Board shall convene a Board meeting at least every 3 months.
- (c) The Board shall propose the audited statements of financial positions and the statement of comprehensive income as of the end of the Company's accounting period to a shareholders' meeting for approval.
- (d) The Board may delegate a director, directors or other persons to perform acts on its behalf and under its supervision; or delegate to such persons the authority within the scope as the Board deems appropriate. Such delegation may be annulled, amended, or re-assigned to other persons as the Board deems appropriate.

The Board may delegate to managing directors the authority and responsibility to perform acts or duties as detailed in the scope of power and responsibilities of managing directors. Such delegation shall not explicitly or implicitly vest managing directors with the power to consider and approve transactions involving conflict of interest between themselves or their related parties and Company or its subsidiaries (if any), unless otherwise permitted by applicable policies and criteria previously approved by the Board.

- (e) The Board shall determine the Company's policies, directions, business plans and budget plans as well as govern managing directors' operations to assure compliance with the policies and directions given by the Board. This clause excludes matters such as capital increase, capital decrease, sale or transfer of entire business or significant part of business, business acquisition, acceptance of business transfer, amendment of the Company's articles of association, etc., which the Board must obtain prior approval from the shareholders' meeting in accordance with regulatory requirements.

The Board also has the duty to oversee the Company's compliance with Public Limited Companies Act, the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand governing, for example, related-party transactions and acquisition or disposal of material assets, and other relevant laws.

- (f) The Board shall approve management structure and the appointment of managing directors and members of committees as appropriate.
- (g) The Board shall monitor the Company's performance and assure that it is consistently in line with business plans and budget plans.
- (h) Directors shall refrain from operating businesses similar to or competing with the Company or being partners in ordinary partnerships, partners with unlimited liability in limited partnerships, or directors of private companies or companies operating businesses similar to and competing the Company, regardless of whether such tenure is for the interest of themselves or others, unless the shareholders' meeting has been notified of the tenure before approving their directorship.
- (i) Directors shall, without delay, notify the Company of their direct and indirect conflict of interest related to the Company's contractual transactions, and change in their possession of shares or debentures of the Company or its subsidiaries.

## Director and Executive Development

The Company focuses on promoting constant knowledge and performance development of directors, executive, Company Secretary and all staff. For the Board, directors are encouraged to participate in courses relating to fulfilment of duties or seminars arranged by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, etc., in order to enhance the knowledge and capacity for efficient discharge of duties as the Company's directors.

In 2019, Mr. Norathep Sihanartkatakul and Mr. Pitipat Sihanatkathakul participated in Director Accreditation Program (DAP) Class 165/2019

In the past year, Assoc. Prof. Dr. Panya Issarawornrawanich, a director, an independent director and member of the Audit Committee, attended 8 seminars on the following topics:

1. How the contracted rental reduction allowed by the leaser due to COVID - 19 impact be acknowledged through the account statements?
2. The standard of the Financial Statement No.15 regarding income from the contract with Customers, Section 1-3.
3. COVID - 19 Impact to financial statement & TFAC Accounting relief.
4. Seminars on Accounting and Account Liquidation in COVID - 19 Situation.
5. NPAE Improvement; the study on impacts against accountants and the public at large.
6. Responsibility of accountants and auditors under the Money Laundering Prevention and Suppression Act.

7. The training program on how to identify differences between financial statements of the non-public interest income against duty and taxation standards.
8. The training course on One Accounting Preparation and SME Taxation for Legal Entity

Contents of these seminars strengthened his knowledge in accounting and finance.

## Company Secretary

The Board of Directors appointed Mrs. Daranee Dhubkaen to hold the position of the Company Secretary from 14<sup>th</sup> September 2018 in order to supervise and hold the meeting of the Board of Directors and Shareholder Meeting as well as to prepare a register of directors, a notice calling a director meeting and the minutes of the Meeting of the Board of Directors, prepare a notice calling a Shareholder meeting and Shareholder Meeting, annual report, and documents storage as defined by law i.e. report on interest filed by a director or an executive etc. Moreover, she is also assigned to provide some suggestions to the Board of Directors and executives on criteria related to the listed companies of the Stock Exchange of Thailand and good corporate governance.

## Scope of Duty and Responsibility of Corporate Secretary

1. To provide primary suggestions to the Board of Directors on laws, regulations and rules of the company as well as to monitor compliance and report all significant changes to the directors.
2. To prepare notices of the Meeting of Shareholders and the Meeting of the Board of Directors, as well as to make arrangements for said Meetings in compliance with laws.
3. To record the minute of the Shareholder Meeting and the Meeting of Board of Directors as well as to follow-up the compliance with the meeting's resolution.
4. To prepare and keep documents specified by laws, such as director register, reporting of conflict of interest as reported by the Company's directors or executives, etc.
5. To supervise information disclosure and disclosure of information report of the company unit with responsibility on corporate governance.
6. To contact and communicate with shareholders.
7. To supervise activities of Board of Directors.

## Audit Committee

As of 31<sup>st</sup> July 2020, the Audit Committee is comprised of 5 members as follows:

- |                              |                    |  |
|------------------------------|--------------------|--|
| 1. Mr. Kraiak                | Kadkum             | Independent Director and Chairman of the Audit Committee |
| 2. Dr. Pridi                 | Hetrakul           | Independent Director and Member of the Audit Committee   |
| 3. Assoc. Prof. Dr. Chertsak | Dhiraputra         | Independent Director and Member of the Audit Committee   |
| 4. Assoc. Prof. Dr. Panya    | Issarawornrawanich | Independent Director and Member of the Audit Committee   |
| 5. Mr. Chailerg              | Viriyarattanaporn  | Independent Director and Member of the Audit Committee   |

Assoc. Prof. Dr. Panya Issarawornrawanich, a Lecturer of Accounting Department, Thammasat Business School, Thammasat University, and a certified public accountant, and Mr. Chailerge Viriyarattanaporn was Accounting and Tax Consultant, I.G.S Co., Ltd. Both are an Audit Committee member who possesses extensive accounting and finance knowledge and experience.

## Acting Secretary to the Audit Committee

The Audit Committee considers and selects Mr. Attapong Tipaksorn to hold the position of the secretary for the Audit Committee in order to supervise and manage the operation of the Audit Committee on appointment, meeting, preparation of meeting agendas, delivering supporting documents, and record the minutes.

## Scope of Duties and Responsibilities of the Audit Committee

Scope of duties and responsibilities of the Audit Committee is as follows:

- a) Review the Company's financial reports to ensure accuracy and adequacy of the quarterly and annual financial reports.
- (b) Review the Company's internal control and internal audit to ensure their appropriateness and effectiveness as well as consider on independence of internal audit unit and approve appointment, removal, and termination of employment of the Head of Internal Control Audit Unit or Heads of other units with responsibility on internal audit.
- (c) Review the Company's compliance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand or applicable laws.
- (d) Screen and nominate external auditors for the Company by taking into consideration on the audit fees based on the credibility, resources, and workload of auditing firms concerned as well as the independence and experience of designated auditors and offer remuneration of auditor plus with attending the meeting with the auditor without the management at least once a year.
- (e) Examine the Company's disclosure of related-party transactions or conflict of interest to be correct and complete according to laws and requirements of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable with ultimate benefit for the company.
- (f) Perform any other duties as assigned by the Board and concurred by the Audit Committee which include, for example, reviewing financial and the executives' compliance with the code of ethics which must be publicly disclosed in important reports such as the management discussion and analysis in accordance with the laws.
- (g) Prepare the Audit Committee's Report which signed by Chairman of the Audit Committee and disclose in annual report regarding:
  - The accuracy and reliability of the Company's financial reports and disclosure.
  - The adequacy of the Company's internal control.
  - The appropriateness of the company's auditor.
  - Compliance with Securities and Exchange Act, requirements of the Stock Exchange of Thailand or laws related to the company's business.
  - Transactions with conflict of interest.
  - Number of audit meeting and attendance of each audit committee.
  - Other reports that are considered to be acknowledged by shareholders and general investors under the scope of duties and responsibilities as assigned by the Board of Directors.
- (h) Regularly report the Audit Committee's performance to the Board at least quarterly.
- (i) Provide opinions on the performance evaluation, appointment, removal and remuneration of internal auditors.

## An office term of the Audit Committee

An office term of the Audit Committee is defined as follows:

- Chairman of the Audit Committee 2 years
- Member of the Audit Committee 2 years

The Chairman and members of the Audit Committee who retire by rotation may be re-appointed.

## Qualification of Audit Committee Member and Selection Process

The Board is vested with the authority to appoint 3 persons possessing qualifications in accordance with the Securities and Exchange Act, and notifications, rules or regulations stipulated by the Securities and Exchange Commission to serve on the Audit Committee. At least 1 member of the Audit Committee shall have finance and accounting knowledge. Each member of the Audit Committee shall hold an office term of 2 years at a maximum and must meet the following qualification criteria: The Audit Committee members must possess qualifications as an independent director under the definitions of independence of independent director.

- a. Holds not more than 1 percent of total voting shares of the Company, its parent company, its subsidiaries, its associate companies or entities of persons who may have conflict of interest.
- b. Is not engaged in the Company's management and is not staff, employee, salaried advisor or person with controlling power of the Company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest unless such engagement is over not less than 2 years. Such prohibition is excluded with the case of government officer or government consultant who is the major shareholder or controller of the company.
- c. Is not related by blood, marriage or legal registration as father, mother, spouse, sibling, child, child's spouse or close relative of director, executive, major shareholder or controlling person of the Company or subsidiaries, or be nominated as aforementioned.
- d. Does not have business relationship with the Company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest in a manner that may obstruct his/her independent judgment as well as does not possess any characteristic which may obstruct his/her independent opinion on the Company's business operations or not shareholder with implication unless such relationship is over not less than 2 years.

Business relationship as defined in the first paragraph and normal trading transactions for business operation or real estate leasing or letting of leasing, transactions on assets or services or financial support providing through loans providing or receiving, guaranty, mortgage, and other behaviors in the same manner causing the company or the party to have some debts required to be paid to other party from the rate of 3% of net tangible assets of the company or from 20 million baht and over, whichever is lower. Such debts shall be calculated in accordance with the method for calculating value of connected transactions specified by the Notification of the Capital Market Supervisory Board regarding connected transaction, mutatis mutandis However, to consider on such debts, all debts occurred during one year prior the day of making such business relationship with the same person.

The term "shareholder with implication" under the first paragraph means a shareholder holding shares in any business at an amount exceeding 10% of the total voting shares, and whose shareholding shall include the shares held by his/her connected person.

- e. Has not ever been the auditor of the company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest and shareholder with implication, control, or shares of the audit office with the auditor of the company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest or not shareholder with implication unless such position is over not less than 2 years.

The term "shares" under the first paragraph means a person assigned by an audit firm to place signature on the audit report on behalf of such juristic person.



The term “shareholder with implication” under the first paragraph means a shareholder holding shares in any business at an amount exceeding 10% of the total voting shares, and whose shareholding shall include the shares held by his/her connected person.

- f. Has never been the service provider of any profession including legal consultant or financial consultant with service fee over than 2,000,000 baht per year from the company, its parent company, its subsidiaries, its associate companies or entities owned by persons who may have conflict of interest and shareholder with implication, control, or partner of the service provider of such profession unless such service providing is over not less than 2 years.

The term “partner” under the first paragraph means a person assigned by a professional service provider to place signature on the professional service report on behalf of such juristic person.

The term “shareholder with implication” under the first paragraph means a shareholder holding shares in any business at an amount exceeding 10% of the total voting shares, and whose shareholding shall include the shares held by his/her connected person.

- g. Has never been the director who is appointed as the representative of the director of the company, major shareholder or shareholder related to major shareholder.
- h. Does not operate any business with the same condition with implicit competition against the company or its subsidiaries or is not a partner with implication in any partnership or directors involving with management, employees, workers, full-time consultant or consultant holding shares over than 1% of total votes of other companies operating similar business with implicit competition against the company or its subsidiaries.
- i. Has no other manners that obstruct independent opinion on the Company’s business operations.

The Audit Committee member must possess additional qualifications other than those of an independent director, as follows:

- a. Not being a director assigned by the Board to make decisions on the business operations of the Company, parent company, subsidiaries, associate companies, same-level subsidiaries, major shareholders or controlling persons of the Company, and not being a director of parent company, subsidiaries or same-level subsidiaries that are listed on the Stock Exchange of Thailand;
- b. Having adequate knowledge and experiences to perform duties as an Audit Committee member, provided that at least 1 Audit Committee member has adequate knowledge and experiences to review the credibility of financial statements;
- c. Being capable of giving opinions and recommendations on internal control system reports of the Internal Audit unit or an internal audit service provider of the Company.

## Management Team

As of 31<sup>st</sup> July 2020 the management team is comprised of 13 executives as follows:

1. Mr. Thiti	Sihanatkathakul	Chief Executive Officer*
2. Dr. Charoen	Meensook	Chief Medical Officer
3. Hon. Clinical Prof. Chaiporn	Phadrakom	Medical Director and Operation Director
4. Dr. Virachai	Phungrasamee	Deputy Medical Director
5. Mrs. Nampetch	Saraggananda	Deputy Medical Director - Nursing

\* Mr. Thiti Sihanatkathakul has been appointed as Chief Executive Officer, referred to the resolutions of the meeting of the Board of Directors No. 1/2020 hold on 13<sup>th</sup> March 2020.

6.	Mrs. Chadarat	Siriwat	Deputy Operation Director
7.	Mr. Bancherd	Balamongkhon	Deputy Operation Director (Quality Management)
8.	Miss. Malee	Boonleechai	Senior Deputy Administrative Director - Corporate Support
9.	Mrs. Daranee	Dhubkaen	Deputy Administrative Director - Finance and Accounting
10.	Miss. Patumrat	Kachonsrikeit	Assistant Medical Director - Nursing Service
11.	Mr. Pongsak	Techasatirakul	Assistant Medical Director - Medical Support
12.	Miss. Suranchana	Tanpleeratana	Assistant Administrative Director - Front Service
13.	Mr. Sarut	Pongpairoj	Assistant Administrative Director - Business Development

### Scope of Duty and Responsibility of Chief Executive Officer

Chief Executive Officer shall have the following scope of duty and responsibility:

- (a) Review the annual budget allocation plan proposed by the management prior to submission thereof for the Board's approval.
- (b) To approve procurement transactions within the limit of Baht 10,000,000 per transaction.

Chief Executive Officer shall not have the power to approve transactions of the Company and its subsidiaries (if any) which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

### Scope of Duties and Responsibilities of Chief Medical Officer

Chief Medical Officer shall have the authority, duty and responsibility to give consultation and advice to doctors and formulate medical policies as detailed below:

- a. Undertake supervision to ensure that the Company's medical policies comply with rules and regulations stipulated by the Ministry of Public Health.
- b. Provide consultation and advice for doctors about proper medical practices in accordance with professional standard and ethics.

Chief Medical Officer shall not have the power to approve transactions of the Company and its subsidiaries (if any) which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

### Scope of Duties and Responsibilities of Medical Director

Medical Director shall have the authority, duty and responsibility to manage ordinary medical service operations as detailed below:

- a. Control medical services and day-to-day operations of doctors, nurses, pharmacists and medical personnel to ensure compliance with regulatory requirements stipulated by the Ministry of Public Health, the Medical Council of Thailand, Thailand Nursing and Midwifery Council and the Pharmacy Council of Thailand.
- b. Execute work in accordance with policies, business plans and budget plans approved by the Board.
- c. Make decisions on recruitment of medical personnel with suitable knowledge and expertise.
- d. Supervise the selection of medicines and medical supplies, equipment and tools.
- e. Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.

- f. Control service quality to consistently meet health care accreditation standards.

Medical Director shall not have the power to approve transactions of the Company and its subsidiaries (if any) which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

### **Scope of Duties and Responsibilities of Operation Director**

Operation Director shall have the authority, duties and responsibilities to manage and supervise all quality improvement activities of the hospital as detailed below:

- a. Govern all quality improvement activities of the hospital.
- b. Manage all risks associated with health care services provided by the hospital.
- c. Execute work in accordance with policies, business plans and budget plans approved by the Board.
- d. Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.
- e. Control service quality to consistently meet health care accreditation standards.

Operation Director shall not have the power to approve transactions of the Company and its subsidiaries (if any) which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

### **Scope of Duties and Responsibilities of Administrative Director**

Administrative Director shall have the authority, duty and responsibility to manage and supervise ordinary operations and administration of the Company as detailed below:

- a. Govern and supervise the Company's administration and day-to-day operations.
- b. Execute work in accordance with policies, business plans and budget plans approved by the Board.
- c. Review the annual budget allocation plan proposed by the management prior to submission of the plan to the Board for approval. Consider and decide on requests for annual budget revision or increase which are urgent and cannot wait until the upcoming Board's meeting. Decisions on such requests shall be reported to the subsequent Board's meeting.
- d. Approve procurement transactions within the limit of Baht 300,000 per transaction.
- e. Consider, in collaboration with department heads, rates of salary, bonus and compensation of employees, staff and persons hired by the Company within the framework approved by the Board.
- f. Serve as an authorized person of the Company who is empowered to manage the Company's business in strict compliance with the corporate purpose, articles of associations, policies, regulations, rules directives, and resolutions of shareholders' meetings and/or resolutions of the Board's meetings.

Administrative Director shall not have the power to approve transactions of the Company and its subsidiaries (if any) which involve conflict of interest with himself or his related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

The Board's meeting resolved to increase the authority limit of Deputy Administrative and Assistant Executive Director to 300,000 Baht per transaction which is the same as the authority limit of Administrative Director. Deputy Administrative Director shall not have the power to approve transactions of the Company and its subsidiaries which involve conflict of interest with herself or her related parties in accordance with rules and regulations of the Stock Exchange of Thailand. Such transactions shall be proposed to the Board's meeting or the shareholders' meeting for approval as required by the Company's articles of association or applicable laws, unless they are in the ordinary course of the Company's business and meet the specific approval criteria previously established by the Board.

## Director and Executive Nomination

The nomination of directors is proposed to the shareholders' meeting and subject to the majority vote of shareholders. Though the Nomination Committee is not involved in the nomination process, the Company has taken steps to ensure that director candidates meet the qualification criteria as set out in the Public Limited Companies Act B.E. 2535 and possesses professional knowledge and expertise which are beneficial to the Company's business, visionary leadership, integrity, morality, proven record of transparency, and independence.

The Company has established a committee consisting of senior medical, nursing and administrative executives to be responsible for screening and interviewing candidates for executive positions. The remuneration packages of senior executives is based on their scope of duties and responsibilities and benchmarked with other companies of comparable size in the same industry.

## Directorship in Other Listed Companies

The Board of Directors sets a policy on directorship in other listed companies as follows:

Policy on the directors' holding of directorship in other listed companies:

- 1) The Board prescribes that each director is able to hold directorship in no more than 3 other listed companies so as to ensure director's efficiency and total dedication of time to perform duties as the Company's director.
- 2) Directors should not take up directorship in other listed companies that may cause a conflict of interest with the Company and the discharge of duties as the Company's director.

