



โรงพยาบาลลาดพร้าว
LADPRAO GENERAL HOSPITAL

ANNUAL REPORT 2019

รายงานประจำปี 2562



Green
HOSPITAL

รักษ์โลก รักษ์สิ่งแวดล้อม ร่วมลดภาวะโลกร้อน

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Prof. Dr. Somsak Lohlekha
Chairman of the Board of Directors

Message from Chairman

In 2019, the global economic and trade situation continued to fluctuate caused by U.S. trade deprivation measures against China which therefore unfavorably affected Thailand's economic growth including domestic consumption and so did the healthcare business. However, the Company can still well perform in accordance with its goals by effectively managing costs and implementing appropriate financial strategies.

It has long been of more than 26 years that our hospital commits to provide quality medical services for the best benefit and satisfaction of our customers with a full range of high quality impressive services for both outpatient and inpatient in consort with technology advancement and social responsibility. Our team of doctors, experts, management, and all staff have pledged at all time on quality of services as stated in the Company's motto of, "Because your health care and concerns are our main duty". The hospital has also been recognized at the 3rd level which is the highest international hospital standard (Hospital Accreditation: HA) accredited by the Healthcare Accreditation Institute (Public Organization) as well as the JCI Accreditation by the U.S. certification standard.

In addition, our commitment is not only to thrive our hospital business in satisfactory return for shareholders but to be aware of our social responsibility and any conflict of interests at all levels. The Board of Directors thus made necessary adherence to good corporate governance as well as to business transparency in conjunction with activities that create acceptance and incessantly benefit to our society and community.

On behalf of the management, doctors, nurses, and all staff of Ladprao General Hospital Public Company Limited, I would like to thank all customers, alliances and stakeholders for your trust and confidence. LPH pledges that we will carry out our duties to unceasingly build up medical excellence and ensure quality of services to the fullest extent of our capabilities.

Prof. Dr. Somsak Lohlekha
Chairman of the Board of Directors



วิสัยทัศน์ VISION

Ladprao General Hospital strives to become a leading private hospital in the Ladprao area

พันธกิจ MISSION

The hospital is committed to providing medical services for clients, with advanced technologies and excellent services, being responsible for the community and the environment, with continuous quality improvement.



Information of Directors and Executive Officers



Prof. Dr. Somsak Lohlekha

Chairman
/Authorized Signatory

Age (Yrs) 78



Mr. Pipat Savetvilas

Vice Chairman
/Authorized Signatory

Age (Yrs) 71

Education

- Doctor of Microbiology University of Illinois United States of America
- Doctor of Medicine Mahidol University
- Diploma of Biochemistry Tulane University, United States of America

Training history

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of Ladprao General Hospital 2 Company Limited
- Chairman of L.P. Holding Company Limited
- Chairman of Ladprao Education Company Limited
- Director of Golden Star Partner Limited Partnership
- President of the Medical Council Ministry of Public Health

Duration (Year)

- 27
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 7,765,360 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange

Commission

- Yes

Illegal record in past 10 years

- None

Education

- High School of Wat Suthi Wararam School

Training history

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Ladprao General Hospital 2 Company Limited
- Director of L.P. Holding Company Limited
- Chairman of Siam Plastic Products Company Limited
- Managing Director of Oregon Co. Ltd.
- Director of Pijitporn Holding Company Limited

Duration (Year)

- 29
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 36,543,684 shares (as of 11 March 2020)

Relation with Management

- Brother in law of Chief Executive Officer

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange

Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2019



Information of Directors and Executive Officers(continued)



Assoc.Prof.Dr.Wirat Wongsangnak

Director
/Chairman of the Executive
Committee/Nomination and
Remuneration Committee
/Authorized Signatory

Age (Year)68



Dr.Ungoon Chantanavanich

Director
/ Chief Executive Officer
/ Vice Chairman of the Executive Com-
mittee/Nomination and Remuneration
Committee/Authorized Signatory

Age (Year)62

Education

- Doctor of Medicine (Surgery) The University of Glasgow
- Master of Science(Surgery), Mahidol University
- Doctor of Medicine, Chulalongkorn University
- Bachelor of Science, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 2/14 004 - Thai Institute of Directors
- Director Certification Program (DCP) 201/2016 - Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) 7/2016 -Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of Asia Medical and Agricultural Laboratory and Research Center Company Limited
- Chairman of Asia Medical Laboratory and Research Center Company Limited
- Vice Chairman of Ladprao Education Company Limited
- Director of L.P .Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 27
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 3,971,320 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Education

- Doctor of Business Administration, University of South Australia
- Master of Business Administration, Thammasat University
- Bachelor of Laws, Ramkhamhaeng University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Asia Medical and Agricultural Laboratory and Research Center Company Limited
- Chairman of Asia Business Management Center Company Limited
- Director of Ladprao Education Company Limited
- Director of L.P .Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 29
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 21,260,960 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2019



Information of Directors and Executive Officers(continued)



Mrs. Supaporn Kantamanond

Director
/Authorized Signatory

Age (Year) 61



Mrs. Vidchuda Ampornphol

Director

Age (Year) 69

Education

- Master of Business Administration, National Institute of Development Administration
- Doctor of Dental, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of L.P. Holding Company Limited
- Director of Ladprao General Hospital 2 Company Limited

Duration (Year)

- 29
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 6,073,260 shares (as of 11 March 2020)

Relation with Management

- Young Sister of Chief Executive Office

Qualified legal director and without any prohibited characteristics as announced by Securities and

Exchange Commission

- Yes

Illegal record in past 10 years

- None

Education

- Bachelor of Business Administration, Thammasat University

Training History

- Director Accreditation Program (DAP) 67/2007 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Director of Asia Medical and Agricultural Laboratory and Research Center Company Limited
- Director of Triya Company Limited

Duration (Year)

- 28
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 1,141,160 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and

Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2019



Dr.Somchao Tanterdtham

Director

Age (Year) 67

Education

- Master of Business Administration, Thammasat University
- Master of Business Administration, Ramkhamhaeng University
- Doctor of Medicine Chulalongkorn University
- Bachelor of Science, Chulalongkorn University

Training History

- Director Accreditation Program (DAP) 8/2004 - Thai Institute of Directors
- Director Certification Program (DCP) 128/2010 - Thai Institute of Director
- CEO Performance Evaluation 2004 - Thai Institute of Directors
- Diploma, National Defence College, The Joint State -Private Sector Course Class (399, Thailand National Defence College)

Holding positions in other listed companies

- Director / Nomination, Remuneration and Corporate Governance Committee / Chairman of the Executive Committee/ Chief Executive Officer of N.C .Housing Public Company Limited

Holding positions in other Non listed companies

- Director of L.P .Holding Company Limited
- Director of N.C .Property Management Company Limited
- Director of Namchai Golf Management Company Limited
- Director of Thanya Cart Management Company Limited
- Director of Quality Living Management Company Limited
- Director of S.C .Construction and Decoration Company Limited
- Director of Namchai Property Development Company Limited
- Director of NCH 2555 Holding Company Limited
- Director of Living on green Company Limited
- Director of Green Evolution Company Limited
- Director of Siriarun wellness coCompany Limited
- Director of Sathapornwattana Construction Company Limited

Duration (Year)

- 12
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 3,175,680 shares (as of 11 March 2020)

Relation With Management

- None

Qualified legal director And without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Information of Directors and Executive Officers(continued)



Asst.Prof.Dr.Piboon Limprapat

Independent Director
/Chairman of the Audit Committee
/ Chairman of Nomination and
Remuneration

Age (Year)80



Mr.Kunthon Nakporm

Independent Director
/Audit Committee/The Nomination
and Remuneration Director

Age (Year)76

Education

- Doctor of Economics University of Illinois, United States of America
- Master of Economics, University of Philippines
- Bachelor of Economics, Thammasat University

Training History

- The Role of Compensation Committee Program (RCC) 8/2009 -Thai Institute of Directors
- Director Certification Program (DCP) 19/2002 -Thai Institute of Directors
- Audit Committee Program (ACP) 1/2004 -Thai Institute of Directors
- The Role of the Chairman Program (RCP) 3/2001 -Thai Institute of Directors

Holding positions in other listed companies

- Independent Director / Chairman of the Audit Committee of N.C.Housing Public Company Limited.
- Chairman of Chukai Public Company Limited.

Holding positions in other Non listed companies

- None

Duration (Year)

- 15
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 1,030,000 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Education

- Master of Business Administration, Northwestern University, United States of America
- Bachelor of Economics, Thammasat University

Training History

- Director Accreditation Program (DAP) 25/2004 - Thai Institute of Directors
- Audit Committee Program (ACP) 42/2013 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Chairman of PrimPramPran Company Limited

Duration (Year)

- 15
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 1,680,005 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2019



Information of Directors and Executive Officers(continued)



Mrs. Benjawan Thanapaisanpipat

Independent Director
/Audit Committee

Age (Year) 64

Education

- Master of Business Administration, Thammasat University
- Bachelor of Commerce and Accountancy, Chulalongkorn University

Training History

- Director Accreditation Program (DCP) 13/2004 - Thai Institute of Directors
- Audit Committee Program (ACP) 29/2009 - Thai Institute of Directors

Holding positions in other listed companies

- None

Holding positions in other Non listed companies

- Manager of Benj Accounting Company Limited

Duration (Year)

- 15
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 1,096,600 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None



Miss Thippawan Uthaisang

Independent Director
/Audit Committee

Age (Year) 62

Education

- Master of Business Administration, Thammasat University
- Bachelor of Commerce and Accountancy, Thammasat University
- Bachelor of Laws Sukhothai Thammathirat Open University

Training History

- Director Certification Program (DCP) 29/2003 - Thai Institute of Directors
- Role of the Compensation Committee (RCC) 17/2003 - Thai Institute of Directors
- Audit Committee Program (ACP) 23/2008 - Thai Institute of Directors
- Thailand National Defence College (2000)

Holding positions in other listed companies

- Chairman of The Nomination and Remuneration Committee / the Audit Committee of Winner Group Enterprise Public Company Limited
- Chairman of the Audit Committee of Prodigy Public Company Limited
- Independent Director of Eason Paint Public Company Limited

Holding positions in other Non listed companies

- Managing Director of Papermate)Thailand (Company Limited
- Chairman of the Audit Committee of Aira and Aiful Public Company Limited

Duration (Year)

- 11
- 5 (Since the listing on SET in 2015)

The number of Board of Directors' meeting attendance

- 6/6

Number of shares held by the company

- 1,142,900 shares (as of 11 March 2020)

Relation with Management

- None

Qualified legal director and without any prohibited characteristics as announced by Securities and Exchange Commission

- Yes

Illegal record in past 10 years

- None

Remark : Information of Directors and Executive Officers at 31 December 2019



Mr. Vitavas Pirmphol

Company Secretary

Age (Year)64

Education

- Master of Public Administration ,National Institute of Development Administration
- Bachelor of Laws, Ramkhamhaeng University

Training History

- Effective Minute Taking (EMT) 32/2009 -Thai Institute of Directors
- Company Secretary Program (CSP) 32/2009 - Thai Institute of Directors

Holding positions in other Non listed companies

- Director of Asia Business Management Center Company Limited

Duration (Year)

- 12
- 5 (Since the listing on SET in 2015)