## New Director Orientation

The Company arranges orientation session for newly appointed directors. In this regard, the Company Secretary is assigned to provide the new directors with all documents and information helpful to the discharging of their duties. This will acquaint the new directors with the Company's business policy including other relevant information such as capital structure, shareholders, operating performance, internal systems, and also regulatory laws and regulations. At the session, the new directors shall receive a Corporate Director Manual, which consists of:

1. Public Limited Companies Act B.E. 2535;
2. Securities and Exchange Act B.E. 2535;
3. Certificate of Corporate Registration;
4. Company Affidavit;
5. Memorandum of Association;
6. Articles of Association;
7. Good Corporate Governance Handbook;
8. Listed Company Director Handbook.

In 2020, There was 1 newly appointed director, namely Mr. Tosaporn Sihanatkathakul.

## Director and Executive Remuneration

The Company's expenses on remuneration and fringe benefits for directors and executives for the year ended on 31<sup>th</sup> July 2020 are as shown below:

a. Total director remuneration in relation to attendance fees and benefits is as listed below:

Name	Board Meeting		Audit Committee Meeting		Total
	No. of Attendance/ No. of Meeting	Attendance Total Fee Amount	No. of Attendance/ No. of Meeting	Attendance Total Fee Amount	
Mr. Jatuporn Sihanatkathakul*	1/4	18,000	-	-	18,000
Dr. Charoen Meensook	4/4	60,000	-	-	60,000
Prof. Dr. Deja Tanphaichitra	0/4	0	-	-	0
Dr. Arkom Cheersilpa	4/4	56,000	-	-	56,000
Mr. Prapat Suthawate	4/4	56,000	-	-	56,000
Mr. Sumeth Jenjesda	4/4	56,000	-	-	56,000
Mr. Thiti Sihanatkathakul	4/4	56,000	-	-	56,000
Mr. Pitipat Sihanatkathakul	3/4	42,000	-	-	42,000
Mr. Noratthep Sihanatkathakul	4/4	56,000	-	-	56,000
Mr. Tosaporn Sihanatkathakul	1/4	14,000	-	-	14,000
Mr. Kraisak Kadkum	4/4	56,000	5/5	90,000	146,000
Dr. Pridi Hettrakul	4/4	56,000	5/5	70,000	126,000
Assoc. Prof. Dr. Chertsak Dhiraputra	3/4	42,000	5/5	70,000	112,000
Assoc. Prof. Dr. Panya Issarawomrawanich	4/4	56,000	5/5	70,000	126,000
Mr. Chailerg Viriyarattanaporn	4/4	56,000	5/5	70,000	126,000
<b>Total</b>		<b>680,000</b>		<b>370,000</b>	<b>1,050,000</b>

Director remuneration refers to remuneration paid to the Company's directors, exclusive of monthly salary and fringe benefits offered to executives. The director remuneration has been approved by the shareholders' meeting.

Medical benefit for directors and their families are limited at Baht 800,000 per year and the Company's expenses on the said benefit in 2020 amounted to Baht 3,230,152 as detailed in the note 6 to the financial statements. All medical expenses which exceed the limit are charged and collected in accordance with the Company's procedures.

b. Executive Director and Executive Remuneration

Total remuneration of executive directors and executives of the Company in 2020 amounted to Baht 38.84 million, inclusive of monthly salary, medical benefits and fringe benefits offered to executives.

## Personnel

The Company determines remuneration to personnel in commensurate to individual responsibilities and performance. It also has a policy to review and adjust, on an annual basis, the payment of remuneration and special rewards appropriately and fairly to be in line with such factors as economic conditions, cost of living, remuneration benchmark of companies in the same industry, as well as the Company's operating results in tandem with work performance.

\* Mr. Jatuporn Sihanatkathakul who is the Chairman of Board Director has vacated before expiry of his term, effective since 27<sup>th</sup> February 2020



Apart from appropriate remuneration, the Company also provides healthcare benefits and other welfare benefits, i.e. social security fund, provident fund, uniform, wedding gift payment, funeral service allowance, compensation in case of disability or death, annual checkup, influenza vaccination, including privileges granted to employees' family members on using medical services, etc.

As of 31<sup>st</sup> July 2020, the Company has 1,193 permanent employees and 108 contractual employees, now a total of 1,301 employees. Expenses on salary, wages and fringe benefits of employees in 2020 are as shown below.

Category	Amount (Million Baht)
Salary, overtime, bonus, retiring allowance and others	494.80
Benefits	33.80
Contribution to Social Security Fund	10.09
Contribution to provident fund	3.31
Contribution to Fund for Empowerment of Persons with Disabilities	-
Others	0.25
<b>Total</b>	<b>542.25</b>

## Corporate Governance

The Company places much importance on undertaking business under corporate governance principles. With respect to this, the Board of Directors complies with Code of Best Practice for Directors of Listed Companies.

Furthermore, the Company recognizes its roles, duties and responsibilities under the Good Corporate Governance Principles, with firm belief that good corporate governance enables the Company to develop business monitoring systems with transparency, efficiency and social responsibility, helps shape corporate structure and strengthens relationships between directors, executives, shareholders, investors and all stakeholders for productive, continual and steady growth of the business. The Company therefore adopts the Good Corporate Governance Principles as guidelines for operations in order to facilitate and foster business transparency toward higher management efficacy that shall build up the confidence of the shareholders, investors and all related parties.

The Good Corporate Governance Principles cover 5 areas of conduct, which include Section 1: Shareholders' Rights, Section 2: Equitable Treatment of Shareholders, Section 3: Corporate Roles Toward Stakeholders, Section 4: Information Disclosure and Transparency, and Section 5: Responsibilities of the Board. Details of each section are as follows:

### Chapter 1: Best practice on Rights of Shareholders

#### 1. Shareholder Meeting

The Company gives the most importance to equitable treatment of all shareholders. At each shareholders' meeting, the Company has submitted the meeting invitation along with supporting information of each agenda item to the shareholders for at least 7 days in advance. In addition, the shareholders have equal rights to examine the Company's operations and able to give comments and recommendations independently. The Company performs the following actions to facilitate the shareholder's right exercising in the shareholder meeting.

The Company defines to hold the Annual General Meeting of Shareholders once a year within 4 months from the account period of the Company. In the event of any urgent case, the special agenda shall be offered and the company shall call the Extraordinary Meeting of Shareholders on a case by case basis.

**For advance notice of meeting invitation**, after having the resolution to hold the Annual General Meeting of Shareholders and the Company has already disclosed resolutions, meeting date, agendas, in the website of the Stock Exchange of Thailand in order to inform shareholders in advance or before 09:00 a.m. of the next day. The Company will send invitation letter consisted of details on meeting date, time, and venue, some necessary information for making decision or giving the resolution, former minutes, annual reports, supporting documents, and Proxy for any shareholder who is unable to attend the meeting in person. The method of proxy is already specified clearly in the company's documents sent to shareholders and also disclosed on the company's website prior the meeting date as well as announced on the daily newspaper for 3 consecutive days prior the meeting. Shareholders will have adequate time to consider on obtained information. The Company will not perform any action that may hinder or obstruct shareholders from communicate with one another.

The Company will facilitate all groups of shareholders to exercise their right of meeting attending and voting fully without any expense and difficult method. The Company will not perform any action that may limit any opportunity on meeting attending of any shareholder. The Company will check the name list and number of shares of shareholders classified by types of shareholders helping to facilitate registration on the meeting date.

The Company also has a policy to allow shareholders who are unable to attend the meeting to appoint an Audit Committee member of the Company as their proxy to attend the meeting and vote on their behalf by using any Proxy Form sent by the Company with meeting invitation. Moreover, shareholders are also able to download Proxy via the Company's website.

## 2. Procedures of Shareholder Meeting

The Company defines that shareholders have to register via computer system prior attending the meeting and ballots are prepared for each agenda for convenience and correctness.

The Company will introduce the Board, Audit Committee, Executives, and Auditor (mediator) for transparency prior the meeting and the company will keep all ballots as evidence for any subsequent dispute.

The Company will moderate the meeting based on the order of agendas unless it is voted by the meeting's resolution to change any agenda with the votes not less than two third of total attended shareholders or proxies (if any).

At each shareholders' meeting, the Company has improved meeting procedures and provided all shareholders an equal opportunity to examine the Company's operations, to make enquiries, comments and recommendations. After the meeting, significant enquiries and comments shall be completely and accurately recorded in the meeting minutes.

## 3. Disclosure on Resolutions of Shareholder Meeting

The Company will disclose the resolutions of shareholder meeting with votes of all attended shareholders and proxies clearly specified with proportion of agreement, disagreement and abstaining of each agenda as well as voting method and vote counting. The Company will clarify this information prior the meeting and disclose this information via the Company's website and news system of the Stock Exchange of Thailand within end of the day after finished the meeting or within 9.00 a.m. of a next day, as well as send the minute of meeting to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission within 14 days from the meeting date. The subject matter of all questions and suggestions provided by shareholders in each agenda shall be summarized completely as well as clarification of the Company's Board and executives.

# Chapter 2: Equitable Treatment of Shareholders

## 1. Protection of Rights of Shareholders

In the shareholder meeting, the Company will nominate each director in election of directors to be considered by shareholders in order to enable shareholders to exercise their rights to vote directors individually.

The Company will not add any agenda without informing shareholders in advance in all cases. In the event of any necessary agenda, it will be specified in the next meeting therefore shareholders will have adequate time for considering.

## 2. Provision of Dual Language Documents

The Company shall disclose significant information via the electronic system of the Stock Exchange of Thailand and on the corporate website in Thai and English so as to allow equal access to the Company's information for both Thai and foreign shareholders.

## 3. Insider Trading

Recognizing the significance of prevention against the use of inside information for personal gain, the Board has set forth a policy to maintain the confidentiality of non-public information and to allow only concerned persons to have access to such information.

The Company has already informed all the directors and executives of the duty to report holdings in the Company's securities, including changes thereof, by them, their spouses and minor children to the Office of the Securities and Exchange Commission in accordance with the Securities and Exchange Act B.E. 2535.

Additionally, the Company has implemented a regulation prohibiting directors, executives, personnel as well as their spouses and minor children from utilizing the Company's non-public inside information, especially financial information, for personal gain through the trading, transfer or acquisition of the Company's securities. Except for the aforementioned case, the directors, executives, their spouses and minor children that have traded, transferred or acquired the Company's securities must report every such transaction to the Office of the Securities and Exchange Commission within 3 days from the transaction date, as well as submit a copy of the report to the Company Secretary as evidence.

## Chapter 3: Roles of the Company Stakeholders

### 1. Shareholders

The Company has emphasized on developing the organization to grow continuously enabling the company to earn more income, profit, and value. Consequently, the company's shareholders will be able to gain the highest reward.

The Company puts emphasis on operating business for the ultimate benefit of shareholders and continuous growth of the company with transparency and reliability. The Company has a policy to pay for dividend to shareholders in the rate of 60% of net profit after deducted with corporate income tax. However, the company may specify lower rate of dividend payment in the event that it is necessary for the company to spend such net profit to expand the company's business operation.

### 2. Customer

The Company pays attention and takes responsibilities towards all customers by providing quality and standard services as well as keeping their secrets under legal compliance. In addition, the company also provides a unit to accept complaining of customers for solving their problems as well as to assess their satisfaction by making the questionnaires on satisfaction and demands of customers for every quarter.

### 3. Personnel

Regarding personnel as valuable asset and key factor to success, the Company puts emphasis on human resources and thus implements the following practices:

- Fair compensation: The Company provides appropriate and fair compensation to personnel in the form of salary or wage. Promotion, transfer and reward are granted based on competency, behavior and performance of individual personnel.
- Appropriate welfare: The Company sets up the Welfare Committee and arranges appropriate welfare benefits that extend to employees' families in order to promote their positive performance, work morale and well-being. These benefits include provident fund, social security fund, medical expense, medical expense discount for employees' families, uniform, death-in-service insurance, annual checkup, annual influenza vaccination, wedding gift payment, condolence payment upon the death of employees' parents, children and spouses, financial assistance on flood or fire incident, etc.

- Personnel development: The Company regularly organizes training courses on basic and specialized professional skills to enhance employees' knowledge, operational skills, management skills as well as technical skills so that they can work more efficiently. Average training time for each employee is 11.50 hours a year.

#### 4. Competitors

The Company has complied with good competitive rules and avoided any dishonest method to destroy any competitor.

#### 5. Suppliers/ Alliance/ Creditors

The Company treats suppliers, alliance and creditors in an honest and fair manner, and complies with all trading conditions or terms of agreements in order to establish healthy business relationship and also build up their confidence which will be beneficial to all parties. Moreover, the Company shall not conceal any information or facts damaging to its suppliers, alliance and creditors.

#### 6. Society Community and Environment

The Company has always emphasized on community and environment as a part of society with responsibility towards environment of nearby communities by supporting many activities for public benefits including providing general health check-up service for free in Bangna and Prawet, etc. Moreover, The Company also emphasizes and takes responsibilities on environment by controlling wastewater discharge, standard and efficiency general, infectious and toxic waste disposal as defined by laws.

Attentive to personnel development regarding environmental concern, moreover, the Company has arranged environment-related courses for working personnel and interested persons in effort to inculcate in them awareness of the issue. During August 2019 - July 2020, training courses were organized as follows:

No	Training	Course	Institution	Place	D/M/Y	Attendance
1	Internal Training	Occupational Safety, Health and Environment for General Employees and New Employees	Safety and Health At Work Promotion Associate (Thailand)	Thainakarin Hospital	29 <sup>th</sup> Aug 19	46
2					20 <sup>th</sup> Sep 19	63
3					16 <sup>th</sup> Oct 19	60
4					25 <sup>th</sup> Nov 19	56
5					13 <sup>th</sup> Dec 19	43
6					27 <sup>th</sup> Jan 20	43
7		Primary Step for Fire Fighting at the Workplace	Fire and Rescue Department, Fire Station - Phra Khanong	Thainakarin Hospital	27 <sup>th</sup> Jul 20	80
8	External Training	Operators at the Liquid Petroleum Gas Using Station	Natural Energy Tech Co., Ltd.	Miracle Suvarnabhumi Airport Hotel	20 <sup>th</sup> - 21 <sup>st</sup> Aug 19	1
9		Controlling and Solutions for Wastewater Treatment under the Hospital Recognition Standards	Faculty of Public Health, Mahidol University	Faculty of Public Health, Mahidol University	22 <sup>nd</sup> - 23 <sup>rd</sup> Aug 19	1



No	Training	Course	Institution	Place	D/M/Y	Attendance
10	External Training	Enhancing Proper Understanding the Measure of Blood Alcohol of Driver in Road Accident	Department of Disease Control	Asia Hotel	25 <sup>th</sup> Sep 19	2
11		Fire Fighting at High Level	Chayawan Fire Service Limited Partnership	Fire and Rescue Training Center, Khlong Luang Phaeng	16 <sup>th</sup> - 17 <sup>th</sup> Oct 19	1
12		Integration for enhancing Effectiveness to Fight Dengue Fever in Bangkok Area	Health Department	Princeton Park Suites Hotel Bangkok	23 <sup>rd</sup> Jan 20	2

## Chapter 4: Disclosure and Transparency

### 1. Disclosure

- 1.1 The Company will disclose some important information on the Company's website, [www.thainakarin.co.th](http://www.thainakarin.co.th), in order to enable shareholders, investors, analysts and general persons to search for public information rapidly.
- 1.2 In the Annual General Meeting of Shareholders, the Company will send meeting invitation and annual report (in QR code) to shareholders via mail and announce this meeting via newspaper and the company's website. In the Extraordinary Meeting of Shareholders, the Company will send meeting invitation to shareholders via mail and announce this meeting via newspaper as well as the Company's website.
- 1.3 The Company assigned the Company Secretary to act as the Investor Relation whereas the Office of the Administrative Director shall be responsible to provide information of Company activities to shareholders, investors, analysts, general persons via the Company's Website. All providing information shall base on truth and reliable facts and with careful operation. Those without assigned or relevant responsibilities to share information on interviewing for mass media or any public entity on the Company in any matter which might affect the reputation or the Company business are not allowed to do so.
- Accordingly, the investors contact Office of the Administrative and the Investment Relation at telephone number 0 2361 2727, 0 2361 2828, 0 2340 6499, 0 2340 6488 or e-mail: [ir@thainakarin.co.th](mailto:ir@thainakarin.co.th)
- 1.4 The Company shall disclose some important information of the company via the websites of the Stock Exchange of Thailand and the Company's website.
- 1.5 The Company will provide a contact channel to any person with any complaint on any illegal action against ethics or any behavior that may lead to any incorrect financial report preparation or presentation or defect internal control system whereas the company will keep such complaint as secret. In the event that any person finds any action as mentioned above, please inform the Company via Telephone: 0 2361 2727, 0 2361 2828, 0 2340 6499, 0 2340 6488 Email: [cg@thainakarin.co.th](mailto:cg@thainakarin.co.th).

- 1.6 Process of actions upon receipt of complaints: The supervisory unit shall prudently consider the reported complaint as appropriate to the case, by gathering facts, then evaluating and scrutinizing information. In a serious or complex case, the matter may either be sent to related unit for examination and investigation of facts, or be considered by the Audit Committee. If it is deemed necessary and appropriate, the supervisory unit can propose the matter to the consideration and scrutiny of the Audit Committee.
- 1.7 For financial report preparation, the Company will prepare the financial report correctly, completely, and transparently and the Company will send such financial report, annual and quarterly financial statements to related organizations within the due date as stipulated by laws strictly and will publicize such information on the company's website. The Company has emphasized on preparing financial statements correctly according to Accounting Standard.
- 1.8 The Company prepares explanation and analysis of the management by giving analytical explanation on financial position, performance, some important changes, and factors that are causes or affect to the Company's financial position and performance and such explanation must be submitted to the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 2. Information Disclosure on Company's Website

The Company discloses some financial information and non-financial information as required by the Stock Exchange of Thailand correctly, completely, timely, and transparently via the Company's website as well as publicizes some important documents that may be interested by investors and analysts on the Company's website. For example, objectives, vision, mission, nature of business, financial statement and financial information, annual report, 56-1 Form, invitation letter of Shareholder Meeting with documents related to Shareholder Meeting etc. In addition, all of these information and documents are always updated and the Company also provides the Company's telephone number, facsimile and email for contacting on the Company's website.

## Chapter 5: Responsibilities of the Board

### 1. Board Structure

The Board is consisted of qualified persons with knowledge and experiences in various fields who have to supervise the management to perform the operations as planned efficiently and effectively in order to give the maximum value to the Company and the ultimate confidence to shareholders. The Board Meeting should be held at least once a quarter in order to consider on performance reports of medical and administrative departments.

### 2. Leadership and Vision

Despite no Nomination Committee, the Company's Board consists of directors with expertise, competence and experience in medical, accounting, legal and management fields. The Board shall set policies, vision, strategies, business goals, business plans and corporate budget as well as supervise the Management to efficiently and effectively comply with the specified policies, goals and plans under the legal framework, the Company's Articles of Association and the resolution of the shareholders' meeting, for the maximum benefit of the Company and shareholders as a whole.

The Board has also established effective internal control, internal audit and risk management systems, together with regular monitoring. In this regard, it shall supervise to ensure that all committees and responsible executives comply with the set policies.

### 3. Review and Approval of Corporate Vision, Mission and Business Policy and Direction

The Board reviews, revises and approves vision, mission, corporate governance policy and business ethics on an annual basis; takes part in determination of strategies, targets, business directions, business plan, budget, internal control system, internal audit and risk management measures, by assigning relevant committees to undertake the review, revision along with monitoring of such matters regularly; and supervises that all working units implement the determined business plan and budget efficiently and effectively in order to maximize economic value for the Company and investment security for the shareholders, taking account of the best interest of all stakeholders. It adheres to the code of conduct in performing the duties with integrity, and shall not perform any act for personal or other persons' gain or any act in conflict or competition with the Company's interest. This includes overseeing that business operations are in accordance with the Company's objectives as well as the laws and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Company's vision, mission, business targets, including corporate governance policy have been published on its website and disclosed in the annual report.

### 4. Conflict of Interest

The Company currently has measures against conflicts of interest that may arise from related-party transactions between the Company and potential conflict-of-interest persons, where the executives and persons with related interest are unable to take part in approval of the transactions. Such related-party transactions shall be carried out in accordance with the laws on securities and exchange, the Public Limited Companies Act B.E. 2535, and the regulations, notifications, orders and requirements of the Stock Exchange of Thailand.

Additionally, the Audit Committee and the auditors are assigned to review and give opinions on the appropriateness of prices and reasonableness of transactions. Details of the related-party transactions shall be disclosed in the notes to financial statements according to the accounting standards stipulated by Federation of Accounting Professions. The Company has set forth clear procedures for approval of future related-party transactions, details as shown under the Internal Control heading. It has also implemented a policy and measures to prohibit executives and related persons from using inside information for personal gain, which require the executives to report the change in their securities holding to the Office of the Securities and Exchange Commission.

### 5. Business Ethics

The Company has adopted code of ethics or statement as guidelines for the Board, executives and all personnel in discharging their duties with honesty, integrity and fairness. The Company shall supervise and monitor to ensure strict compliance with said code of ethics or statement, as well as stipulate disciplinary measures.

### 6. Balance of Power for Non-executive Directors

As of 31<sup>st</sup> July 2020, the Company's Board of Directors is comprised of 14 directors, 2 of which were executive directors and 12 non-executive ones. Of the total number, 5 were independent directors and also members of the Audit Committee, representing 35.71% of the total directors.

All such directors are qualified under the notification of the Stock Exchange of Thailand, Public Limited Companies Act B.E. 2535 and other relevant laws regarding qualifications and scope of duties of the Audit Committee, and shall perform their check-and-balance duties to ensure accurate and fair business management of the Company for the maximum benefit of its shareholders, transparency, and efficiency.

## 7. Aggregation or Segregation of Positions

The Medical Director must not be the same person as the Administrative Director. The Company, by the resolution of the Board meeting, has set a policy to segregate duties of supervision from day-to-day management and defined clear scopes of authority for each position. Executives shall have neither absolute power over any particular matters nor authority to delegate any persons to approve or execute transactions in which they or their related persons have interest or may lead to conflict of interest against the Company.

## 8. Remuneration of Directors and Executives

The shareholders' meeting has clearly fixed remuneration for directors. Remuneration of directors and executives shall be determined commensurate with their assigned roles, duties and responsibilities, and be at an appropriately attractive level to retain competent personnel with the Company. Determination of the remuneration shall be in accordance with the Board-specified principles and policy and in line with business performance and operating results alongside performance of each executive.

## 9. Board of Directors' Meeting

Directors must attend the Board of Directors meetings regularly to acknowledge and jointly make decisions on the Company's business. In 2020, the Company has formally set the dates of the Board meetings for the entire year and notified all directors in advance so that they could allocate time for attendance. Special Board meetings may be convened as necessary. In 2020, the Board meetings, exclusive of special ones, for the year 2021 have been scheduled in advance (subject to change) as follows:

No.	Audit Committee meeting	Board of Directors' Meeting
1	8 <sup>th</sup> December 2020	9 <sup>th</sup> December 2020
2	9 <sup>th</sup> March 2021	11 <sup>th</sup> March 2021
3	8 <sup>th</sup> June 2021	10 <sup>th</sup> June 2021
4	14 <sup>th</sup> September 2021	16 <sup>th</sup> September 2021
5	7 <sup>th</sup> December 2021	9 <sup>th</sup> December 2021

According to the Articles of Association, the quorum of a Board meeting must not be less than one-half. To encourage the Company's good corporate governance implementation, however, the Board of Directors has jointly laid down guidelines that the quorum must not be less than two-third of the total number of directors.

In 2020, the Company held the Board meetings at least once every 3 months. From 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020, the Board of Directors convened 4 times, each of which was attended by more than 70% of the total number of directors. The rate of meeting attendance over the 4 meetings accounted for 80% of the total number of directors. At each meeting, agenda items were clearly specified and meeting invitation was submitted at least 7 days in advance in order that the directors had sufficient time to study the information. Minutes of the meetings were recorded in writing and, after being adopted by the Board of Directors, kept ready for inspection by the Board of Directors and concerned parties.

Furthermore, if a director has any interest or benefit in an agenda item to be considered, he/she shall leave the meeting room before the consideration of such agenda so that the meeting can consider the matter independently.

## 10. Director and Executive Development and Succession Plan

The Board of Directors places emphasis on the development of directors and executives through a project on continual enhancement of knowledge and capacity proper to the assigned duties in order to endorse performance efficiency and efficacy of directors and executives. In this regard, directors are encouraged to take relevant courses of the Thai Institute of Directors.

To Development and Succession Plan for Director and Executive Development, the Board of Directors have plan to prepare as soon as the directors or executive retired or unable to perform their duties that the management of the Company can continuously and develop sustainably.

The Executive who assigned as a successor must be a person who is ready with qualifications and has experience in the appropriate field. Also, it should have knowledge and experience to transfer by working rotation in other relevant departments and attend the necessary additional training courses to prepare for the future career in higher positions in order to work smooth and management continuously.

## 11. Committees

The Administrative Director and the Medical Director shall be in charge of managing the Company according to the set policies. Moreover, the quality structure has been established in order to enhance the supervision and management of the Company.

There are 35 committees overseeing corporate governance and quality structure management, as follows:

1. Hospital Management Committee
2. Medical Executive Committee
3. Quality Development Committee
4. Medical Staff Organization
5. Nurses - Service Organization
6. Dentist Committee
7. Risk Management Committee
8. Information Management Committee (IMC)
9. Pharmacy and Therapeutics Committee
10. Human Resources Management and Development Committee
11. Infection - Control Committee
12. Medical Utilization Committee (MUC)
13. Medical Record Committee
14. Occupational Health, Safety and Environment Committee
15. Patient care team Surgery
16. Patient care team Pediatrics
17. Patient care team Medicine
18. Patient care team Obstetrics and Gynecology
19. Patient care team Cardiology
20. Patient care team Orthopedics
21. Patient care team Eye Ear Nose Throat
22. Patient care team Childbirth Perinatology

23. Patient care team Stroke
24. Patient care team Emergency Medicine
25. Patient care team Gastroenterology
26. Kidney Transplantation team Thainakarin Hospital
27. Cardiopulmonary Resuscitation Committee
28. Resource Planning Committee
29. Medical Equipment and Supplies Revenue Review Committee
30. Complaints Management Committee
31. Mass Casualty Committee
32. Health Promotion Committee
33. Knowledge Management Committee
34. Customer Waiting Time Committee
35. Drug Selection and set drug price Subcommittee

These committees are responsible for overseeing the quality of medical care for patients. Data has been compiled and analyzed for approaches or measures to improve the quality of medical care and services, aiming to attain high quality of services that meet the hospital accreditation standards and relevant regulations.

Consisting of 15 members from medical, nursing and management teams, the Risk Management Committee is responsible for formulating risk management policies and systems pertinent to quality of services and safety of patients. The Committee shall analyze and identify contributory risk factors, develop risk-mitigating measures, as well as assign concerned units to constantly monitor the risks in accordance with the standards of The Healthcare Accreditation Institute (Public Organization).

## 12. Internal Control and Internal Audit

The Company puts great emphasis on the internal control systems both at management and operational levels, with control measures to optimize the use of resources. Responsibilities for approval, transaction recording and asset custody are segregated in order to promote proper checks and balances. The Company also carries out internal audits of financial-related and financial reporting systems, and periodically reports the results to the executives in charge.

At present, the Company has appointed Dharmniti Internal Audit Co., Ltd., as the internal auditor and established the Compliance Audit Department to control, audit and oversee the internal systems for more efficiency. The internal auditor must directly report to the Audit Committee for independence and transparency.

## 13. Reports of the Board of Directors

The Board of Directors is responsible for the Company's financial statements and financial information in the annual report. The financial statements are prepared according to the accounting standards generally accepted in Thailand, using appropriate accounting policies that are applied on a consistent basis based on prudent consideration and best estimates. All significant information is adequately disclosed in the notes to the financial statements.

The Board of Directors establish internal control in order to ensure that accounting data record is correct, complete and adequate for maintaining the Company's assets and perceiving some weaknesses in order to significantly prevent any abnormal operation. The Board also gives the opinion that, in overall, the Company's internal control is reliable.

The Audit Committee comprised of Independent Directors and non-executive Directors with accounting expertise, is assigned to review the financial reports and the disclosure of information in the Company's financial statements.



#### 14. Subcommittees

The Board of Directors has appointed the Audit Committee to review financial reports, internal control system and disclose information on related-transactions etc. The Audit Committee shall minimally have qualification on independence as defined by the Stock Exchange of Thailand. Qualifications, scope of responsibilities and duties of the Audit Committee can be seen in Audit Committee section.

#### 15. Supervision over Operations of Subsidiaries and Associated Companies

The Company has operated the business and operations without any subsidiary and associated company.

#### 16. Investor Relations

The Company pays much importance to the disclosure of both financial and general information in an accurate, complete, transparent and extensive manner which is also available by telephone at 0 2361 2727, 0 2361 2828, 0 2340 6499, 0 2340 6488 and via the Company's website at [www.thainakarin.co.th](http://www.thainakarin.co.th). It also has a policy to develop channel of the information disclosure continually.

## Company Executive

No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
1.	Mr. Thiti Sihanatkathakul Chief Executive Officer	45	<ul style="list-style-type: none"> <li>BBA, Banking and Finance, Chulalongkorn Business School, Chulalongkorn University</li> <li>M.Sc. Analysis, Design and Management of Information Systems, The London School of Economics and Political Science, United Kingdom</li> <li>MBA, Huron University, United Kingdom</li> </ul>	1.38	<ul style="list-style-type: none"> <li>Elder brother of Mr. Pitipat Sihanatkathakul and Mr. Tosaporn Sihanatkathakul</li> <li>Cousin of Mr. Noratthep Sihanatkathakul</li> </ul>	<p>Apr. 2020 - Present Chief Executive Officer, Thainakarin Hospital Public Company Limited.</p> <p>2008 - Present Director, Thainakarin Hospital Public Company Limited.</p> <p>2010 - Present Director, Corner Décor Company Limited.</p> <p>2010 - Present Director, Komars Management Company Limited.</p> <p>2010 - Present Director, Kumpoo Thailand Company Limited.</p> <p>2003 - Present Assistant Managing Director and Director, The Landmark Group (Bangkok)</p> <p>2001 - 2002 Acting Director of Human Resources Department, The Landmark Bangkok</p> <p>1999 - 2000 Associate Judge, The Central Labour Court</p> <p>1998 Marketing Department, Dhana Siam Finance Public Company Limited.</p> <p>1997 Management Trainee, Royal Lancaster Hotel, United Kingdom</p>

No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
2.	Charoen Meensook, M.D. Chief Medical Officer	78	<ul style="list-style-type: none"> <li>M.D. 1967</li> <li>Diplomate American Board of Internal Medicine &amp; Subspecialty Board of Gastroenterology 1968 - 1973</li> <li>New York State Board 1974</li> <li>DTM &amp; H (Liverpool) 1974</li> <li>FACG 1975</li> <li>FACP 1986</li> <li>Director Accreditation Program (DAP) 2005, Thai Institute of Directors (IOD)</li> </ul>	1.39	-	<p>Mar. 2020 - Present Chairman of the Board, Thainakarin Hospital Public Company Limited.</p> <p>2004 - Mar. 2020 Director, Thainakarin Hospital Public Company Limited.</p> <p>2011 - Present Chief Medical Officer, Thainakarin Hospital Public Company Limited.</p> <p>1993 - Present Specialist doctor and consultant specialized in internal medicine and gastroenterology. Thainakarin Hospital Public Company Limited.</p> <p>1989 - 2010 Medical Director, Thainakarin Hospital Public Company Limited.</p> <p>1989 - 2004 Director, Thainakarin Hospital Public Company Limited.</p>
3.	Hon. Clinical Prof. Chalporn Bhadrakom, M.D. Medical Director and Operation Director	75	<ul style="list-style-type: none"> <li>Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University</li> <li>Diplomate in Obstetrics and Gynecology</li> </ul>	-	-	<p>2014 - Present Medical Director, Thainakarin Hospital Public Company Limited</p> <p>2007 - Present Operation Director, Thainakarin Hospital Public Company Limited</p> <p>2004 - Present Advisor, Faculty of Medicine Siriraj Hospital, Mahidol University</p> <p>1997 - 2004 Head of Department of Obstetrics and Gynecology, Faculty of Medicine Siriraj Hospital, Mahidol University</p> <p>1995 - 2000 Main Collaborator CDC USA Head of STD, Faculty of Medicine Siriraj Hospital, Mahidol University</p>

No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
4.	Virachai Phungrasamee, M.D. Deputy Medical Director	69	<ul style="list-style-type: none"> <li>• Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University</li> <li>• Board of Obstetrics and Gynecology, Faculty of Medicine Siriraj Hospital, Mahidol University</li> </ul>	-	-	Deputy Medical Director, Thainakarin Hospital Public Company Limited Obstetrician, Thainakarin Hospital Public Company Limited Head of Ob-Gyn Department, Thainakarin Hospital Public Company Limited Obstetrician, Hua Chiew Hospital Obstetrician, Kluaynamthai Hospital Obstetrician, Mahesak Hospital
5.	Mrs. Nampetch Saraggananda Deputy Medical Director - Nursing	59	<ul style="list-style-type: none"> <li>• B.Sc. in Nursing, Police Nursing College</li> <li>• Mini MBA, Chulalongkorn University</li> <li>• Master of Public Administration (General Administration), Faculty of Political Science and Law, Burapha University</li> <li>• Nursing Administration, Chulalongkorn University</li> <li>• Private Hospital Administration, Private Hospital Association</li> </ul>	-	-	Deputy Medical Director - Nursing Thainakarin Hospital Public Company Limited Deputy Nursing Director, Thainakarin Hospital Public Company Limited Head of Inpatient Service Unit, Thainakarin Hospital Public Company Limited Head of Delivery Room Unit, Thainakarin Hospital Public Company Limited Ob-Gyn OPD Nurse, Police General Hospital Ob-Gyn Ward Nurse, Police General Hospital Delivery Room Nurse, Police General Hospital
6	Mrs. Chadarat Siriwat Deputy Operation Director	58	<ul style="list-style-type: none"> <li>• Bachelor of Public Health, School of Health Science, Sukhothai Thammathirat Open University</li> </ul>	-	-	Deputy Operation Director, Thainakarin Hospital Public Company Limited Nursing Director, Thainakarin Hospital Public Company Limited Acting Nursing Director, Thainakarin Hospital Public Company Limited Assistant Nursing Director, Thainakarin Hospital Public Company Limited Inpatient Department, Mission Hospital

No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
7.	Bancherd Balamongkhon, M.D. Deputy Operation Director (Quality Management)	47	<ul style="list-style-type: none"> <li>Doctor of Medicine, Faculty of Medicine, Chulalongkorn University</li> </ul>	-	-	Deputy Operation Director (Quality Management), Thainakarin Hospital Public Company Limited Intensivist, Thainakarin Hospital Public Company Limited Head Intensivist, Hua Chiew Hospital Anesthesiologist
8.	Miss Malee Boonleechai Senior Deputy Administrative Director - Corporate Support	56	<ul style="list-style-type: none"> <li>Bachelor of Economics, The Faculty of Economics, Chiang Mai University</li> <li>Mini MBA, Thammasat University</li> <li>Mini MBA, Chulalongkorn University</li> <li>Private Hospital Administration, Private Hospital Association</li> </ul>	-	-	Senior Deputy Administrative Director - Corporate Support, Thainakarin Hospital Public Company Limited Deputy Administrative Director - Business Development Thainakarin Hospital Public Company Limited Deputy Administrative Director, Thainakarin Hospital Public Company Limited Acting Deputy Administrative Director, Thainakarin Hospital Public Company Limited Assistant Administrative Director, Thainakarin Hospital Public Company Limited Manager, Office of Administrative Directors, Thainakarin Hospital Company Limited Manager, Procurement Department, Thainakarin Hospital Company Limited

No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
9.	Mrs. Daranee Dhubkaen Deputy Administrative Director - Finance and Accounting and Company Secretary	61	<ul style="list-style-type: none"> <li>Bachelor of Accountancy, Chulalongkorn Business School, Chulalongkorn University</li> <li>Master of Economic Development (Economics and Project Analysis and Evaluation), National Institute of Development Administration</li> <li>Private Hospital Administration, Private Hospital Association</li> <li>Strategic CFO in Capital Market Program (2018), The Stock Exchange of Thailand</li> </ul>	-	-	Company Secretary, Thainakarin Hospital Public Company Limited Deputy Administrative Director - Finance and Accounting, Thainakarin Hospital Public Company Limited Assistant Administrative Director- Finance and Accounting, Thainakarin Hospital Public Company Limited Director - Central Administration Department, Kasemrad Hospital (Bang Khae), Manager - Financial and Accounting, Chaophya Hospital Public Company Limited Accountant Officer, Bangkok Investment Company Limited Computer System Analyst, Bangkok Investment Company Limited
10.	Miss Patumrat Kachonsrikeit Assistant Medical Director - Nursing Service	51	<ul style="list-style-type: none"> <li>Bachelor of Nursing Science Program, Saint Louis College</li> <li>Master of Business Administration (MBA), Mae Fah Luang University</li> </ul>	-	-	Assistant Medical Director - Nursing Service, Thainakarin Hospital Public Company Limited Manager, Division Quality Management and Safety Management, Paolo Hospital (Chokchai 4) Manager, Quality Management Representative, Kasemrad Hospital (Sriburi)



No.	Name and Position	Age (Years)	Education	Shareholding in the Company (%)	Family Relationship among Directors and Executives	Work Experience
11.	Mr. Pongsak Techasatirakul Assistant Medical Director - Medical Support	57	<ul style="list-style-type: none"> <li>Bachelor of Science Program in Medical Technology, Chulalongkorn University</li> <li>Mini MBA, Chulalongkorn University</li> <li>Certificate of Training: Auditor of Clinical Laboratory quality assurance under the Thailand Medical Technology Council</li> <li>Certificate of Training: Auditor of Internal Survey under The Thailand Medical Technology Council</li> </ul>	-	-	Assistant Medical Director - Medical Support, Thainakarin Hospital Public Company Limited Allied Medical Manager, Thainakarin Hospital Public Company Limited Laboratory Manager, Thainakarin Hospital Public Company Limited Medical Technology Staff, Phayathai 1 Hospital Researcher, Faculty of Tropical Medicine, Mahidol University
12.	Miss Surunchana Tanpleeratana Assistant Administrative Director - Front Service	46	<ul style="list-style-type: none"> <li>Bachelor of Science (Physiotherapy), Mahidol University</li> <li>Mini MBA, Chulalongkorn University</li> <li>Master of Business Administration , Burapa University</li> </ul>	-	-	Assistant Administrative Director - Front Service, Thainakarin Hospital Public Company Limited Allied Medical Manager, Thainakarin Hospital Public Company Limited Human Resource Development Manager, Thainakarin Hospital Public Company Limited Physical therapy Department Manager, Thainakarin Hospital Public Company Limited
13.	Mr. Sarut Pongpairoj Assistant Administrative Director - Business Development	46	<ul style="list-style-type: none"> <li>BBA (Finance), Chulalongkorn Business School, Chulalongkorn University</li> <li>MBA (Supply Chain Management) University of Arkansas, Fayetteville, United State of America</li> </ul>	-	-	Assistant Administrative Director - Business Development, Thainakarin Hospital Public Company Limited Managing Director, Corner 43 Décor Company Limited

## Corporate Social Responsibility : CSR



Throughout 27 years in business, Thainakarin Hospital Public Company Limited. has provided quality and high-standard medical care under the vision of “world-class quality in healthcare, warm hospitality that treats everyone like family, affordable price, effective and transparent management and positive attitude staff,” alongside the code of professional ethics. The Management always holds that hospital business is not about profit-making only, but also the commitment to give best care for the health and quality of life of people, communities, the society and the environment. It is the Company’s firm belief that corporate social responsibility contributes to sustainable and robust business growth.