Remark : Information of Directors and Executive Officers at 31 December 2019

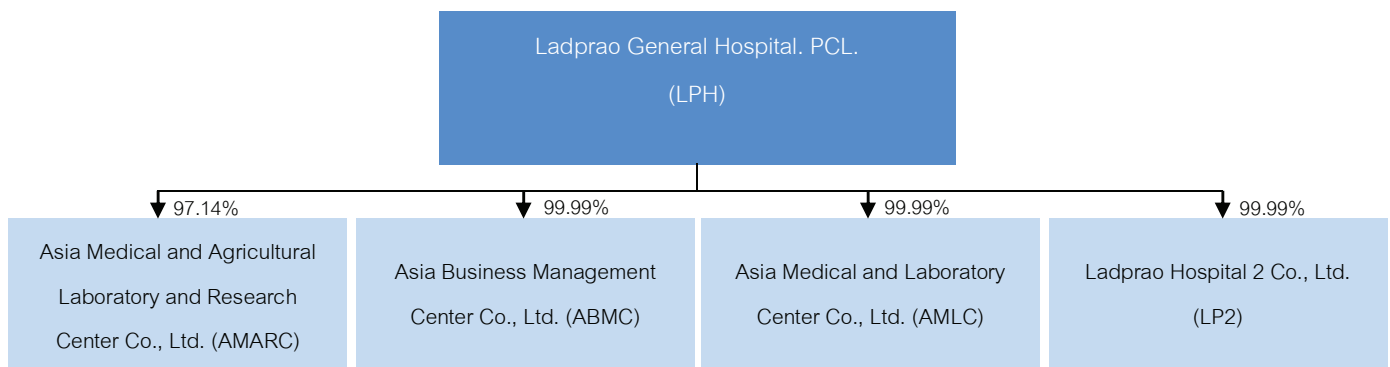
Polices and Overall Business Operations

Ladprao General Public Company Limited (“Company”) is engaged in a private hospital business in Bangkok on Ladprao Road by providing general medical treatment services and serving as a center for various medical specializations. The Company has its service capability including the new Excellence Center of 206 registered beds with an OPD capacity of approximately 4,400 patients/day.

The company has a comprehensive service for both outpatient and inpatient which all doctors, physician, experts, executives, employees and all staff have strongly committed to the importance of maintaining high quality medical care at all time as the Company Slogan of “*Kind and Caring* for your health is our main role”. The Hospital received Level 3 Hospital Accreditation (HA), which was the highest level for the aforementioned accreditation, from the Healthcare Accreditation Institute (Public Organization) along with JCI Accreditation, the international quality certification regarding the United States of America certified standards.

The Company is engaged in the following 4 businesses: (1) hospital service businesses operated by the Company and Ladprao General Hospital 2 Co., Ltd., (2) food, agricultural and medicinal product analysis, testing and research services operated by a subsidiary, Asia Medical and Agricultural Laboratory and Research Center (AMARC) (3) the business of supporting medical services and business development by a subsidiary, Asia Business Management Center Co.,Ltd. (ABMC) and (4) laboratory, and medical diagnosis services operated by subsidiary, Asia Medical and Laboratory Center (AMLC).

The corporation's shareholding structure as of 31 December 2019 shown as follows:



Vision :

A private hospital leader in Ladprao area.

Mission :

The Hospital is committed to providing medical services for clients with advanced technologies and excellent services, being responsible for the community and environment with continuous quality improvement.

Therefore, the Company has developed the guidelines to ensure the achievement of the mission and goals as following:

- To become a all-inclusive medical center in each field of medicine with emphasis on specialist medicine center development leading to medical excellence beginning with the support of rising elder population trends such as the Gastrointestinal and Liver Center, the Eye Center, the Orthopedic Surgery Center, the Brain and Nerve Center and the Skin and Beauty Center. Senior adults are seeking treatment in larger numbers at the aforementioned medical centers such as laparoscopic treatment of patients with food-related illnesses, treatment of patients with eye conditions such as cataracts or glaucoma, treatment of patients with orthopedic problems such as elder adults with arthritis of the knee or osteoporosis including patients with dementia or Alzheimer's Disease, etc. Furthermore, skin and complexion treatments for senior adults such as laser treatments to erase marks, blemishes and freckles are also escalating. This year, the Eye Center and Skin and Beauty have fully operated following by launching of other medical excellence centers in the following year.
- To maintain leadership as a leading hospital for mothers and children on Ladprao Road. by providing comprehensive obstetrics gynecology services and pediatric treatments with specialist doctors and experts in every field.

- To become a comprehensive health examination center and dental center provide annual health examination services for individual customers, annual health examination services for employees and executives of organizations who are party to contracts inside and outside the facilities, health examinations for life insurance, work recruitment, and overseas expatriates, etc.

The Company's customers involve 2 characters: one for general payment per visit in cash or credit, the other for social security service. The services cover not only general health care but specialty in various fields as following: -

(1) **Outpatient Services:** in 18 centers of medicine specialty with 160 treatment service rooms and procedure rooms capable of providing services for customers at the capacity of approximately 4,400 patients/day Center details are as follows:

- | | |
|--------------------------------------|--------------------------------------|
| 1. Eye and Lasik Center | 10. Dental Center |
| 2. Aesthetics and Laser Center | 11. General Internal Medicine Center |
| 3. Gastrointestinal and Liver Center | 12. Cardiology and Neurology Center |
| 4. Orthopedic Surgery Center | 13. General Surgery Center |
| 5. Brain and Nerve Center | 14. Otolaryngology Center |
| 6. Women's Health Center | 15. Skin and Cosmetic Surgery Center |
| 7. Pediatric Center | 16. Hemodialysis Center |
| 8. Child Development Center | 17. Accident and Emergency Center |
| 9. Health examination | 18. Physical therapy Center |

(2) **Inpatient Services:** The hospital Building-1 has a total of 180 registered beds in 109 rooms to provide services for hospital inpatients whereas the new Excellence Center Building has a total of 26 registered beds available in 26 IPD rooms. Exclusive in hospital rooms, the Hospital focuses on patients' cleanliness and hygiene in a warm, home-like setting, which is a factor contributing to positive mental health among patients. The Hospital has prepared many types of rooms to provide service based on service recipient needs such as rooms with eight or four beds, special double-bed rooms, special single-bed rooms, VIP rooms, suites, ICU rooms and Separate patient's disease rooms.