In this regard, the 5 core missions are set forth as follows:

1. To develop personnel competency, satisfaction and pride in the hospital;
2. To elevate the health care quality to the world-class standard;
3. To progressively proceed with continuous and sustainable development of the hospital;
4. To achieve the best hospitality with a warm and family-like treatment that creates lasting impressions;
5. To manage in accordance with the principles of good governance.

The Company has pursued the core missions through numerous projects and activities to attain business stability. The Hospital has also devised good corporate governance principles and provision of quality services in order to uplift quality of life and the society whilst helping preserve and restore the environment.

### Thainakarin Hospital’s CSR scheme is carried out on the following basis:

#### 1. Fair business conduct

The Company adheres to fair business conduct based on ethical principles, transparency, honesty and accountability, in tandem with avoidance of monopoly and piracy. Practices include:

- Giving all vendors equal opportunity to tender in order to prohibit monopoly and price discrimination.
- Comparing prices of products and services in order to promote transparency in procurement and to reduce operating costs, resulting in reasonable prices for customers.
- Set out rules and procedures for procurement in order to uphold business ethics, to refrain from soliciting and offering any benefits, and to protect interests in collaboration with suppliers and creditors.

#### Non-infringement of Intellectual Property Rights

The Company seeks to purchase copyrighted computer software, images, fonts including any other intellectual property rights for legitimate use by the organization. It has prohibited all directors, executives and staff from reproducing, modifying, altering or executing any other acts which are an infringement of copyrights or rights in the aforementioned intellectual properties, and imposed penalties on persons infringing intellectual property rights according to Thainakarin Hospital’s Information Security Policy to ensure fairness to the intellectual property right owners.

The Company sets guidelines on non-infringement of intellectual properties as follows:

1. The Company requires that all directors, executives and staff respect intellectual property rights of other persons. It shall seek prior permission of the legal owners of such intellectual properties.
2. The Company does not support the use of any works characterized as infringement of other persons’ intellectual properties, whether in form of reproduction, modification, alteration, advertising, republication, exhibition or any other acts characterized as support of works that infringe other persons’ intellectual properties.

3. The Company prohibits all directors, executives and staff from executing any acts characterized as infringement of other persons' intellectual properties, whether in form of reproduction, modification, alteration, advertising, republication or any acts characterized as infringement of the owners' of intellectual property rights.

## 2. Respect for human rights

Appreciating that human rights are the basic rights inherent to all human beings, Thainakarin Hospital embraces respect for human rights under the following practices:

### 2.1 Overall process of services rendered to patients and customers

Thainakarin Hospital recognizes its duty as a medical care service provider with a responsibility to respect the customers' rights and complied with Personal Data Protection Act B.E. 2562. For this reason, staffs of all units have been inculcated with full regard for patients' rights according to the Declaration of Patients' Rights and Patients' Duties issued and certified by 6 professional federations on 12<sup>th</sup> August 2015, namely.

### Patients Rights

1. All patients have the fundamental right to receive healthcare services as specified under the Constitution.
2. Patients seeking healthcare services have the right to receive accurate and sufficient information from healthcare providers, in words the patients can easily understand, about the illness, medical examination, treatment, advantages and disadvantages of such examination and treatment so that they can make a well-informed decision on whether to consent to or refuse treatment from healthcare providers, except in case of life-threatening emergency.
3. Patients in life-threatening conditions have the right to receive immediate attention from healthcare providers as necessary, whether or not the patients requested so.
4. Patients have the right to know names, surnames and professional status of the healthcare providers delivering services to them.
5. Patients have the right to seek a second opinion from other healthcare providers and to request for the change of healthcare service provider and establishment.
6. Patients have the right to receive from healthcare providers the strict protection of their personal information, except upon the patients' consent or by legal requirements.
7. Patients have the right to receive complete information for making decision to participate in or withdraw from an experimental research conducted by healthcare providers.
8. Patients have the right to receive information, upon request, about their own treatments as appeared in the medical records, provided that such information does not violate personal rights of a third party.
9. For patients under the age of 18 or with physical or mental impairment who are unable to exercise their rights, their father, mother or legal representatives may exercise such rights on their behalf.

### Patients' Duties

1. Inquire to gain an understanding of all information and possible risks before placing their signature to consent to or refuse medical diagnosis or treatment.
2. Provide accurate and complete facts and information regarding their health to healthcare providers in the course of treatment.
3. Cooperate with and follow treatment-related advice of healthcare providers, and notify the healthcare providers in case they are unable to follow such advice.
4. Cooperate and comply with hospital rules and regulations.
5. Treat healthcare providers, other patients as well as visitors with respect and politeness, and avoid causing disturbance to others.

6. Inform relevant personnel of the Hospital about their healthcare rights along with documents thereof.
7. Patients should acknowledge medical facts and information as follows:
  - 7.1 Healthcare providers who work according to professional standards and ethics are duly protected by laws and entitled to protection against unjust accusations.
  - 7.2 "Medical practice" is hereby defined as modern medical practice that has been scientifically proven by the body of knowledge at that time to be of benefit rather than harm to the patients.
  - 7.3 Medical practice is unable to diagnose, prevent or cure every disease or condition.
  - 7.4 Every type of medical treatment carries possible risks of undesirable effects. Apart from that, inevitable events can occur even when healthcare providers have exerted sufficient care under conditions and circumstances of such medical treatment.
  - 7.5 Examination for the purpose of screening, diagnosis and follow-up may have varying results due to limitations of technology and other uncontrollable factors beyond operating standards.
  - 7.6 Healthcare providers have the right to exercise their discretion to select treatment process according to medical principles, their capabilities and limitations, as well as the given conditions and circumstances, and to provide consultations and transfers for the patients' rights and benefits in general.
  - 7.7 For the interest of patients, healthcare providers may give advice or suggest transfers in order that the patients receive proper treatment, provided that such patients are not in emergency and life-threatening conditions.
  - 7.8 Patients' concealment of their health-related information and medical facts from healthcare providers may adversely affect medical treatment process.
  - 7.9 Hospital emergency rooms are for patients under emergency and life-threatening conditions.

With respect to this, Thainakarin Hospital has posted up the Declaration of Patients' Rights and Patients' Duties in all services areas for customers' acknowledgement, promoted ethical conducts of service providers, and focused on active fulfillment of customer needs.

## 2.2 Information

All data in medical records is a kind of health information. Thainakarin Hospital has set a clear policy on privacy and confidentiality of patients. A good medical record management system is implemented across the whole process, with chief concern for fundamental rights and best interests of the patients. Medical records of the Hospital can be divided as follows:

1. Paper-based medical record: Information is kept in document form and into medical record files. The Medical Record Development Committee has a responsibility to set pertinent formats and processes, including preparation of new patients' medical records, and determination of information necessary for providing medical care. Important data shall be compiled by personnel in related units, e.g. basic information, benefit-related information by registration officer, patient care information by nurses, diagnostic and treatment information by physicians, etc.
2. Electronic medical record: Relevant data is recorded into the system by all service-providing personnel according to their respective access authorizations and duties. The Medical Record Development Committee, the Information Committee and other related parties are responsible for defining such authorizations, duties as well as information useful for arranging services compliant with recognized standards, such as Hospital Accreditation (HA), ISO 9001, JCI, etc.

All data, in whatever format, is known to be crucial and clear guidelines must be established regarding access authority to each medical record. Thainakarin Hospital staffs of all levels have acknowledged policy and complied persistently.

To develop the healthcare services, the key element of business relies partly on systematic utilization of intra-organizational information in support of management and operations. For example, healthcare information is presented via Social Network, with the aim of generating maximum benefits for service users. Statistical data can be utilized by working units as a tool for efficient internal management, where the Business Intelligence (BI) system is developed for use in data analysis to boost organizational development efficiency. In addition to security system improvement and a clear policy on confidentiality and security of service users' data.

## Corporate Social and Environmental Responsibility in Medical Record Execution and Management

The Medical Record Development Committee and multidisciplinary units have jointly formulated a policy on the Company's medical record management system, taking into account the rights of patients, the communications of information to health service colleagues, as well as the creation of a medical record keeping culture. The use of information for medical treatment purpose shall cover the provision of important information for medical treatment to other hospitals in compliance with acceptable standards of practices, namely Hospital Accreditation (HA), and with reference to international standards, such as Joint Commission International (JCI), the National Safety and Quality Health Service Standards (NSQHS), etc.

**Social Responsibility:** High priority is given to the consideration of the rights of patients and related persons in the medical record information. Examining physicians and service staff shall record all important factual information, access to which is granted only to the permitted requestors, authorized representatives and approving persons. Duplication of the approved medical history record must be in accordance with the specified procedures in order to safeguard the confidentiality and safety of patients' information according to the Declaration of Patients' Rights and Patients' Duties.

**Environmental Responsibility** Medical record documentation and files involve the use of a large quantity of paper. The Company has established guidelines for destruction of medical records of patients having lost contact for over 5 consecutive years. The patients' record documents shall be shredded to prevent the patients' information from being exploited, and then be recycled for useful purposes. Accordingly, the Company takes part in helping the environment and indirectly contributes to less cutting down of trees for paper making.

### 2.3 Personnel

The Company puts emphasis on developing and managing personnel to have good consciousness towards society as well as to have knowledge, skills, specialization, and service mind, as well as strives to build social benefits via society by holding some trainings for providing knowledge as well as some projects or activities for society, for example, energy efficiency training course, safety, occupational health, and environmental training course, Infectious Diseases Prevention and Control, Basic Life Support, etc. In addition, the company also holds some activities to provide social benefits without seeking for any profit. For example, providing some personnel to look after elderly, granting some awards to personnel making benefits to customers and general people, etc.

The Company still recognizes the importance of occupational safety for staff, which shall be supervised by the Occupational Health and Environment Committee (ENV) regularly. Work-related injuries shall be analyzed to subsequently review and improve preventive work procedures. Additionally, the ENV Committee and the Human Resources Department have required the Company's personnel to attend, on an annual basis, fire prevention and extinguishing drills, fire evacuation drills, and earthquake evacuation drills for the safety of themselves and the patients.

### 3. Anti-Corruption

The Company seeks to promote the significance and awareness of anti-corruption among employees of all levels, as well as taking internal control measures against corruption and bribery-related conducts of all forms.

Under the Company's business philosophy, all its business associates must act in a forthright, honest, accountable and non-corrupt manner in compliance with relevant laws and corporate anti-corruption policy, without bringing disgrace on or undermining the Company's reputation. Pertinent practices are adopted as follows:

- 3.1 Never commit corruption and be cautious in the course of high-risk operations;
- 3.2 Never disregard or ignore any acts of corruption related to the Company when witnessing one, must report the case to the supervisor or responsible person, and cooperate in the fact-finding investigation as well.
- 3.3 Giving or accepting of financial donations and sponsorships must be carried out with transparency in accordance with the Company's regulations and governing laws. It must be ensured that such donations or sponsorships are not used for bribery.
- 3.4 Be duly careful when conducting business transactions with any persons, juristic persons or organizations suspected of corruption.

### 4. Fair Labor Practices

The Company respects and obeys the law and code of ethics in treating every employees equally without any discrimination. Pertinent practices are as follows:

- Recruitment system is implemented with respect for human rights and in line with fair labor practices, free from discrimination, partiality, exclusion, employment bias and engagement of child labor. The Hospital has opened job opportunities for nearby communities and coordinated with the District Office on job creation for people in the communities.
- Payroll system, disciplinary procedure, and protection of pregnant employees are carried out on a legal, fair and equitable basis.
- Employment of the disabled demonstrates respect for human rights and promotion of career progress and security for disabled people. The Company has therefore given career support to persons with disabilities and employed them for positions suitable to their physical and mental conditions, such as telephone operators and officers at various units.
- The Company provides job security to its personnel through the long-term employment policy.

### 5. Responsibilities towards Consumers

In dedication to its slogan of "Thainakarin...The Hospital you can trust" the Company also gives particular attention to service quality under the following principles:

- Convenient, fast, precise and accurate medical care services shall be provided for everyone.
- Executives shall inspect operations of service units on a daily basis.
- User satisfaction survey shall be conducted to enhance and develop service quality.
- Customer care/complaint unit and system shall be put in place to take corrective actions and improve service quality in every dimension.
- Foreign officers shall be arranged for foreign customers to ensure correct and complete communication and treatment.
- Appointment reminder system is provided to enable continuous treatment for patients and follow-up for treatment evaluation.



- Providing standard ambulances for supporting emergency patients with diseases on cardiovascular system and nervous system.
- Proactive security unit management is arranged to ensure full efficiency in assisting service users, i.e. parking spaces for the disabled, transport services to-from distant parking area, interdepartmental coordination on patient transfer and porter services, inspection of fire extinguishing equipment in all units on the 30<sup>th</sup> of every month, monthly drill on how to operate fire extinguisher equipment, hospital-wide security system entailing CCTVs throughout the Hospital premises in tandem with 24-hour security guards stationed both inside and outside the buildings including deserted spots to ensure the safety for the lives and possessions of all service users and staff. The Hospital has also encouraged capacity enhancement for security guards and also coordinated with Bangna Police Station on counter-sabotage measures.
- Service space management with social distancing to prevent and control epidemic spreading alongside cleaning up service areas, tools and equipment by disinfectant solution i.e. waiting seats, elevators, escalator handrails and wheelchairs as specified by the Ministry of Public Health on how to prevent and control epidemic spreading in the hospital.

## 6. Occupational Safety, Health and Environment

The Company is committed to act responsibly toward the environment, safety and the society, thereby facilitating the safety and wellbeing of its staff, patients and visitors. This commitment has been adopted as policy and annual action plan under the supervision of the Hospital's Occupational Safety, Health and Environmental Committee, comprised of management-level representatives and employees as representatives of operating-level staff. The organization's physical, environmental and safety structures are managed in accordance with the Hospital and Healthcare Services Standards (No 4) of The Healthcare Accreditation Institute (Public Organization), BMA Office of Disaster Prevention and Mitigation's standards for mega high-rise buildings, and those of other agencies etc. These standards provide frameworks for planning, supervision and control. Meanwhile, pertinent information and indicators are used in analyzing and identifying causes in order to consistently take preventive and corrective actions on major physical, environmental and safety structures.

Number of accidents classified by nature and gravity, during August 2019 - July 2020

Nature of Accident	Number of Employees Exposed to Danger, and Gravity (Person)					Total
	Death	Disability	Leave, Over 3 days	Leave, 3 days or less	No Leave	
Injury: sharp force/puncture wound	0	0	0	0	0	0
Injury: vehicle accident	0	0	0	0	0	0
Injury: slip/trip/fall	0	0	0	0	0	0
Injury: burn/scald	0	0	0	0	0	0
Injury: electric shock	0	0	0	0	0	0
Injury: crash/collision with object	0	0	0	0	0	0
Injury: exposure to chemical substance	0	0	0	0	0	0
Injury: other causes	0	0	0	1	2	3

## Monitoring of Performance

### 6.1 Physical environment and safety

- Building inspection is performed by internal units and external experts certified by Department of Public Works and Town & Country Planning on an annual basis, with due structural improvement in compliance with the Building Control Act B.E. 2522 and other relevant laws in order to affirm and ensure service users and staff of solid and safe building structures.
- Relevant measurement are conducted in accordance with the Occupational Safety, Health and Environment Act, B.E. 2554 with reference to the Ministerial Regulations on standards for management and execution of occupational safety, health and environment for work involving heat, light, sound and electric.
- Policy on Prevention and Solution to Drugs Problems in an Establishment, the Company participates in White Workplace Project of the Department of Labor Protection and Welfare, Bangkok. The Company won White Workplace Award for consecutive 2 rounds, namely, 2015 - 2018 and whereas in the years 2018 - 2020 was certified to renew the second round.

### 6.2 Hazardous Materials and Waste

- Manual for storage and disposal of hazardous materials, such as blades and needles handling. Training programs on infection prevention and control as well as waste sorting are constantly arranged for personnel related to patient care and housekeeping.
- Manual for protection against chemical substances such as chemical inventory, together with practice guidelines for prevention and management against risk from chemical exposure at work.

### 6.3 Emergency and Fire

- Fire extinguishing system and equipment are inspected 30<sup>th</sup> of every month and a full-scale inspection shall be conducted once every 6 months in accordance with the Ministerial Regulation Prescribing Standards for Administration, Management and Execution of Occupational Safety, Health and Environment in Relation to Fire Prevention and Control.
- Basic fire prevention and prevention knowledge is provided every year for staff.
- Annual fire evacuation drill is conducted once a year. In addition, basic fire extinguishing drills are arranged for high-risk working units, such as Nutrition Department, cafeteria, etc. so that the staff gain knowledge, understanding and awareness of fire hazard and can respond according to the Fire Prevention and Extinguishing Plan in the event of fire incident. Any flaws detected during the drills shall be used for developing a more efficient fire prevention and extinguishing system.
- Contingency plan against brawl incident in the Hospital's premises and surrounding communities.

### 6.4 Utility System

- Guidelines for proper use of utility systems in line with energy efficiency plan, provided that such practices do not affect good quality of services.

### 6.5 Health Promotion

- Thainakarin Hospital has placed emphasis on health promotion to bring about physical and mental healthiness of its staff, by giving its staff full healthcare support i.e. annual health checkup, medical program, influenza vaccinations, sports groups, aerobics, including personal protection equipment at work and also bring Medical Examination of personnel to analyze to find a way to prevent diseases for vulnerable groups.

## 6.6 Environment Protection

- Wastewater treatment system has put in place by Sequence Batch Reactor (SBR).
- The new chiller system with environmentally-friendly refrigerant is used.
- Awareness is raised throughout the Hospital about waste reduction, focusing on reuse and efficient use of resources with a sense of eco-friendliness.
- Encourage to have good behavior about waste separation and waste littering.
- Introduce the campaign on “zero use” of plastic bags and foam.

## 7. Innovation and Diffusion of Innovation obtained from CSR Operations for Society, Environment, and Stakeholders

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## 8. Community and Social Development

Recognizing its responsibility to communities, the society and environment, Thainakarin Hospital has organized health-promoting activities to acquaint people in nearby communities with public health knowledge useful for developing their life quality and keeping their family members in physical healthiness and safe from illnesses.

In the year 2020 we launched the primary health care unit to provide physical check-up to residents in the surrounding communities of the Hospital, for instant, Lumpini Condo, Mega City Bangna, Post Office-Bangna, Kensington Condo-Sukhumvit, Tepharak, and Toyota Motor Thailand Co., Ltd. The checking up services include blood pressure checking, blood-sugar checking body composition analysis. We also provide physical health development activities at the American School of Bangkok Green Valley Campus equipped with the primary ambulance and nursing units. Parents receive primary health check-up coupling with consultation for children health by our professional nursing team. Additionally, due to the COVID - 19 epidemic impact Thainakarin Hospital also invited physicians to share ideas on “COVID - 19 Distancing Started by US” at the Central Plaza Bangna, to alert people for self-caring by wearing mask, alcohol-gel hand cleaning, avoiding community participation, keeping social distancing and joining the public social responsibility idea.

### Care for Counterparty Customers

The Hospital established prevention and health development activities against “Pnuemonia by COVID - 19” by having professional nursing teams to provide knowledge and how to keep distancing against COVID - 19 at Thai Yamaha Motor Co., Ltd. and Isuzu Motor (Thailand) Co., Ltd.

### Care for Insurance Brokerage Customers

The Hospital created relationship with the insurance brokerage customers to publicize our services and caring capacity. We expect to have them recommend their insured customers to use our services throughout. The Hospital also taking care of all policy holders with our available conveniences when they come for our services.

# Internal Control and Risk Management



In effort to prevent potential damages to the business, the Company focuses on establishing internal control systems that cover financial activities, operating activities, risk management and supervision at both management and operational levels, thus enabling it to accomplish goals in resource optimization, asset protection, and error, leakage and loss reduction. The control responsibilities for approval, transaction recording and asset custody are segregated in order to secure proper checks and balances. Besides, the Company has put in place internal financial audits, accompanied by periodic monitoring by executives in charge, to ensure that its financial reporting system is accurate and reliable in compliance with relevant regulations and laws.

In 2020, the Board and the Audit Committee has jointly assessed the adequacy of the Company's internal control system in 6 interrelated aspects as follows:

## 1. Organization and Control Environment

The Company has an appropriate organizational structure, with a clear scope of authorities, duties and responsibilities. It has adopted a policy to inculcate a positive corporate culture where employees at all levels perform their duties with accountability, utmost ability and conformity to internal control system. All employees are well aware of their roles, authorities, duties and responsibilities, and also strictly comply with corporate policies and procedures. The adequacy of internal control including actual operations are reviewed and reported regularly to ensure policy compliance.

## 2. Risk Management

The Company has established the Risk Management Committee, with the Deputy Operation Director being the Chairman by position. The Committee is in charge of setting policies in relation to risks and safety, laying strategic plan in enterprise risk management, putting in place the risk management system that incorporates risk detection, risk reporting, enterprise risk analysis, continual improvement, preventive measures and contingency plan against potential risks and undesirable incidents in healthcare services. The system shall also promote well-organized risk information management system, safety culture, consistent and efficient risk management practices at enterprise, the Board and working unit levels, together with constant monitoring and assessment of risks in accordance with the standards of The Healthcare Accreditation Institute (Public Organization).

## 3. Management Control

The Company has clearly set out scopes of authorities and duties, approval authority limits of the Management, and regulations and procedures on conflict of interest of directors and senior executives. Pertinent actions by the Management shall be reported to the Board and included as a regular agenda item of the Board meeting on a tri-monthly basis.

The Company has rationally laid down its internal control system that ensure that payments and receipts of money are properly approved by the executives and the Board. The internal control system is developed in consistent with the anti-corruption measures and appropriate to corruption risks of the Company.

The internal control encompasses policy and procedures to ensure that the guidelines laid by the Board and the executives are implemented into practice and in accordance with the corporate governance policy of the Company. Widely popular, internal control is a process executed by the Board, executives or other personnel in order to provide reasonable confidence regarding business efficiency, reliability of financial reports and compliance with the laws and regulations. Meanwhile, auditing is a process to review the reliability of internal control system, documents and performance in order to assure the executives, investors and other stakeholders of said matters. The auditing is carried out jointly by the internal auditors and the external auditors.

#### 4. Information and Communication Systems

The Company has developed, in accordance with internal standards of data security, an information system with appropriate control of data and system access, as well as an action plan on protection of information, especially that of customers and employees. The system encompasses such aspects as e-Medical record, human resources management, intra-network and data backup for various processes, in order to enable a stable course of information system risk management.

The Company seeks to enhance its information service system, such as better internet speed to efficiently meet the need of ever-increasing users and higher data transfer. In addition, the Company has improved its print-out system, which does not only boost service efficiency but also results in cost efficiency.

Overall, the Company's information and communication systems are in an ongoing phase of continuous development, so that the executives and committees can utilize such information most efficiently and effectively.

#### 5. Monitoring System

The Company holds meetings to follow up operating performance, risks and key performance indicators on a regular basis. In addition, the Company has implemented risk managing process and analyzed for causes of performance gaps in order to take corrective actions, as per the opinion of the Audit Committee disclosed in the Audit Committee's Report for 2020.

In addition, the Company has established a system of monitoring and reviewing operational manuals to be in line with all risks across-the-board.

#### 6. Internal Audit

The Audit Committee appointed Miss Wiyadarat Sintharajiratha to hold the position of the Audit Manager for supervise, control the company's operation and coordinate with Internal auditors from outside company whereas Miss Wiyadarat Sintharajiratha graduated in Bachelor of Accountancy from Ramkhamhaeng University and Mini MBA from Chulalongkorn University. She has ever held the position of Accounting Manager of Thainakarin Hospital PCL and has had some experiences on internal audit of hospital business over than 20 years. Since she has understanding on the company's business and operation, the Audit Committee agrees that the Audit Manager is appropriate to perform such duty. Consideration and approval on appointment and transfer of the Audit Manager must be approved by the Audit Committee.

## Related-Party Transactions



In 2020 and as of 31<sup>st</sup> July 2020, the Company had related-party transactions and outstanding balances with persons of possible conflict of interest as shown in the financial statements and note No.6 to the financial statements.

### Necessity and Reasonableness

Related-party transactions are executed based on necessity and reasonableness for the best interest of the Company in line with its normal business practice and fair price basis. The Audit Committee has already given opinions on these related-party transactions in the preceding section.

### Measures and Procedures for Related-party Transaction

The Company has strictly complied with the Securities and Exchange Act B.E. 2535, the Stock Exchange of Thailand's regulations, notifications and requirements, and the Public Limited Companies Act B.E. 2535. Directors or persons who have interest in a transaction or may have conflict of interest with the Company shall have no right to approve such transaction, unless otherwise allowed the Public Limited Companies Act B.E. 2535, notifications or requirements, or the Public Limited Companies Act B.E. 2535. Principles regarding execution of related-party transactions as well as acquisition and disposal of the Company's assets have clearly been stipulated in its Articles of Association.

### Policy or Trend of Future Related-party Transactions

The Company has laid a policy on future related-party transactions, where the Board shall take into consideration the necessity and reasonableness of transactions along with the Company's best interest in terms of prices and normal business conditions. The Audit Committee is responsible for giving opinions on the necessity and reasonableness of the related-party transactions and compliance with normal business practice, based on comparison with prices on an arm's length basis. As a policy, such related-party transactions as borrowings from persons with possible conflict of interest shall be executed only when the Company is in financial need yet there are no other sources of fund that offer better terms or interest rates closer to loan rates than its related persons.

### Measures on Investor Protection

In relation to related-party transactions and acquisition/disposal of assets, the Company has set in its Articles of Association clear regulations prohibiting directors or persons who have interest or may have any conflict of interest in a transaction from voting and approval of such transaction, which is in compliance with the Stock Exchange of Thailand's regulations, notifications or requirements and governing laws. Additionally, the Audit Committee is assigned to give opinions on the necessity and reasonableness of the related-party transactions. Pertinent information shall be disclosed in accordance with the Stock Exchange of Thailand's regulations, and also be included in the Company's financial statements and annual reports.

In the event that the Audit Committee has no expertise in reviewing a future related-party transaction, the Company shall seek opinions thereon from independent experts or the Company's auditors to support decision-making of the Board of Directors or the shareholders, as the case may be.



Related-party transaction report for 31<sup>st</sup> July 2020 and 2019

Related party and relationship	Transaction	Transaction Value (MB)		Necessity and Reasonableness
		2020	2019	
1. Doctors being directors and executives	Doctor's fees: are paid to directors and executives of the Company	11.41	11.59	The transactions are necessary and reasonable because the directors and executives being doctors are entitled to receive doctor's fees at the rates comparable to other doctors working for the hospital.
	Accrued doctor's fee expenses as of 31 <sup>st</sup> July	1.04	0.95	
2. Siam Property Development Company Limited	Medical fee income: The transactions are in the normal course of the Company's business and charged at the rates applicable to general customers.	0.10	0.05	The transactions are necessary and reasonable. They are considered normal trade transactions and charged the rates applicable to general customers.
	Medical fee receivables as of 31 <sup>st</sup> July	0.00	0.00	
3. Thep Pongpat Company Limited	Rental fee income: Rental income is from a food court open to visitors for their convenience and to employees as welfare benefits. Rental agreements are fairly priced and based on standard conditions.	0.32	0.30	The transactions are necessary and reasonable. They are considered normal trade transactions.
	Other receivables as of 31 <sup>st</sup> July	0.07	0.08	
4. Directors	Welfare expenses: According to the Company's The transactions are necessary regulations, medical benefits for directors and their spouse, children and parents are limited at Baht 800,000 per year per person and do not cover doctor's fees, lab tests and examination by other hospitals and special equipment.	3.23	4.25	The transactions are necessary and reasonable. They are considered normal trade transactions.

## Report of the Audit Committee

Dear The Company's Board

Thainakarin Hospital Public Company Limited

The Audit Committee is appointed by the Board of Directors and consists of 5 independent directors, namely Mr. Kraisak Kadkum, the Chairman of the Audit Committee, with Dr. Pridi Hetrakul, Assoc. Prof. Dr. Chertsak Dhiraputra, Assoc. Prof. Dr. Panya Issarawornrawanich, and Mr. Chailerk Wiriyanatanaporn serves as the Audit Committees whereas Mr. Attapong Tipaksorn acting secretary to the Audit Committee.

The Audit Committee has carefully and independently performed duties in accordance with the scope of roles and responsibilities approved by the Board of Directors and in accordance with applicable laws, rules of the Stock Exchange of Thailand and relevant instructions. The Audit Committee members have effectively harnessed knowledge and competencies in such duty performance and received full access to relevant information and good cooperation from executives, internal auditors and auditors. During the 2020 accounting period from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020, the Audit Committee held 5 meetings and executives, internal auditors and external auditors were invited to the meetings to provide relevant information as summarized below

1. Review of quarterly financial statements and 2020 financial statements - The Audit Committee made inquiries and received clarification from executives and auditors regarding the accuracy and adequacy of financial statements and disclosure. The Audit Committee concurs with the auditor that the financial reports are materially accurate, reliable and in accordance with generally accepted accounting standards.
2. Review of internal audit - The Audit Committee has reviewed the scope of work, roles, responsibilities and independence of internal auditors based on the internal audit guidelines stipulated by the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company's internal controls are adequate, appropriate and effective, and meet good standards.
3. Review of performance and internal controls - The aim of the review is to assess the adequacy and effectiveness of internal controls which are necessary for the Company's goal achievement. The review is based on the reports on internal audits which have been carried out in accordance to approved audit plans and covered key systems of the Company.

No material issues are found. The Company has appropriately managed the properties and assets and complied with the Securities and Exchange Act, requirements stipulated by the Stock Exchange of Thailand and applicable laws and regulations. Authority delegation and approval have conformed to applicable procedures and effective internal control principles. The Company has also adhered to and updated the principles of good corporate governance to promote transparency and adapt to changes.

4. Review and opinion on related-party transactions and conflicts of interest - Transactions of the Company are reasonable, transparent and beneficial to the Company. Relevant disclosure has been accurately and adequately made.

5. Screening and nomination of auditors - The Audit Committee has reviewed and rendered opinions on the nomination of auditors to the Board of Directors which will be proposed to the shareholders' meeting for approval. The nominated auditors for 2021 are Mrs. Sarinda Hirunprasurtwutti, CPA license number 4799 or Ms. Siriwan Nitdamrong, CPA license number 5906 or Mr. Samran Taengcham, CPA license number 8021 of EY Office Limited. The audit expense budget for the year ended 31<sup>st</sup> July 2021 includes the audit fee of Baht 1,170,000 and the out-of-pocket expenses within the limit of Baht 30,000 and the company must recruit other auditors for proposing to the General Meeting of Shareholders for considering and approving.

The Audit Committee has dutifully undertaken its responsibilities as assigned by the Board of Directors and is of the opinion that the Company's financial report and operations are correct. The Company has implemented internal controls and internal audits, complied with legal and regulatory requirements and correctly disclosed related-party transactions. In addition, the Company has adhered to the principles of good corporate governance to promote transparency and reliability as well as continuously developed its systems and operations to meet the quality standards and match the business environment.



**Mr. Kraisak Kadkum**

The Chairman of the Audit Committee

Thainakarin Hospital Public Company Limited

## Scope of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors gives priority to discharging its supervisory duties and responsibilities in accordance with the Company's Good Corporate Governance Policy. Financial reports and information disclosed in the 2020 Annual Report contain accurate, complete, adequate details, and are prepared in compliance with the generally-accepted accounting standards using appropriate accounting policies that are consistently applied based on prudent consideration. The Board has assigned the Audit Committee to review the Company's latest financial statements. Said financial reports have been reported to be carefully prepared in accordance with the generally-accepted accounting principles using appropriate accounting policies, and been assessed for the appropriateness of overall items presented in the statements, with adequate information disclosed in the notes to the financial statements. The Audit Committee's opinions regarding such matters are stated in the Company's Annual Report and also the Report of the Audit Committee for the year 2020.

Additionally, the Board has set up an efficient and effective internal control system to ensure complete and accurate recording of accounting transactions, as well as an asset control system to prevent frauds or material damages.

In summary, the Board is of an opinion that the Company's overall internal control system is at a satisfactory level to establish reasonable confidence in the reliability of the Company's financial statements as of 31<sup>st</sup> July 2020. The external auditor has audited the aforementioned statements according to the generally-accepted auditing standards and viewed that the financial statements present fairly, in all material respects, the financial position and financial performance in accordance with generally-accepted accounting principles.



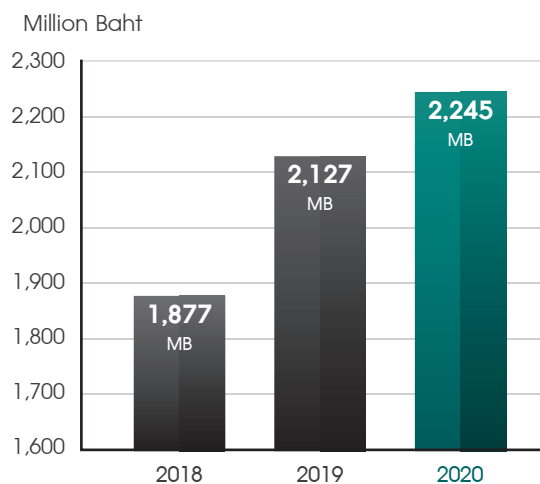
**(Charoen Meensook, M.D.)**

Chairman of the Board

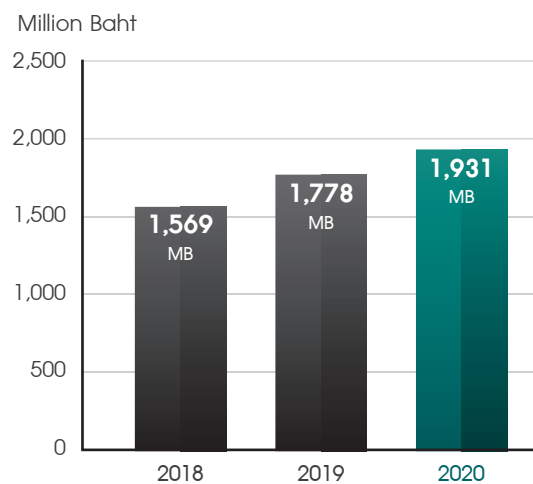
Thainakarin Hospital Public Company Limited

## Financial Highlights

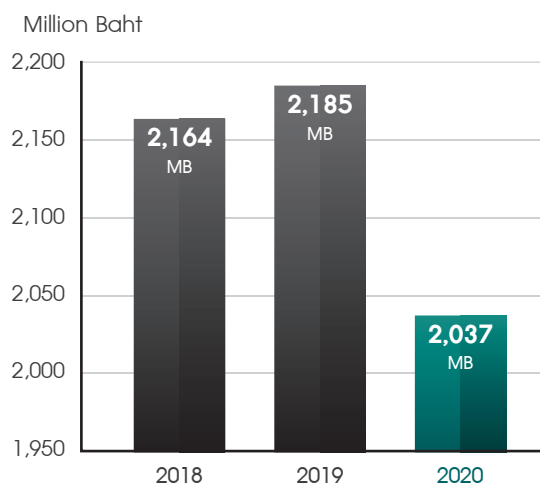
### Total Assets



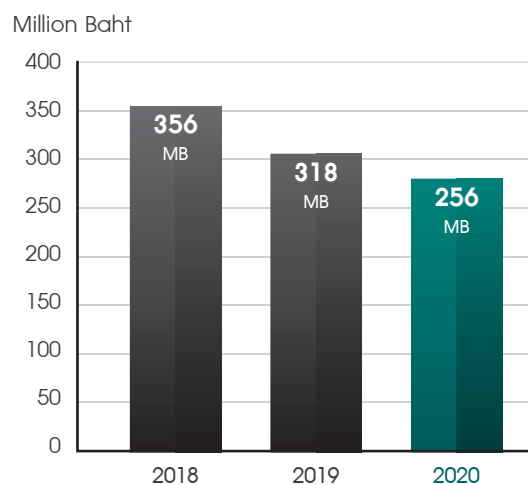
### Total Shareholder's Equity



### Total Revenues



### Profit



## Financial Highlights

Financial Performance (Million Baht)	2020	2019	2018
Total current assets	1,111.12	868.47	1,266.49
Total assets	2,244.84	2,126.99	1,877.30
Total current liabilities	215.61	267.40	248.51
Total liabilities	314.13	349.10	308.74
Total shareholder's equity	1,930.71	1,777.89	1,568.56
Total revenues	2,037.47	2,185.07	2,164.27
Profit for the year	256.33	317.53	356.06
Basic earning per share (Baht)	1.42	1.76	1.98
Financial Ratios			
1. Liquidity Ratio (time)			
1.1 Current ratio	5.15	3.25	5.10
2. Efficiency Ratio (Day)			
2.1 Average Collection Period	23	22	21
2.2 Average Inventory Period	7	7	7
2.3 Average Payment Period	17	20	21
3. Profitability Ratio (%)			
3.1 Gross Profit Margin	23.98	26.66	28.60
3.2 EBITDA Margin	20.06	22.16	24.43
3.3 Net Profit Margin	12.58	14.53	16.45
3.4 Return on Assets	14.45	19.56	25.04
3.5 Return on Equity	13.82	18.98	24.65
4. Financial Policy Ratio (time)			
4.1 Total Liabilities to Equity	0.16	0.20	0.20
4.2 Interest Coverage	-	-	-
5. Other Financial Ratio			
5.1 Growth on Revenues from Hospital Operations (%)	-6.78	0.97	9.46
5.2 Growth on Net Profit for the Year (%)	-19.27	-10.82	22.53
5.3 Book Value per Share (Baht)	10.73	9.88	8.71



# Independent Auditor's Report and Note to Financial Statements

## Independent Auditor's Report

To the Shareholders of Thai Nakarin Hospital Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thai Nakarin Hospital Public Company Limited ("the Company"), which comprise the statement of financial position as at 31 July 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Nakarin Hospital Public Company Limited as at 31 July 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Emphasis of Matter

I draw attention to Note 1.2 and 3 to the financial statements. Due to the impact of the COVID-19 outbreak, in preparing the financial information for the year ended 31 July 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

The COVID-19 pandemic evolved, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company in its investment in the General Fixed Income Fund managed by a fund management company that announced the termination of the fund in late March 2020 and is currently under liquidation. However, the impact cannot be reasonably estimated at this stage. The Company's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Fund, provisions and contingent liabilities, and will record the impact when it is possible to do so.