Another service business involves food, agricultural and medicinal product analysis, testing and research service which is focused in performing laboratory analysis, testing and research services covering fresh and processed food product analysis, agricultural, animal husbandry and fishery product testing, chemical analysis including analysis for physical contaminants, pharmaceutical analysis, medical analysis, and measuring device calibration services.

For the business of auxiliary medical services and business development involves the supportive Hospital's work with the objective to operate and provide, Hospital's legal work by providing legal consultation, pressing charges and following-up to collect debts, etc., along with providing support in management work as well as business development.

The other business involves medical laboratory analysis, diagnosis, and research to serve and enhance service capacity serving the increase number of patients along with their higher needs in not only the hospital but also coming expansion including the new Medical Excellence Center.

Business Operation Characteristics

The corporation and subsidiaries were engaged in the following 4 businesses: Overall Business Operations of the Company and its Subsidiaries

Business Type	Operated By	Service Characteristics
(1) Hospital Service Businesses	LPH <ul style="list-style-type: none"> Registered Capital :375.00 Million Baht Paid-Up Capital :375.00 Million Baht Par Value :0.50 Baht 	Private hospital business services in providing general treatment for diseases and medical center services including out-patient, in-patient and emergency patient services with the following primary service recipients: <ul style="list-style-type: none"> General service recipients. Service recipients according to Social Security Scheme rights.
	A Subsidiary (LP2) <ul style="list-style-type: none"> 99.99 Percent Shares Held by the Company Registered Capital :50.00 Million Baht Paid-Up Capital 12.50 Million Baht Par Value 10.00 Baht 	LP2 currently has no business operations. However, the Company has a project to construct and operate the new hospital in the future through LP2. The Company is on process of getting new project investment approval as planned.
(2) Food, Agricultural and Medicinal Product Analysis, Testing and Research, Agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances	A Subsidiary (AMARC) <ul style="list-style-type: none"> 97.14 Percent Shares Held by the Company Registered Capital: 150.00 Million Baht Paid-Up Capital 150.00 Million Baht Par Value :10.00 Baht. 	Laboratory analysis/research services divided according to AMARC laboratories as follows: <ul style="list-style-type: none"> Food and Agricultural Product Analysis Laboratory. Medical and Pharmaceutical Laboratory. Instrument Calibration Laboratory. Scientific Research and Development Laboratory.
(3) Support for Medical Service Provision and Business Development	A Subsidiary (ABMC) <ul style="list-style-type: none"> 99.99 Percent Shares Held by the Company Registered Capital: 10.00 Million Baht Paid-Up Capital 10.00 Million Baht Par Value :10.00 Baht. 	Provision of services in support of medical service provision and business development as follows: <ul style="list-style-type: none"> Support marketing events with activities including advertising media and public relations for the Company and its subsidiaries. Legal support for the Company. Business development support for the Company and its subsidiaries.
(4) Scientific analytical and diagnostic for medical services	A Subsidiary (AMLC) <ul style="list-style-type: none"> 99.99 Percent Shares Held by the Company Registered Capital: 5.00 Million Baht Paid-Up Capital 5.00 Million Baht Par Value :10.00 Baht. 	Conduct a business on scientific analytical and medical diagnostic services with a modern and standardized laboratory tools with various medical examination and analysis.

(1) Hospital Service Business

Hospital service businesses are currently operated by the Company as a private medical facility admitting patients for overnight stays (a private hospital) under the name of Ladprao General Hospital (the Hospital) with a capacity of 206 beds. The Hospital was opened to provide public health services with continual service development emphasizing treatment quality and efficiency combined with health promotion, disease prevention and patient recovery to help the public have better health and quality of life. The Hospital provides services meeting all standards in every field of medicine such as internal medicine, pediatrics, women's health, ophthalmology, otolaryngology, general surgery, orthopedic surgery, cardiology and neurology, skin and beauty, dentistry and hemodialysis, etc. Furthermore, the Company aims to achieve medical excellence by developing capacity to treat various diseases in support of domestic population structure changes which will have more senior adults in order to become a community hospital that covers service recipients from every age group living in the Ladprao neighborhood and nearby areas. The Company provides services for out-patients with expert teams of physicians in each field. Moreover, the Hospital provides in-patient services with various types of patient rooms based on service recipient needs with doctor and nursing teams ready to provide care for patients 24 hours a day.

Service Characteristics Classified by Patient Service Provision

1) Out-Patient Service

At present, the Hospital is able to provide services in mostly all fields of medicine with 160 treatment service rooms and procedure rooms including new services launched in the new Excellence Center Building since February 2018 with the capacity of approximately 4,400 patients per day:

2) In-Patient Services

The Hospital in association with new services launched in the new Excellence Center Building has its in-patient capability of 206 registered beds in the total of 135 rooms to provide services for hospital.