My opinion is not modified in respect of this matter.

### Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

#### *Revenue recognition*

Revenues from hospital operations are considered significant in the financial statements as the amounts recorded are material, representing 99% of the total revenues and they directly affect the operating results of the Company. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Company.

I examined the revenue recognition of the Company by assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquires of responsible executives, gaining an understanding of the controls and selecting representative samples to the operation of the designed controls. In addition, I applied a sampling method to select revenue from hospital operation transactions occurring during the year to examine the supporting documents. I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant financial ratios with the past information and industry to detect possible irregularities in revenues from sales and services throughout the period, particularly for accounting entries made through journal vouchers.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

I also provide those charged with governance with a statement that 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 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.

I am responsible for the audit resulting in this independent auditor's report.



**Satida Ratananurak**

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 11<sup>th</sup> September 2020

## Thai Nakin Hospital Public Company Limited

## Statement of financial position

As at 31 July 2020

Unit : Baht

	Note	31 July 2020	31 July 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	312,038,932	267,719,290
Current investments	8	645,637,776	421,941,607
Trade and other receivables	6, 9	119,921,494	147,934,391
Inventories	10	33,417,578	27,826,572
Other current assets		99,929	3,052,699
<b>Total current assets</b>		<b>1,111,115,709</b>	<b>868,474,559</b>
<b>Non-current assets</b>			
Long-term deposits at financial institutions	11	-	100,000,000
Property, plant and equipment	12	480,108,311	484,917,651
Intangible assets	13	2,784,647	3,185,555
Leasehold rights	14	629,534,222	651,845,592
Deferred tax assets	19	21,025,276	18,449,707
Other non-current assets		273,335	118,229
<b>Total non-current assets</b>		<b>1,133,725,791</b>	<b>1,258,516,734</b>
<b>Total assets</b>		<b>2,244,841,500</b>	<b>2,126,991,293</b>

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

# Thai Nakarin Hospital Public Company Limited **Statement of financial position (continued)**

As at 31 July 2020

Unit : Baht

	Note	31 July 2020	31 July 2019
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	15	126,587,006	155,635,862
Doctor fee payable	6	73,104,294	81,660,162
Income tax payable		14,991,231	29,020,934
Other current liabilities		931,170	1,083,424
<b>Total current liabilities</b>		<b>215,613,701</b>	<b>267,400,382</b>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits	16	97,551,354	81,176,693
Other non-current liabilities		969,430	523,000
<b>Total non-current liabilities</b>		<b>98,520,784</b>	<b>81,699,693</b>
<b>Total liabilities</b>		<b>314,134,485</b>	<b>349,100,075</b>
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Registered			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Issued and fully paid-up			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Share premium		20,537,768	20,537,768
<b>Retained earnings</b>			
Appropriated - statutory reserve	17	18,000,000	18,000,000
Unappropriated		1,712,169,247	1,559,353,450
<b>Total shareholders' equity</b>		<b>1,930,707,015</b>	<b>1,777,891,218</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,244,841,500</b>	<b>2,126,991,293</b>

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

## Thai Nakin Hospital Public Company Limited

## Statement of comprehensive income

For the year ended 31 July 2020

Unit : Baht

	Note	2020	2019
Profit and loss:			
Revenues			
Revenues from hospital operations		2,009,023,777	2,155,147,992
Other income		28,441,943	29,926,748
<b>Total revenues</b>		<b>2,037,465,720</b>	<b>2,185,074,740</b>
Expenses	18		
Cost of hospital operations		1,527,305,266	1,580,599,994
Administrative expenses		194,330,464	212,822,553
<b>Total expenses</b>		<b>1,721,635,730</b>	<b>1,793,422,547</b>
<b>Profit before income tax expenses</b>		<b>315,829,990</b>	<b>391,652,193</b>
Income tax expenses	19	(59,495,234)	(74,126,815)
<b>Profit for the year</b>		<b>256,334,756</b>	<b>317,525,378</b>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss	16	(5,648,699)	(237,982)
Less: Income tax effect	19	1,129,740	47,596
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(4,518,959)</b>	<b>(190,386)</b>
<b>Other comprehensive income for the year</b>		<b>(4,518,959)</b>	<b>(190,386)</b>
<b>Total comprehensive income for the year</b>		<b>251,815,797</b>	<b>317,334,992</b>
Basic earnings per share	20		
Profit		1.42	1.76
Weighted average number of ordinary shares (shares)		180,000,000	180,000,000

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

# Statement of changes in shareholders' equity

For the year ended 31 July 2020

Unit : Baht

Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 August 2018	180,000,000	20,537,768	18,000,000	1,350,018,458	1,568,556,226
Profit for the year	-	-	-	317,525,378	317,525,378
Other comprehensive income for the year	-	-	-	(190,386)	(190,386)
Total comprehensive income for the year	-	-	-	317,334,992	317,334,992
Dividend paid	-	-	-	(108,000,000)	(108,000,000)
Balance as at 31 July 2019	180,000,000	20,537,768	18,000,000	1,559,353,450	1,777,891,218
Balance as at 1 August 2019	180,000,000	20,537,768	18,000,000	1,559,353,450	1,777,891,218
Profit for the year	-	-	-	256,334,756	256,334,756
Other comprehensive income for the year	-	-	-	(4,518,959)	(4,518,959)
Total comprehensive income for the year	-	-	-	251,815,797	251,815,797
Dividend paid	-	-	-	(99,000,000)	(99,000,000)
Balance as at 31 July 2020	180,000,000	20,537,768	18,000,000	1,712,169,247	1,930,707,015

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



## Thai Nakin Hospital Public Company Limited

## Statement of cash flows

For the year ended 31 July 2020

Unit : Baht

	2020	2019
<b>Cash flows from operating activities</b>		
Profit before tax	315,829,990	391,652,193
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	87,126,717	85,880,116
Bad debts and doubtful debts	1,580,374	1,638,696
Long-term employee benefit expenses	12,584,309	25,086,235
Gain on disposals of equipment	(4,496,740)	(791,511)
Gain on sales and change in value of investments in trading securities	(1,955,065)	(4,011,350)
Interest income	(9,517,854)	(11,682,481)
Profit from operating activities before changes in operating assets and liabilities	401,151,731	487,771,898
Decrease (increase) in operating assets		
Trade and other receivables	27,080,297	(21,348,581)
Inventories	(5,591,006)	3,353,276
Other current assets	2,952,770	(28,034)
Other non - current assets	(155,106)	29,781
Increase (decrease) in operating liabilities		
Trade and other payables	(28,085,467)	10,883,900
Doctor fee payable	(8,555,868)	10,007,986
Other current liabilities	(152,254)	149,632
Provision for long - term employee benefits	(1,858,347)	(3,858,663)
Other non-current liabilities	446,430	-
Cash from operating activities	387,233,180	486,961,195
Cash paid for income tax	(74,970,766)	(79,998,244)
<b>Net cash from operating activities</b>	<b>312,262,414</b>	<b>406,962,951</b>

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

## Thai Nakarin Hospital Public Company Limited

## Statement of cash flows (continued)

For the year ended 31 July 2020

Unit : Baht

	2020	2019
<b>Cash flows from investing activities</b>		
Interest received	8,870,080	13,113,766
Net decrease (increase) in current investments	(221,741,104)	300,000,000
Decrease in long-term deposits at financial institutions	100,000,000	-
Cash paid for purchases of building improvement and equipment	(60,463,535)	(61,745,208)
Cash paid for purchase of intangible assets	(717,670)	(255,623)
Cash paid for purchase of leasehold rights	-	(668,000,000)
Cash received from disposals of equipment	5,109,457	941,828
<b>Net cash used in investing activities</b>	<b>(168,942,772)</b>	<b>(415,945,237)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(99,000,000)	(108,000,000)
<b>Net cash used in financing activities</b>	<b>(99,000,000)</b>	<b>(108,000,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>44,319,642</b>	<b>(116,982,286)</b>
Cash and cash equivalents at beginning of year	267,719,290	384,701,576
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>312,038,932</b>	<b>267,719,290</b>
<b>Supplemental cash flows information</b>		
Non-cash items		
Write - off trade receivables as bad debts	2,141,584	1,838,029
Accounts payable - construction and equipment purchase	12,530,176	13,493,563

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

**Thai Nakarin Hospital Public Company Limited****Notes to financial statements**

For the year ended 31 July 2020

**1. General information****1.1 Corporate information**

Thai Nakarin Hospital Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at No. 345 Thepparat Road, Kwaeng Bangna Nuea, Khet Bangna, Bangkok.

**1.2 Coronavirus disease 2019 Pandemic**

The COVID-19 pandemic evolved, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company in its investment in the General Fixed Income Fund managed by a fund management company that announced the termination of the fund in late March 2020 and is currently under liquidation. However, the impact cannot be reasonably estimated at this stage. The Company's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, including the investment in the General Fixed Income Fund, provisions and contingent liabilities, and will record the impact when it is possible to do so.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

**3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

**(a) Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

**Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

**(b) Financial reporting standards that will become effective in the future**

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

### Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

- TFRS 9 Financial Instruments
- TFRS 7 Financial Instruments: Disclosures

Accounting standard:

- TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

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

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

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

### TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

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

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## 4. Significant accounting policies

### 4.1 Revenue recognition

#### *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 medicines have been delivered.

#### *Revenue from rental*

Revenue from rental is recognised over the term of the rental agreements.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective rate.

#### *Other income*

Other income is recognised on an accrual basis.

## 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

## 4.3 Investments in trading securities

Investments in securities held for trading are stated at fair value. Changes in the fair value, which is determined from the net asset value of these securities, are recorded in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 4.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

## 4.5 Inventories

Inventories are valued at the lower of cost (first-in first out) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## 4.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Particulars	Useful lives (years)	
	Assets acquired before 1 August 2004	Assets acquired as from 1 August 2004
Land improvement	30	30
Buildings	25	Over the lease term
Building improvement	10	10
Facility systems	15, 20	3 - 10
Medical accessory equipment	5 - 20	5 - 15
Furniture, fixtures and equipment	8 - 15	5 - 10
Vehicles	10	10

Depreciation is included in determining income. No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.7 Intangible assets

Intangible assets are measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	10 years

#### 4.8 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

#### 4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### 4.10 Long-term leases

Leases of property which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### 4.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised in profit or loss when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.



## 4.12 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## 4.13 Employee benefits

### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### Post-employment benefits and other long-term employee benefits

#### *Defined contribution plans*

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

#### *Defined benefit plans and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit or loss.

## 4.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

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

The Company recognises deferred tax liabilities for all taxable temporary differences while its recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.16 Fair value measurement**

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

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

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

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

**5. Significant accounting judgements and estimates**

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

#### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, debt collection experience, aging profile of outstanding debts and the prevailing economic condition.

#### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

#### Property, plant and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimate useful lives and residual values when there are any changes.

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

#### Deferred tax assets

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

#### Post-employment benefits and other long-term employee benefits under defined benefit plans

The obligations under the post-employment benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

#### Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

## Transfer pricing policy

Revenues from hospital operations	Based on the price charged to normal customers
Rental income	Rates as stipulated in the agreements
Doctor fee expenses (directors and management)	The same rate as other doctors in the hospital
Medical welfare expenses	Under the Company's regulations, medical welfare benefits are granted to directors, their spouses, children and parents, up to a specified amount per annum. These benefits exclude doctor fees, examinations conducted on other premises and special equipment charges

(Unit: Thousand Baht)

## For the years ended 31 July

	2020	2019
<b>Transactions with related companies and persons</b>		
Revenues from hospital operations	102	49
Rental income	319	300
Doctor fee expenses (directors and management)	11,411	11,594
Medical welfare expenses	3,230	4,250

The balances of accounts as at 31 July 2020 and 2019 between the Company and its related parties are as follows:

(Unit: Thousand Baht)

	2020	2019
<b>Trade receivables - related parties (Note 9)</b>		
Related companies (related by common shareholders and directors)	-	4
Total trade receivables - related parties	-	4
<b>Other receivables - related parties (Note 9)</b>		
Related companies (related by common shareholders and directors)	67	81
Total other receivables - related parties	67	81
<b>Doctor fee payable - related persons</b>		
Related persons (directors and management)	1,038	947
Total doctor fee payable - related persons	1,038	947

## Directors and management's benefits

During the years ended 31 July 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2020	2019
Short-term employee benefits	30,558	32,199
Post-employment benefits	8,277	7,161
Total	38,835	39,360

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	2020	2019
Cash	6,974	5,723
Bank deposits	305,065	261,996
Total cash and cash equivalents	312,039	267,719

As at 31 July 2020, bank deposits in savings accounts carried interests between 0.05 and 1.15 percent per annum (2019: between 0.10 and 1.38 percent per annum).

## 8. Current investments

**8.1** As at 31 July 2020 and 2019, current investments consisted of the following:

(Unit: Thousand Baht)

	Investments		Interest rate (percent per annum)	
	2020	2019	2020	2019
Fixed deposits at financial institutions (6 - 12 months)	620,348	170,000	0.60 - 2.15	1.70 - 1.85
Investments in trading securities - fair value (Note 8.2)	25,290	251,942		
Total current investments	645,638	421,942		

**8.2** Movements in the investments in trading securities for the years ended 31 July 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	2020	2019
Net balance at beginning of the year	251,942	247,930
Sales during the year - at cost		
Proceeds from sales	(100,000)	-
Gain on sales	332	-
Total	(99,668)	-
Gain on change in value	1,623	4,012
Cash received from fund	(128,607)	-
Net balance at end of the year	25,290	251,942

In late March 2020, TMBAM Eastspring announced the dissolution of TMB Thana Plus Fund (TMBTHANAPLUS), in which the Company had the investment of Baht 153.9 million as at a date of dissolution (31 July 2019: Baht 251.9 million). The payout amounts are as follows:

Date received	Amount per unit (Baht/unit)	Total amount (Million Baht)
30 March 2020	1.0956	13.8
10 April 2020	0.3652	4.6
24 April 2020	0.6087	7.7
8 May 2020	1.1000	13.9
22 May 2020	0.7500	9.5
5 June 2020	0.7500	9.5
19 June 2020	0.6100	7.7
3 July 2020	1.4000	17.7
17 July 2020	0.5000	6.3
24 July 2020	1.9000	24.0
31 July 2020	1.1000	13.9
Total payout amount as at 31 July 2020	10.1795	128.6

Date received	Amount per unit (Baht/unit)	Total amount (Million Baht)
14 August 2020	0.9000	11.4
28 August 2020	0.5000	6.3
Total payout amount after the reporting period	1.4000	17.7

## 9. Trade and other receivables

(Unit: Thousand Baht)

	2020	2019
<b>Trade receivables - related parties</b>		
Aged on the basis of due dates		
Not yet due	-	2
Past due		
Up to 3 months	-	2
Total trade receivables - related parties	-	4
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	55,577	78,321
Past due		
Up to 3 months	40,381	53,862
3 - 6 months	11,893	7,056
6 - 12 months	7,054	3,598
Over 12 months	1,510	1,589
Total trade receivables - unrelated parties	116,415	144,426
Less: Allowance for doubtful accounts	(2,266)	(2,827)
Total trade receivables - unrelated parties - net	114,149	141,599
Total trade receivables - net	114,149	141,603
<b>Other receivables</b>		
Other receivables - related parties	67	81
Other receivables - unrelated parties	4,031	5,223
Accrued interest income	1,674	1,027
Total other receivables	5,772	6,331
Total trade and other receivables - net	119,921	147,934

## 10. Inventories

(Unit: Thousand Baht)

	2020	2019
Medicines and medical supplies	28,690	23,560
Supplies and others	4,728	4,267
Total	33,418	27,827

## 11. Long-term deposits at financial institutions

Movements in long-term deposits at financial institutions during the year ended 31 July 2020 are summarised below.

(Unit: Thousand Baht)

	Balance as at 31 July 2019	During the year		Balance as at 31 July 2020
		Increase	Decrease	
Long-term deposits at financial institutions	100,000	-	(100,000)	-
Total	100,000	-	(100,000)	-

As at 31 July 2019, long-term deposits at financial institutions carried interest 1.95 percent per annum.



## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Land and Land Improvements	Buildings and Building Improvements	Facility Systems	Medical Accessory Equipment	Furniture, Fixtures and Equipment	Vehicles	Assets under Construction and Installation	Total
<b>Cost</b>								
1 August 2018	227,120	432,910	304,539	500,010	145,276	13,822	8,896	1,632,573
Additions	-	-	811	32,201	11,537	-	17,048	61,597
Transfer in (transfer out)	-	636	2,252	337	7,434	-	(10,659)	-
Disposals and write-off	-	-	(957)	(6,670)	(1,564)	-	-	(9,191)
31 July 2019	227,120	433,546	306,645	525,878	162,683	13,822	15,285	1,684,979
Additions	-	16	4,448	30,888	1,417	-	22,731	59,500
Transfer in (transfer out)	26	511	6,750	26	2,145	-	(9,458)	-
Disposals and write-off	-	(300,829)	(1,604)	(25,665)	(10,626)	(1,350)	-	(340,074)
31 July 2020	227,146	133,244	316,239	531,127	155,619	12,472	28,558	1,404,405

(Unit: Thousand Baht)

	Land and Land Improvements	Buildings and Building Improvements	Facility Systems	Medical Accessory Equipment	Furniture, Fixtures and Equipment	Vehicles	Assets under Construction and Installation	Total
<b>Accumulated depreciation</b>								
1 August 2018	1,951	399,231	269,438	333,957	124,643	11,217	-	1,140,437
Depreciation for the year	58	10,379	8,243	39,174	10,298	513	-	68,665
Depreciation on disposals and write-off	-	-	(807)	(6,670)	(1,564)	-	-	(9,041)
31 July 2019	2,009	409,610	276,874	366,461	133,377	11,730	-	1,200,061
Depreciation for the year	47	6,480	7,909	39,160	9,624	477	-	63,697
Depreciation on disposals and write-off	-	(300,829)	(1,263)	(25,433)	(10,586)	(1,350)	-	(339,461)
31 July 2020	2,056	115,261	283,520	380,188	132,415	10,857	-	924,297
<b>Net book value</b>								
31 July 2019	225,111	23,936	29,771	159,417	29,306	2,092	15,285	484,918
31 July 2020	225,090	17,983	32,719	150,939	23,204	1,615	28,558	480,108
<b>Depreciation for the year</b>								
2019 (Baht 65.22 million included in cost of hospital operations, and the balance in administrative expenses)								68,665
2020 (Baht 60.89 million included in cost of hospital operations, and the balance in administrative expenses)								63,697

As at 31 July 2020, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 648.52 million (2019: Baht 929.54 million).

### 13. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 July 2020 and 2019 is presented below.

(Unit: Thousand Baht)

<b>Cost</b>	
1 August 2018	20,772
Additions	256
31 July 2019	21,028
Additions	717
31 July 2020	21,745
<b>Accumulated amortisation</b>	
1 August 2018	16,781
Amortisation for the year	1,061
31 July 2019	17,842
Amortisation for the year	1,118
31 July 2020	18,960
<b>Net book value</b>	
31 July 2019	3,186
31 July 2020	2,785

## 14. Leasehold rights

(Unit: Thousand Baht)

	2020	2019
Cost	668,000	668,000
Less: Accumulated amortisation	(38,466)	(16,154)
Book value - net	629,534	651,846

(Unit: Thousand Baht)

	2020	2019
Net book value as at beginning of the year	651,846	668,000
Amortisation for the year	(22,312)	(16,154)
Net book value as at end of the year	629,534	651,846

The Company entered into a long-term lease agreement for lease of land and building on which are the current operation hospital building with Thai Red Cross Society. The agreement is for a period of 30 years, from 9 November 2018 to 8 November 2048 with the lease payment of Baht 668 million, being payable in full upon signing the new lease agreement. The Company paid the lease payment of Baht 668 million to the Thai Red Cross Society on 22 February 2019.

## 15. Trade and other payables

(Unit: Thousand Baht)

	2020	2019
Trade payables - unrelated parties	60,095	85,550
Other payables - unrelated parties	16,087	21,535
Accounts payable - construction and equipment purchase	12,530	13,494
Accrued expenses	37,875	35,057
Total trade and other payables	126,587	155,636

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement and long service awards, was as follows:

(Unit: Thousand Baht)

	Retirement benefit plan	Long service award plan	Total
As at 1 August 2018	52,734	6,977	59,711
Current service cost	7,662	1,498	9,160
Past service cost from plan changes	18,125	-	18,125
Interest cost	1,518	250	1,768
Actuarial (gain) loss arising from			
Demographic assumptions changes	2,729	(145)	2,584
Financial assumptions changes	29	94	123
Experience adjustments	(2,520)	(3,916)	(6,436)
Benefits paid during the year	(3,223)	(635)	(3,858)
As at 31 July 2019	77,054	4,123	81,177
Current service cost	10,177	486	10,663
Interest cost	1,697	88	1,785
Actuarial loss arising from			
Financial assumptions changes	5,648	136	5,784
Benefits paid during the year	(1,307)	(551)	(1,858)
As at 31 July 2020	93,269	4,282	97,551

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	2020	2019
Current service cost	10,663	9,160
Past service cost from plan changes	-	18,125
Interest cost	1,785	1,768
Actuarial (Gain) /Losses	136	(3,967)
<b>Total expenses recognised in profit or loss</b>	<b>12,584</b>	<b>25,086</b>
Line items in profit or loss under which such expenses are included		
Cost of hospital operations	8,038	17,360
Administrative expenses	4,546	7,726

The Company expects to pay Baht 8.45 million of long-term employee benefits during the next year (2019: Baht 4.73 million).

As at 31 July 2020, the weighted average duration of the liabilities for long-term employee benefits is 14 years (2019: 14 years).

Key actuarial assumptions used for the valuation are as follows:

(Unit: Thousand Baht)

	2020 (% per annum)	2019 (% per annum)
Discount rate	1.67	2.27
Future salary increase rate	4.50	4.50
Staff turnover rate (depending on age of employees)	0.00 - 25.00	0.00 - 25.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 July 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	2020		2019	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(4.8)	5.2	(3.9)	4.2
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Future salary increase rate	9.9	(8.6)	7.2	(6.3)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Staff turnover rate	(5.0)	5.5	(4.0)	4.3

## 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2020	2019
Salaries and wages and other employee benefits	542,253	565,286
Cost of doctors' fee	533,094	560,107
Cost of medicines and medical supplies, supplies and others	364,754	383,871
Depreciation and amortisation	87,127	85,880
Service fees for outside treatments	22,564	19,962
General supplies	24,896	24,403
Other expenses	146,948	153,914

## 19. Income tax

Income tax expenses for the years ended 31 July 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	2020	2019
<b>Current income tax:</b>		
Current income tax charge	60,941	78,000
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(1,446)	(3,873)
<b>Income tax expenses reported in the income statements</b>	<b>59,495</b>	<b>74,127</b>

The amount of income tax relating to each component of other comprehensive income for the year ended 31 July 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	2020	2019
Deferred tax on actuarial gain	1,130	48

The reconciliation between accounting profit and income tax expenses is presented below.

(Unit: Thousand Baht)

	2020	2019
Accounting profit before tax	315,830	391,652
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	63,166	78,330
Effects of:		
Non-deductible expenses	604	39
Additional expenses deductions allowed	(4,275)	(4,242)
Total	(3,671)	(4,203)
Income tax expenses reported in the statements of comprehensive income	59,495	74,127

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	2020	2019
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	453	566
Provision for long-term employee benefits	19,510	16,235
Accumulated depreciation - equipment	1,062	1,649
Total	21,025	18,450



## 20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 21. Dividends

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2018	Annual General Meeting of the shareholders on 15 November 2018	108.0	0.60
Total dividends for 2019		108.0	0.60
Final dividends for 2019	Annual General Meeting of the shareholders on 21 November 2019	99.0	0.55
Total dividends for 2020		99.0	0.55

## 22. Operating segment information

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

The one main reportable operating segment of the Company is the hospital business and the single geographical area of its operation is Thailand. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the years ended 31 July 2020 and 2019, the Company has no major customer with revenue of 10 percent or more of its revenues.

## 23. Provident fund

The Company and its employees have jointly established a provident fund scheme in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent of basic salary. The fund is managed by TISCO Asset Management Company Limited and will be paid to the employees upon termination in accordance with the fund rules. During the year ended 31 July 2020, the contributions of Baht 3.31 million (2019: Baht 3.84 million) were recognised as expenses in profit or loss.

## 24. Commitments and contingent liabilities

### 24.1 Commitments under service agreements

The Company had total minimum payments to be paid in the future under the service agreements as follows:

(Unit: Million Baht)

	As at 31 July	
	2020	2019
Payable:		
In up to 1 year	10.6	11.3
In over 1 year and up to 3 years	1.2	1.0

### 24.2 Capital Commitments

As at 31 July 2020, the Company had capital commitments of Baht 22.1 million (2019: Baht 9.7 million) in respect of the acquisitions of medical equipment and facility systems.

### 24.3 Guarantees

- (a) As at 31 July 2020, the Company had credit facilities with a commercial bank for overdrafts of Baht 20.0 million and short-term loans of Baht 10.0 million (2019: Credit facilities with a commercial bank for overdrafts of Baht 21.5 million and short-term loans of Baht 10.0 million guaranteed by the Company's director).
- (b) As at 31 July 2020, the Company had outstanding bank guarantees of approximately Baht 4.8 million issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business. (2019: Baht 8.0 million these included letters of guarantee amounting to Baht 4.8 million to guarantee electricity use and Baht 3.2 million to guarantee the payment of Building and Land Tax or Local Development Tax).

## 25. Financial instruments

### 25.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, long-term deposits at financial institutions, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is therefore minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

As at 31 July 2020						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	305.07	6.97	312.04	0.05 - 1.15
Current investments	620.35	-	25.29	-	645.64	0.60 - 2.15
Trade and other receivables	-	-	-	119.92	119.92	-
	620.35	-	330.36	126.89	1,077.60	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	126.59	126.59	-
	-	-	-	126.59	126.59	

(Unit: Million Baht)

As at 31 July 2019						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
Financial assets						
Cash and cash equivalents	-	-	262.00	5.72	267.72	0.10 – 1.38
Current investments	170.00	-	251.94	-	421.94	1.70 – 1.85
Trade and other receivables	-	-	-	147.93	147.93	-
Long-term deposits at financial institutions	-	100.00	-	-	100.00	1.95
	170.00	100.00	513.94	153.65	937.59	
Financial liabilities						
Trade and other payables	-	-	-	155.64	155.64	-
	-	-	-	155.64	155.64	

#### Foreign currency risk

The Company's exposure to foreign currency risk is minimal since the majority of business operations are denominated in Thai Baht.

## 25.2 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## 26. Fair values hierarchy

As of 31 July 2020 and 2019, the Company had the assets that were measured at fair value as follows:

(Unit: Million Baht)

	2020		2019	
	Level 2	Total	Level 2	Total
Investment in securities held for trading				
Debt instruments	25.3	25.3	251.9	251.9

#### Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

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

## 27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 July 2020, the Company's debt-to-equity ratio was 0.16:1 (2019: 0.20:1).

## 28. Event after the reporting period

On 11 September 2020, the Meeting of the Board of Directors of the Company passed a resolution approving the dividend payment for the year 2020 to the Company's shareholders at Baht 0.45 per share or a total of Baht 81 million. The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

## 29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 September 2020.

# Management Discussion and Analysis

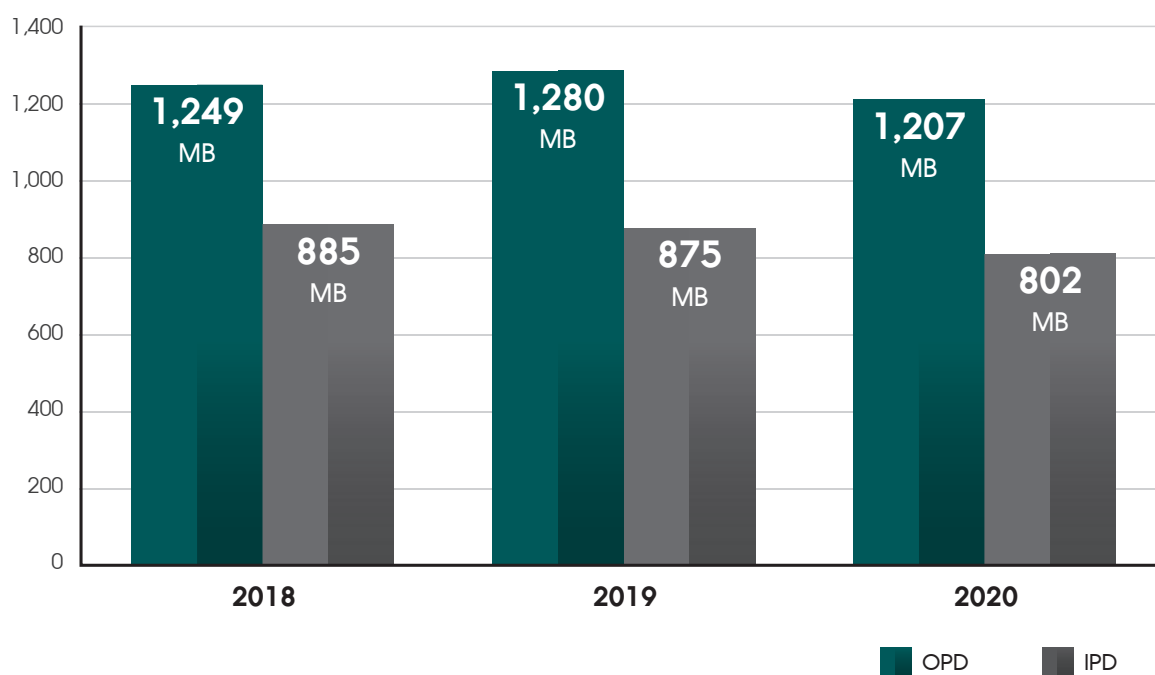
## Operating Results and Profitability

### Revenue

Operating results for the 2020 financial year from 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 registered total revenue of Baht 2,037.47 million, Baht 2,009.03 million or 98.60% of which came from medical service fees. The total revenue decrease by Baht 147.60 million or 6.76% when compared to that of 2019 which resulted from decreasing revenue of OPD by Baht 72.62 million or 5.67% and IPD decreasing revenue of by Baht 73.50 million or 8.40% due to the impact of spread of Coronavirus Disease 2019 (COVID - 19)

Revenues from OPD and IPD medical fees for 2018, 2019 and 2020 are as follows:

#### Million Baht



Most of the Hospital's customers in 2020 were Thais, consisting 3 largely group of self-pay patients, insured patients and contractual parties.

Other revenues included interest income from investment and rental income which aggregately accounted for 1.40% of total revenue.

## Cost of Medical Services

In 2020, the Company's cost of medical services (including depreciation and amortization) amounted to Baht 1,527.31 million, decreasing from 2019 by Baht 53.29 million or 3.37% in consonance with the decrease of medical fee revenue.

## Administrative Expense

In 2020, the Company had total administrative expense of Baht 194.33 million, down from 2019 by Baht 18.49 million or 8.69%.

## Income Tax

Tax income of the Company in 2020 totaled Baht 59.50 million, decreasing from 2019 by Baht 14.63 million or 19.74% as a result of lower operating net profits. Corporate income taxes in 2020 and 2019 were imposed at the rate of 20%.

## Income Statement

	2020	2019	2018
Total Revenue (Million Baht)	2,037.47	2,185.07	2,164.27
Net Profit (Million Baht)	256.33	317.53	356.06
Net Profit Margin (%)	12.58	14.53	16.45
Gross Profit Margin (%)	23.98	26.66	28.60
Return on Equity (%)	13.82	18.98	24.65

For reasons mentioned above, the Company has decrease in revenue growth rate of 6.76% and a net profit decrease rate of 19.27% when compared to that of 2019. It has firmly pursued the policy on delivering high standard and quality services at fair prices.

## Financial Position

The Company's financial position as of 31<sup>st</sup> July 2020 is as follows:

Assets			Liabilities and Shareholders' Equity		
	Amount (MB)	Ratio (%)		Amount (MB)	Ratio (%)
Current assets	1,111.12	49.50%	Current liabilities	215.61	9.60%
Non-current assets	1,133.72	50.50%	Non-current liabilities	98.52	4.39%
			Shareholders' equity	1,930.71	86.01%
Total	2,244.84	100.00%	Total	2,244.84	100.00%

Details of assets can be summarized as follows:

(Unit: Million Baht)

Description	2020	2019	2018
Cash and cash equivalents	312.04	267.72	384.70
Current investments	645.64	421.94	717.93
Trade and other receivables	119.92	147.93	129.66
Inventories	33.42	27.83	31.18
Long-term deposits at financial institutions	-	100.00	100.00
Land, buildings and equipment	480.11	484.92	492.14
Other assets	653.71	676.65	21.69
<b>Total assets</b>	<b>2,244.84</b>	<b>2,126.99</b>	<b>1,877.30</b>

As of 31<sup>st</sup> July 2020, the Company recorded cash and cash equivalents of Baht 312.04 million, comprising Baht 6.97 million cash and Baht 305.07 million bank deposits.

As of 31<sup>st</sup> July 2020, the Company recorded current investments of Baht 645.64 million, a year-on-year increase from 2019 of Baht 223.70 million.

As of 31<sup>st</sup> July 2020, the Company recorded trade and other receivables of Baht 119.92 million, a year-on-year decrease from 2019 of Baht 28.01 million or 18.94% due mostly to decrease net trade receivables which matched with decreasing revenue.

Details of trade receivables as of 31<sup>st</sup> July 2020, 2019 and 2018 are as follows:

Description	2020		2019		2018	
	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)
Not yet due	55.58	47.7%	78.32	54.2%	66.57	53.1%
Overdue						
Less than 3 months	40.38	34.7%	53.86	37.3%	47.11	37.6%
3 - 6 months	11.90	10.2%	7.05	4.9%	6.35	5.0%
6 - 12 months	7.05	6.1%	3.60	2.5%	2.97	2.4%
More than 12 months	1.51	1.3%	1.60	1.1%	2.38	1.9%
Total trade receivables	116.42	100.0%	144.43	100.0%	125.38	100.0%
Less: Allowance for doubtful accounts	(2.27)		(2.83)		(3.03)	
<b>Total trade receivables - net</b>	<b>114.15</b>		<b>141.60</b>		<b>122.35</b>	
Average collection period	23 days		22 days		21 days	



Because of the stringent debt management policy, the Company's average collection period increased by 1 day to become 23 days. In relation to ratios, 47.7% of the trade receivables were not yet due and the account receivables overdue for more than 12 months, equated to only 1.3%. The Company has adopted a policy to set aside an allowance for doubtful accounts for debtors unlikely to make repayments, based on consideration of collection record and debt aging. As of 31<sup>st</sup> July 2020, the Company recorded Baht 2.27 million as allowance for doubtful accounts.

As of 31<sup>st</sup> July 2020, the Company's inventories amounted to Baht 33.42 million, divided into medicines and medical supplies of Baht 28.69 million or 85.85% and other materials of Baht 4.73 million. The inventories are increase from medicines and medical supplies due to reserve during the situation of the outbreak of Coronavirus disease 2019 (COVID - 19)

As of 31<sup>st</sup> July 2020, the Company's land, buildings and equipment totaled Baht 480.11 million. The Company has constantly invested in medical equipment to boost its service capacity in support of future growth. In the financial year 2020, the value of its investments was Baht 59.50 million, and depreciation during the year was Baht 63.70 million.

Financial Ratios	2020	2019	2018
Return on fixed assets (%)	53.12	65.00	70.08
Return on assets (%)	14.45	19.56	25.04

Return on fixed assets and return on assets for 2020 were 53.12% and 14.45%, decreasing from the last year because net profit of the Company has decreased.