Ratio of Service Classified by Service Recipients

1) General Service Recipients – General service recipients consisted of the following:

- 1.1) Personal payers are service users who paid for treatment in real treatment costs without exercising any insurance entitlements, including member groups with special discounts according to the Hospital's conditions.
- 1.2) Contracted parties are service users where the Company of original affiliation has made medical service contracts with the Hospital and are composed of service recipients who have insurance policies with the insurance company on a daily basis and service recipients who are under the jurisdiction of organizations that are party to contracts with the Hospital such as educational institutes and companies which are party to contracts, etc., and service recipients with rights according to the Protection for Motor Vehicle Accident Victims. The Company will collect treatment costs from the insurance company of contract parties or directly from the contract party organization.
- 1.3) Other groups such as civil services and government enterprises, foreign patients including service recipients with other rights such as the Workmen's Compensation Fund for persons who encountered work-related hazards and three emergency foundations established by the National Health Security Office, etc.

2) **Social Security** – The Hospital provides services under social security entitlements and the Hospital will receive treatment expenses from the Social Security Office based on the conditions specified by the Social Security Office.

(2) Food, Agricultural and Medicinal Product Analysis, Testing and Research Service

AMARC is engaged in the business of performing laboratory analysis research classified by laboratory service capacity as follows: (a) fresh food and processed food product analysis, agricultural, animal husbandry and fishery product testing with microorganism and contaminant test/research capacity, chemical analysis including analysis for physical contaminants of the aforementioned products for service recipients to use findings for various objectives such as import or export permission requests in addition to requests for various quality certificates, etc.; (b) pharmaceutical analyses such as tests for compounds in drugs or contaminants; (c) measuring device calibration services to support accurate calibration results for devices such as weighing machines and thermometers and (d) agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances, etc.

AMARC has been granted 5 Certificates from the Board of Investment Thailand; 4 certificates for privileges in doing scientific laboratory test and the other for servicing calibration business. The major privileges for the Company including but not limited to:

1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income.**
2. Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 1)

** In case of suffering loss of business during the tax exemption period, the granted Company is allowed to carry the accumulated loss so as to deduct from future taxable income incurred (if any) after the ending of tax privileges but shall not exceed five years from the date of the its expiration.

(3) The Business of Supporting Medical Services and Business Development

The business of supporting medical services and business development is operated by ABMC, a subsidiary. This business supports the Hospital's work and business development in the Company and its subsidiaries with the objective to operate and provide services in support services for the Hospital's legal work by providing legal consultation, pressing charges and following-up to collect debts, etc., along with providing support in management work and business management. ABMC employed personnel with appropriate qualifications to perform the duty of providing consultation and participating in business management and development, making plans and setting business policies for the Company and its subsidiaries.

(4) Laboratory and Medical diagnosis

AMLC, a subsidiary, conducts its professional on scientific analytical and medical diagnostic services with various medical examination and analysis served for hospital business including scientific analysis such as chemistry, immunology hematology and microbiology, etc. The Company was approved a grant of BOI privilege for the entire business from the Board of Investment Thailand on November 30, 2018 and received the promotion certificate on January 16, 2019 which the Company has already activated its rights and benefits in relation to corporate tax exemption since October 1, 2019.

The major privileges for the Company including but not limited to:

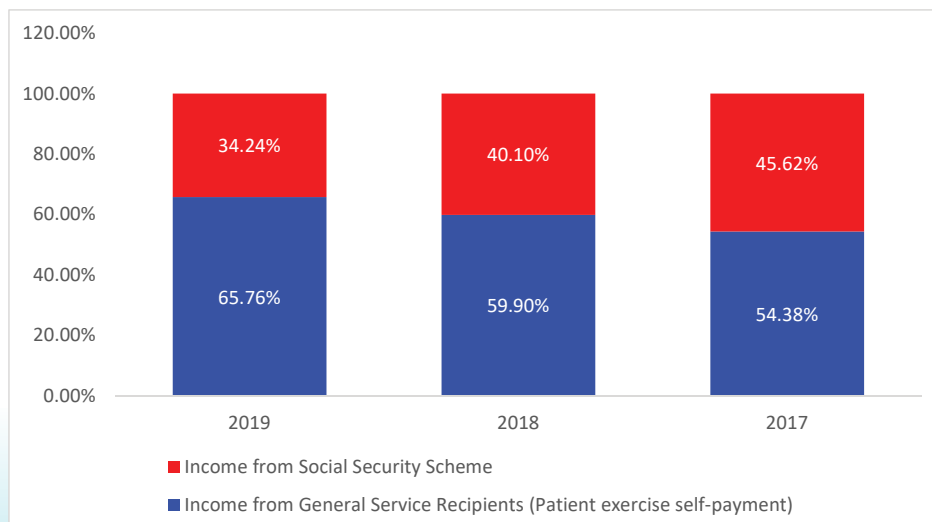
1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from January the first day of realizing sales and/or services income.**
2. Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 1)

** In case of suffering loss of business during the tax exemption period, the granted Company is allowed to carry the accumulated loss so as to deduct from future taxable income incurred (if any) after the ending of tax privileges but shall not exceed five years from the date of the its expiration.

Income Structure

Income	Operated By	2019		2018		2017	
		MB.	%	MB.	%	MB.	%
1. Treatment Income	LPH	1,383.69	86.66	1,362.09	85.73	1,291.01	84.68
- Personal Payment and Other Income		909.98	56.99	815.83	51.35	702.11	46.05
- Social Security Scheme Income		473.71	29.67	546.26	34.38	588.90	38.63
2. Service Income	AMARC	197.75	12.38	163.41	10.29	136.83	8.97
- Analysis Income		197.75	12.38	163.41	10.28	136.83	8.97
3. Other Income		15.38	0.96	63.17	3.98	96.81	6.35
- Profit from the business acquisition		-	-	-	-	8.75	0.57
- Investments income of private fund, net		3.16	0.20	(9.55)	(0.60)	26.67	1.75
- Rental income		3.60	0.22	3.70	0.23	5.45	0.36
- Gain from sale of fixed assets		0.03	0.00	62.68	3.95	48.78	3.20
- Others		8.59	0.54	6.34	0.40	7.16	0.47
รวม		1,596.82	100.00	1,588.67	100.00	1,524.65	100.00

Proportion of General Service Recipients and Social Security to Total Income



Rick Factors

The business of the Company may face many risks which might affect the operations and the Company's share price. The following risk factors are just some important risk factors that could negatively affect the Company which could create a risk of investment by investors significantly. The Company may have other risk factors that are not aware of yet and there might be some risk factors that the Company doesn't see importance but might affect the business operations of the Company in the future.