## Liabilities

Details of liabilities as of 31<sup>st</sup> July 2020, 2019 and 2018 could be summarized as follows:

Description	2020	2019	2018
Trade and other payables	126.59	155.64	144.90
Doctor fee payables	73.10	81.66	71.65
Income tax payables	14.99	29.02	31.02
Provision for long-term employee benefits	97.55	81.18	59.71
Other liabilities	1.90	1.60	1.46
<b>Total liabilities</b>	<b>314.13</b>	<b>349.10</b>	<b>308.74</b>

As of 31<sup>st</sup> July 2020, the Company registered trade and other payables of Baht 126.59 million, decreasing from 2019 by Baht 29.05 million or 18.66% in consonance with the decrease of medical fee revenue.

As of 31<sup>st</sup> July 2020, the Company's doctor fee payable amounted to Baht 73.10 million, decreasing from 2019 by Baht 8.56 million or 10.48% in consonance with the decrease of medical fee revenue.

As of 31<sup>st</sup> July 2020, the Company had income tax payables of Baht 14.99 million, lower than 2019 by Baht 14.03 million or 48.34% which was in line with the drop in net operating profits. Income tax rates for 2020 and 2019 were 20%.

As of 31<sup>st</sup> July 2020, the Company registered provision for long-term employee benefits of Baht 97.55 million, up from 2019 by Baht 16.37 million or 20.17%. Due to during the year the Company was calculate long-term employee benefits obligation based on changeable assumptions including discount rate change drop in 1.67% from 2.27%.

### Shareholders' Equity

Shareholders' equities of the Company as of 31<sup>st</sup> July 2020, 2019 and 2018 were Baht 1,930.71 million, 1,777.89 million and 1,568.56 million respectively, showing a steady growth driven by increasing comprehensive profits net of interim dividend payments.

### Liquidity

(Unit: Million Baht)

Description	2020	2019	2018
Cash flow from operating activities	312.26	406.96	432.80
Cash flow used in investing activities	(168.94)	(415.94)	(69.15)
Cash flow used in financing activities	(99.00)	(108.00)	(108.00)
Net increase (decrease) in cash and cash equivalents	44.32	(116.98)	255.65
Cash and cash equivalents as of 1 <sup>st</sup> August	267.72	384.70	129.05
Cash and cash equivalents as of 31 <sup>st</sup> July	312.04	267.72	384.70

The Company recorded cash and cash equivalents as of 31<sup>st</sup> July 2020 and 2019 of Baht 312.04 million and 267.72 million respectively. Details of cash inflows and outflows in 2020 are as follows:

- Net cash from operating activities totaled Baht 312.26 million, decreasing from 2019 by Baht 94.70 million.
- The Company had net cash used in investing activities of Baht 168.94 million, from cash payment for medical equipment of Baht 60.46 million, payment for intangible assets of Baht 0.72 million. Net temporary investment with long-term deposits of Baht 121.74 million. Cash flows are generated from interest income of Baht 8.87 million, and from sales of equipment of Baht 5.11 million.
- Net cash used in financing activities totaled Baht 99.00 million from annual dividend payment.

Financial Liquidity of the Company of each year is as follows:

Financial Ratio	2020	2019	2018
Liquidity ratio (times)	5.15	3.25	5.10
Average collection period (days)	23	22	21
Average inventory period (days)	7	7	7
Average payment period (days)	17	20	21

As of 31<sup>st</sup> July 2020 and 2019, the Company registered fairly high liquidity ratios of 5.15 and 3.25 times respectively, which well reflected its capacity to settle contractual obligations.

As of 31<sup>st</sup> July 2020 and 2019, the Company's average collection periods were exactly the same at 23 days and 22 days. Such relatively low ratio exhibited appropriate collection policy of the Company.

As of 31<sup>st</sup> July 2020 and 2019, the Company's average inventory periods were 7 and 7 days respectively, which indicated efficient inventory management.

As of 31<sup>st</sup> July 2020 and 2019, the Company recorded average payment periods of 17 and 20 days respectively, which demonstrated its debt settlement ability and boosted the confidence of contractual parties.

## Capital Structure

The Company has a solid capital structure, with the debt to equity ratios as of 31<sup>st</sup> July 2020 and 2019 being 0.16 and 0.20 times. However, the Company has maintained a rigid policy on financial structure management and control, while keeping an appropriate level of its financial ratios and liquidity.

## Contractual Obligations

As of 31<sup>st</sup> July 2020, the Company had obligations under service agreements as follows:

(Unit: Million Baht)

Description	Term of Payment		Total
	Within 1 year	1-3 years	
Service agreement obligations	10.6	1.2	11.80

## Factors Affecting Future Operations

### Increasing Demand for Medical Care

The Company is confident that private hospital business shall continue to expand due to the rise in demand for medical care among domestic and foreign customers as a result of higher income per capita, need for quality medical care and growing number of elderly population.

## Advantageous Location

Located on Debaratna Road and in close proximity to communities and industrial estates which are continually expanding, the Hospital has gained more customers. With largely middle-market customers, the Hospital adheres to its policy to deliver best medical care services with kindred hospitality at a reasonable price.

## Capacity Enhancement for Specialty Center

Nowadays, diseases have become more complex and meanwhile people can access more medical-related information. Striving to treat complex diseases and to meet higher demand for medical care, the Hospital has therefore boosted its capacity with teams of specialist doctors, state-of-the-art equipment along with experienced support staff. It has seen from the number of patient is increasing from the launched of specialty center, i.e. Brain and Neurology Center that is equipped with advanced apparatus to enhance the Center's efficiency.

## Competition

Competition tends to intensify because of expansion of private hospitals, both existing and new ones, in Bangkok and perimeter areas. In response to this, the Company has plan to make improvements on the premises and services to ensure service user satisfaction.

## Economy

Since the beginning of 2020. So rapid externally and internationally, impacting the overall economy in all sectors as apparently visible people is careful with their spending and postpones or refrain from using unnecessary or urgent hospital services such as checkup that impact against hospitalization.

## Government Intervention

### Changes of standards or regulations governing the Hospital are as follows:

- **Control on the prices of drugs, medical supplies and medical fees by the Department of Internal Trade**  
Thainakarin Hospital has already complied with the notification of the Central Committee on Prices of Goods and Services relating to price control of drugs, medical supplies and medical fees. However, the Hospital is not impacted by such measure because it charges moderate prices of drugs, and sets the prices of drugs, medical supplies and medical fees at reasonable rates.
- **Advertisement control by the Ministry of Public Health**  
As the Department of Health Service Support (DoHSS) mandates that publication of advertisements or announcements by private hospitals must obtain prior approval of DoHSS, it becomes more complicated for private hospitals to give information to service users. As a result, service users shall be less informed.
- **"Universal Coverage for Emergency Patients" Program (UCEP)**  
Under the "Universal Coverage for Emergency Patients" program (UCEP), the Hospital gets compensation at the rate of approximately 30-50% of the charges, which affects its profits.

## CSR Activities

### Blood Donation

Thainakarin Hospital joined the Blood Center and the Organ Donation Center of the Thai Red Cross Society in running the “Plus One Blood Donation, More Blood More Lives” Any Strong and healthy person can donate blood every 3 months total 4 times per year.



### Mobile Medical Unit Project

Thainakarin Hospital arranged its mobile medical unit to deliver health checkup and treatment to people participating Kathin Ceremony at Supsuanplu Monastery in Tambon Cha-am, Amphoe Kangkoi, Saraburi. We provided health check-up services to monitor blood pressure with blood sugar test for diabetes, health examination, and medical treatment with prescription from our doctors. This project also covered health care advices to all participants. There were many participants attended.





## Health Promotion Activities in the Community

Thainakarin Hospital organized a “Good Health with Thainakarin” event, a basic health check-up activity for officers from state enterprise nearby and Post Office staffs at Thai Post Office, Bangna branch. We offered blood pressure check, blood sugar test for diabetes by professional nurses, body composition test, and health care advices. There were many participants attended and received take away gifts.



## Kor Kai Nai Sai Mok Project

Kor Kai Nai Sai Mok Project was held on the occasion of 2020 National Children’s Day at ‘Baan North Joside’, Baan Unoo Study Room Branch, Tambon Mae Kong, Amphoe Mae Sarieng, Mae Hong Son by Thainakarin Hospital to provide basic health check-up and medical treatment for people in the neighborhoods and nearby the school. We offered scholarship, lunch funding, educational stuffs, and accessories for children up there. There were a surrounding of smiles, happiness and warmth.





## Health Check-up for the condominium residents and residential neighborhood nearby Thainakarin Hospital

Thainakarin Hospital provided basic health check-up for the residents in Lumpini Mega City Bangna during their 2020 annual meeting. We offered blood pressure check, body composition examination. All participants were invited to join our @LINE (LINE@Thainakarin Hospital) to receive health informations released by the hospital. Souvenirs were distributed. There were many participants attended.



Thainakarin Hospital coordinated with Origin Property Public Company Limited organized basic health check-up for residents in the Kensington, Sukhumvit-Theparak. We offered blood pressure check, body composition examination. All participants were invited to join our @LINE (LINE@Thainakarin Hospital) to receive health information released by the hospital. Souvenirs were distributed. There were many participants attended.





## Run for Charity

Thainakarin Hospital joined 'Origin Family Run 2020', the Charity Run at Suan Luang Rama 9 organized by Origin Property Public Company Limited to thanks and paid back the happiness to all residents at Origin's residential neighborhood. Income after expenditures was proceeded to promote child and youth development campaigns under Her Royal Highness Princess Maha Chakri Sirindhorn's Personal Affairs. The hospital provided Emergency Ambulance Service, First Aid Unit, and Blood Pressure Check. All participants received souvenirs. There were many participants attended.





## External Activities

### Activity with Insurance Company

Thainakarin Hospital provided mobile basic health check-up unit for Toyota's staffs and family members at the 39/2020 Toyota's Union Labor Annual General Meeting. We offered blood pressure check and invited all members to join our @LINE (LINE@ Thainakarin Hospital) to receive health informations released by the hospital. In addition, there were field games and many souvenirs distributed. Interested members joined the activities at Rim Kob Fah Camp meeting room, Samutprakarn.



### Chinese New Year 2020

Thainakarin Hospital Joined 'Chinese New Year 2020' campaign at Central Plaza Department Store, Bangna. We provided Traditional Chinese Check-up (free of charge) for 30 persons a day by Traditional Chinese Medical Department, Thainakarin hospital. Moreover, we also offered Chinese traditional medicine for sample taste. The medicine help stimulate blood circulation. There were many interested visitors joined the Chinese check-up activities.





### School's activities

Thainakarin Hospital joined the event by exhibit one booth in 'Bangna Family Fair 2020' Annual Party at The American School of Bangkok Green Valley Campus. We also provided Emergency Ambulance service, First Aid Unit, Blood Pressure Check service, and Health Care Advice. In addition, we supported with painting activity and games with many give away items. There were many students and parents interested and attended.





## Internal Activities

### Children's Day at Thainakarin

Thainakarin hospital jointly delivered happiness in the occasion of 2020 National Children's Day with variety of DIY activities such as Cloth Bag Painting, Kid's Draw and Paint Artists, and memorable Photo Shooting Booth with famous cosplays from comic fairy-tales, and bunch of give-away for kids. The atmosphere was with happiness, and impressive fun.



### Chinese New Year Celebration at Thainakarin Hospital

Thainakarin hospital welcomed The Chinese New Year with traditional activity to offer prosperity oranges to all in-patients at the hospital wards. Also a lucky draw given-red-pouch activity for out-patients, 'Welcome Baby' gift sets were distributed to welcome new family's members to all new Moms who delivered the baby on Chinese New Year. Their rooms were decorated with balloons and souvenirs from Thainakarin's hearts. The atmosphere were surrounding with happiness, smiles and warmth.





## Mother Class

Thainakarin hospital arranged “Mother Class for new Mom to be a strong Mom” activities. To prepare readiness for Mom during pregnancy, we conducted a training “Quality Pregnant Mom”, and many workshops such as bathing for new born baby to gain mom’s confidence with warmth welcome the baby to the family. There were many new Moms interested and participated.



## Celebration of 27<sup>th</sup> Anniversary

Thainakarin hospital delivered happiness and souvenirs to all patients to celebrate our ‘27<sup>th</sup> Anniversary of Hospitality and Quality, We Care’. Thainakarin Hospital thanks all for the trustworthy given us to hospital with care of your health and family well-being for 27 years.



## Luang Por Buddh - Jatu Charoen Foundation

Luang Por Buddh - Jatu Charoen Foundation was established by the remark of Phra Rajasangvarayana (Luang Por Buddh Thaniyo) of Wat Pa Salawan, Nakhon Ratchasima. In the beginning, Phra Rajasangvarayana wished to set up a fund to help out sick monks who lacked attendants or money to pay for medical fees. He then gave a sum of 151,400 baht, donated by his disciples and benefactors, to the Company for use as the initial fund. On 1<sup>st</sup> February 1998, the Company therefore carried out his wish and established "Luang Por Buddh for Sick Monks Fund," with Phra Rajasangvarayana being the advisor to the Fund Committee until his decease in 1999. Subsequently, the establishment of "Luang Por Buddh - Thainakarin Hospital Foundation" was registered on 1<sup>st</sup> June 2011. Its name was later changed to "Luang Por Buddh - Jatu Charoen Foundation."

### Our Key Activities with Luang Por Buddh - Jatu Charoen Foundation

- **Provided Medical Treatment Fee Funding to help out Sick Monks**

There are around 150-200 sick monks under the medical treatment fee funding program in every single year. Our company has fully supported this funding program in term of medical treatment fees for sick monks.

- **Offered Robes to Buddhist Monks**

Offering robes to Buddhist monks is the great merit-performing. This offering will not be doing to a specific monk but to any of the Buddhist monks at monastery. Our company and the Foundation have arranged this activity every year.

- **Public Affairs Activities**

In order to support general public affairs, the Foundation has donated to the following organizations.

- 29<sup>th</sup> April 2020: The amount of 30,000 Baht was donated to Dr. Somkiat Lalitwongsa, Director of Rajavithi Hospital, the representative on behalf of the Rajavithi Hospital, to support Care Center for any patient affected from Coronavirus Disease 2019 (COVID - 19).
- 29<sup>th</sup> April 2020: Donated 2,000 Baht to Priest Hospital with consuming products to assist sick monks.





- 10<sup>th</sup> June 2020: In collaboration with Thainakarin Hospital, the Foundation had organized a campaign “Sharing Happiness with Hearts”, donated consuming products cost over 63,000 Baht with 5,000 Baht monetary to The Human Development Foundation (Mercy Centre) to support children and people in Klongtoey community who have been impacted from the Coronavirus disease 2019 (COVID - 19).



- **Funding from Donation**

5<sup>th</sup> June 2020: Mrs. Nipapat Sihanatkathakul and family donated 1,105,000 Baht to Dr. Charoen Meensook, Chairman of Luang Por Buddh - Jatu Charoen Foundation, the representative on behalf of the Foundation for monetary support to the sick monks and for all general public affairs activities initiated.



### Donation can be made to:

#### Saving account: “Luang Por Buddh - Jatu Charoen Foundation”

Thanachart Bank, Bangna Branch, account number: 019-6-03949-6

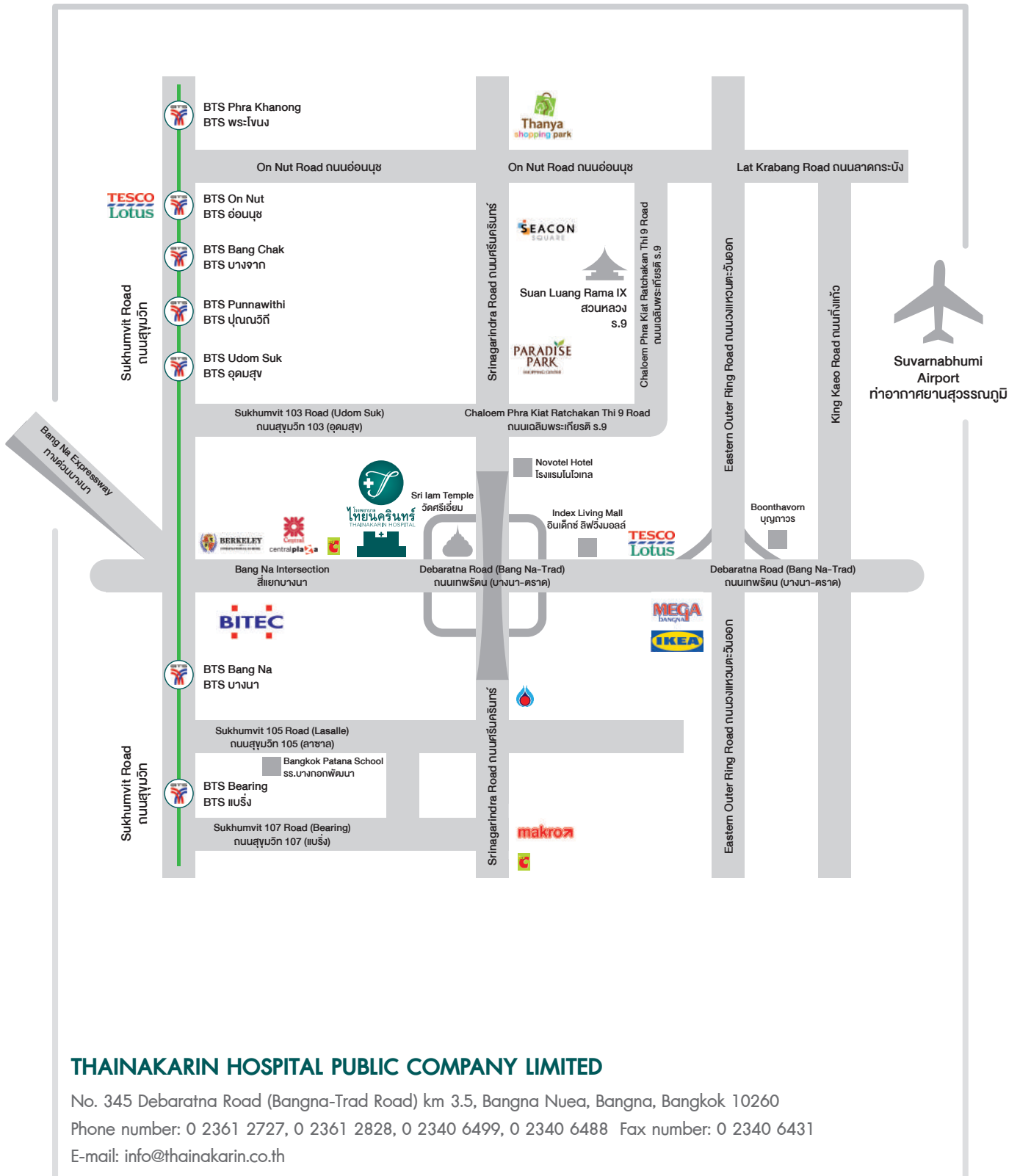
In case donation receipt is required:

Tel. 0 2340 6499 ext. 3397 or Fax. 0 2340 2631



# SUSTAIN & GROW

เติบโตอย่างยั่งยืน ก้าวหน้าอย่างมั่นคง



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