3.1 Strategic Risks

3.1.1 Risks from Competition in the Private Hospital Business

Currently medical services business is likely to have intense competition not only in official but private hospitals as well. Many private hospitals use competitive strategy in the price, quality of service and medical expertise so as to maintain their customer base and enlarge the new group. The Company may face competition with three private hospitals located in a radius of about 10 kilometers. There may be a risk that allows customers to move to such other hospital services whose specialized medical centers are available. This results in a relatively high area of competition. However, the Hospital has to be well-prepared to cope with such the competition to maintain the customer base and to be a leading hospital in Ladprao area with premium quality of service by investing in modern medical equipment, providing more medical professional expertise to elevate to medical excellent centers, and marketing to serve new clusters, such as expatriates living in Thailand, AEC and middle-east clients, through representatives, organizations along with insurance agents. Hence, the Company has still focused on the service standards at fair prices and continuously maintain the hospital standard quality system of Hospital Accreditation (HA) along with not only supervise the care of the treatment according to various professional standards and establish a network with other hospitals to forward patients, but also develop the hospital service area as well as its facilities to accommodate both inpatients and outpatient services to get the most out of the hospital services by continuously developing and advancing to achieve the medical excellence in accordance with the plan of establishing five new excellence centers. The five strategies involves the improvement of service locations, provision of more professional experts and medical specialists along with modern technological equipment, and development of service excellence with respect to international certification including getting further approval for the JCI standard.

3.1.2 Investment Expansion Risk

The company has its plan to strengthen and gain competitive advantage and its revenue base by the expanding investment strategy. It is also the strict policy to engage consultants to conduct at all and every aspects of careful feasibility related to such business expansion prior to making any of Company investment.

In addition, the Company has considered and aimed to jointly invest in a new private hospital with 59 hospital beds nearby the Rojana Industrial Estate Zone in Ayutthaya Province, whose specialty focuses on health check-up regarding risk-based and occupational health services for medium to large enterprises in well-perform communities and Industrial zones. This hospital has planned to expand its capacity to 100 hospital beds covering social security scheme and asked the Company for considering further partnerships which the Board of Directors has considered and approve in principle to study the investment in the hospital project.

In addition to the Investment in Ladprao- Lamlukka Hospital and Lam Lukka Elderly Care Center, the Company are planning to review the development and re-study the project possibility due to the fact that there are a number of new hospitals emerging on Lam Lukka road and its surrounding areas within the next 2-3 years.

3.2 Operation Risks

3.2.1 Medical Personnel Shortage Risks

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

relationships with universities' student internships, establishment of reasonable remuneration compared to peers in the same industrial services along with satisfied benefits that are granted to employees at all levels, and secure standing career employee plans to grow and advance them at all levels (Succession Plan) in order to ensure stability in their career for the employees who are ready to grow along with the Company. To create pride and value for employees, the Company has granted honor certifications and rewards to employees who work and have outstanding performance binding to the organization for long term work age of 10 years or up.

Furthermore, the Company has a policy to provide training and scholarships for qualified personnel, with an objective to enhance their skills and knowledge in various fields of specialization. This policy should help create a bond between the personnel and the Company, and the Company believes that this policy will help reduce exposure to the risk related to medical personnel scarcity. In the past, the company has not yet experienced a harmful shortage of medical personnel.

3.2.2 The risk of Being Sued

Hospital business operation nowadays may be at incremental risk of being sued for damages, no matter of not only the quality of medical care but cost of satisfaction in the service and/or mislead ad and quotes. Therefore, the Hospital does pay high attention to the importance of this issue. In order to mitigate potential risks, the Company has a risk management system in the hospital, employs expert medical screening system, enforces and adheres to ensure quality medical treatment operation, safety as strict to the security principle (Patient Safety), focuses on the safety of patients from significant risks (Patient Safety Goal)--at all must be taken to ensure the highest possible security of the patient, and continuous compliance with the standards (HA) which would help the Company in good management of potential risks with risk management measures (Risk management) in various levels as part of the development of the hospital's quality system, and provides a reporting and troubleshooting process whenever incurring a complaint from the service recipient. The Company should have Risk Management Committee and the medical safety are responsible to define a guideline as to control any possible problem of medical services and providing reliable sufficient information to the recipients.

In the past year, there was no court case stemmed from the patients.

3.3 Financial Risks

3.3.1 The Risk Associated with Uncertain Receivable

The general practice and ethic for providing medical treatment and service to patients, excluding of Social security scheme, has to be at first without attention on prepaid or deposit. The Company may then face risks of being unable to collect parts or all medical bills after completion of such services. Thus, the Company has set the policy to progressively notify patients on the incurred costs of treatment and service during their admission and also has a receivable management unit to monitor, prevent, and minimize such risks as well as expedite the collection or even work altogether with them to solve any collectible problems.

Regarding the quality of the Company's accounts receivables, in 2019, the Company's major accounts receivables mostly attributed to accounts receivables from the Social Security Office, life insurance firms and non-life insurance firms. The duration of the settlement depends on the length of time it takes to review the document's right to the insured before payment to the hospital. As these accounts demonstrate low default risk; therefore, the Company accordingly sees low risk of collection of medical service fee payments with doubtful debts at 0.15 %.

3.3.2 Liquidity Risks of the Company and its Subsidiaries

The company operates its business in accordance with conservative financial policy that does not emphasize the source of funding from external loans. Any additional borrowing has to be proceeded only in needs for the period of long-term investment projects. The Company has the policy to keep its readiness for its investment growth plans by having been granted sufficient available credit supports from financial institutions including available bank overdrafts (OD), working capital facilities (PN) long-term loans (LT).

3.4 Compliance Risk

3.4.1 Risks from government policies, regulations, health standards

In conclusion, in 2019, the company was exposed to the risk of being affected by the government's major policy changes, including the announcement of the use of the Thai Joint Disease Diagnostics Group and the relative weight of Thai DRGs Version 6 : TDRGs V.6, which resulted in having some groups of diseases scoring of lower Adj.RW >2 values and a change in the method of paying the service fee from scaling by standard nursing facility (HA) to considering of service quality results. However, the Company management has closely monitored the aforesaid government's policy change not only by itself but also through the hospital club for the development of the social security system in order to be able to effectively assess any associated risks risen from the policy changes.

General Information and Other Significant Information

Company Name	Ladprao General Hospital Public Company Limited (The Company)	
Company Name (English)	Ladprao General Hospital Public Company Limited (LPH)	
Business Type	Private medical facility business which admits patients for overnight stays under the name of Ladprao General Hospital	
Company Registration No.	0107536000161	
Main Office Location	2699, Ladprao Rd., KlongchaokunSng, Wangthonglang, Bangkok, 10310	
Tel.	02-530-2244, 02-530-2556-69	
Fax.	02-539-8490	
Home Page	http://www.ladpraohospital.com	
E-mail Address	ladprao@ladpraohospital.com	
Registered Capital	375,000,000 baht (three hundred and seventy-five million baht)	
Paid-Up Capital	375,000,000 baht (three hundred and seventy-five million baht)	
Common Shares	750,000,000 shares (seven hundred and fifty million shares)	
Par Value	0.50 baht per share	
Securities Registrar	Thai Securities Depository Company Limited, 93, Stock Exchange of Thailand Building, Ratchadaphisek, Dindaeng, Dindaeng, Bangkok, 10400, Tel: 02-009-9000, Fax: 02-009-9991	
Auditor	Miss Sulalit Ardsawang	Certified Public Accountant No.7517
	or Mr. Peradate pongsathiansak	Certified Public Accountant No.4752
	or Mr. Thanawut Piboonsawat:	Certified Public Accountant No.6699
Dharmniti Auditing Co., Ltd., 267/1, Pracharaj Rd., Sai 1, Bang Sue, Bang Sue, Bangkok, 10800, Tel: 02-587-8080, Fax: 02-586-0301		

Securities and Shareholder Information

5.1 Registered and Paid-Up Capital

As of 31 December 2019, the Company has issued and paid-up registered capital at 375,000,000 baht divided into 750,000,000 common shares at a par value of 0.50 baht per share

5.2 Shareholders

The Company has ten major shareholders as of 11 March 2020 as follows:

Shareholders	Shares Held (Shares)	Shareholding Ratio (%)
1. LP Holding Co., Ltd.	223,751,000	29.83
2. Mr. Pipat Savetvilas	36,543,684	4.87
3. NCH 2555 Holding Co., Ltd.	34,749,880	4.63
4. Ladprao General Hospital PCL.	30,000,000	4.00
5. Mrs. Wimontip Pongsatorn	22,900,000	3.05
6. Dr. Ungoon Chantanavanich	21,260,960	2.83
7. LP Holding Co., Ltd.	18,306,100	2.44
8. Kasikorn Bank Public Co., Ltd.	16,800,000	2.24
9. Thai NVDR Co, Ltd.	9,756,468	1.30
10. Prof. Dr. Somsak Lohlekha	7,765,360	1.04
Total	421,833,452	56.23

5.3 Dividend Payout Policy

The Company intends to operate on the basis of good, transparent and accountable corporate management principles with primary consideration given to the interest of every interested person group. The Company is also aware of shareholders' rights as investors and the Company's owners. Therefore, to add value for shareholders in the long-term, the Company has specified dividend payment policy for the Company and its subsidiaries as follows:

1) The Company's Dividend Payout Policy

The Company has the policy to pay dividends to shareholders at no less than 50 percent of net profit from the separate financial statement after deducting juristic person income tax and every type of appropriation specified by law and the Company's regulations. However, the aforementioned dividend payout may have changes depending on necessity and other suitability as considered by the Board of Directors. Annual dividend payouts require approval from the general shareholders' meeting except for interim dividend payouts. The Board of Directors may approve occasional interim dividend payouts if the Company is seen to have sufficient profit and the Board of Directors is to report the aforementioned interim dividend payouts to the next general shareholders' meeting.

2) Subsidiaries' Dividend Payout Policy

Subsidiaries' dividend payout consideration is under approval consideration by the Board of Directors and general shareholders' meeting of each subsidiary. The Company's subsidiaries have the policy to pay dividends to shareholders at the rate of no less than 50 percent of net profit from the separate financial statement after deducting juristic person income tax and every type of appropriation specified by law and the Company's regulations. However, the aforementioned dividend payout may have changes depending on necessity and other suitability as considered by the Board of Directors and the general shareholders' meeting of each subsidiary. Annual dividend payouts require approval from the general shareholders' meeting of each subsidiary except for interim dividend payouts. The Board of Directors of each subsidiary may approve occasional interim dividend payouts if the Company is seen to have sufficient profit. And, in order for subsidiaries' dividend payouts to be in accordance with good corporate governance principles, transparency and accountability, the Board of Directors of each subsidiary is to report the aforementioned interim dividend payouts to the next Board of Directors/general shareholders' meeting.

Management Structure

6.1 The Board of Directors of the Company and Its Subsidiaries

The Board of Directors as of 31 December 2019 comprised 11 directors and the Boards of Directors of subsidiaries have the following details:

Name	Company	Subsidiary			
		AMARC	ABMC	AMLC	LP2
Prof.Dr.Somsak Lohlekha	Chairman	-	-	-	Chairman
Mr.Pipat Savetvilas	Vice Chairman	-	-	-	Director
Assoc.Prof.Dr.Wirat Wongsangnak	Director/Chairman of the Executive Committee /The Nomination and Remuneration Director	Chairman	-	Chairman	Director
Dr.Ungoon Chantanavanich	Director/ Vice Chairman of the Executive Committee / Nomination and Remuneration Director/ Chairman of the Risk Management Director/ Chief Executive Officer	Director	Chairman	-	Director
Mrs.Supaporn Kantamanond	Director	-	-	-	Director
Dr.Somchao Tanterdtham	Director	-	-	-	-
Mrs.Vidchuda Ampornphol	Director	Director	-	-	-
Asst.Prof.Dr.Piboon Limprapat	Independent Director/Chairman of the Audit Committee/ The Nomination and Remuneration Chairman	-	-	-	
Mr.Kunthon Nakporm	Independent Director/Audit Director /The Nomination and Remuneration Director	-	-	-	
Mrs.Benjawan Thanapaisanpipat	Independent Director/Audit Director	-	-	-	
Miss Thippawan Uthaisang	Independent Director/Audit Director	-	-	-	

Mr. Vitavas Pirmphol is the Secretary Company.(1)

Comment :

- 1) Remuneration for directors From the resolution of the Annual General Meeting of Shareholders No. 29/2018 on 23 April 2018

Directors with Signatory Authority on the Company's Behalf

Directors with authority to sign and bind the Company to obligations consist of Prof. Dr. Somsak Lohlekha, Mr. Pipat Savetvilas, Assoc. Prof. Dr. Wirat Wongsangnak, Dr. Ungoon Chantanavanich and Mrs.Supaporn Kantamanond. Two out of the five aforementioned directors are to sign together on the Company's behalf and affix seals.

Authority, Duties and Responsibilities of the Board of Directors

The Board of Directors, as a representative for shareholders, play key roles in governing the Company's management in compliance with the law, the Company's rules and regulations and the general shareholders' meeting resolutions, including specification of the Company's visions, obligations, strategies and policies with maximum benefit for shareholders and monitoring the Management Department's performance. Furthermore, the Board of Directors also has authority and responsibilities as specified by law, rules, objectives and resolutions of the Company's general shareholders' meeting including the following actions:

- (1) Perform duties and govern the Company's business in compliance with the law, objectives, regulations, resolutions of Board of Directors' meetings including the general shareholders' meeting with responsibility, caution, honesty and attention to preserving the Company's interests.
- (2) Specify the Company's and its subsidiaries' vision, strategy, business direction, policy, goal, business plan, budget, management structure and approval authority as proposed by the Management Department in addition to governing administration and performance by the Management Department or any person assigned to perform the aforementioned duties in order to effectively comply with specified policies and add the highest value for the Company and shareholders.
- (3) Continually and regularly monitor and evaluate performance by the Management Department to achieve strategies and be in line with plans and budgets along with ensuring systems and mechanisms for appropriate remuneration for executives.
- (4) Ensure the Company and its subsidiaries have appropriate and effective accounting systems along with arranging for reliable financial and auditing reports in addition to adequate and proper internal control and internal audit systems.
- (5) Consider approval for the acquisition or distribution of properties (in cases where transaction size does not require consideration by the general shareholders' meeting), invest in new businesses and perform in compliance with the law, notifications and related rules and regulations.
- (6) Consider approval for related transactions (in cases where transaction size does not require consideration by the general shareholders' meeting), invest in new businesses and perform in compliance with the law, notifications and related rules and regulations.
- (7) Consider interim dividend payout approval for the Company's shareholders.
- (8) Review risk management processes and policy in addition to monitoring performance.
- (9) Prevent conflicts of interest between the Company's and its subsidiaries' interested persons. Cases where any director has interests in any transactions conducted with the Company or increased or decreased shareholding ratios in the Company and its subsidiaries are to be reported to the Company by the aforementioned directors without delay.
- (10) Arrange for good corporate governance policies, corporate social responsibility policies, anti-corruption policies and effective adaptation of the aforementioned policies.
- (11) Appoint sub-committees such as the Audit Committee, the Executive Committee, The Nomination and Remuneration Committee and/or any other sub-committees in order to help and support performance of duties by the Board of Directors as deemed fitting.
- (12) Appoint the Corporate Secretary to assist the Board of Directors in working to ensure the Company's business operations are in compliance with the law and related regulations.
- (13) Request professional opinions from external organizations if necessary to accompany appropriate decision-making.
- (14) Prepare annual reports and take responsibility for financial statement preparation and disclosure to reveal the Company's financial status and performance in the past year for presentation to the Shareholders Meeting.
- (15) Host annual general shareholders' meetings within four months after the end of the Company's accounting cycle.
- (16) Consider approval on various topics by considering interested persons and interest with fairness.
- (17) Assign a director, several directors or other persons to perform any actions on behalf of the Board of Directors.

Assignment of the Board of Directors' authority, duties and responsibilities will have no characteristics of granting authority or sub-granting authority causing the Board of Directors or persons authorized by the Company to be able to approve transactions in which that person or other persons may have conflicts (as defined in the Securities and Exchange Notification or Capital Market Supervisory Board Notifications), interests or receive benefit in any characteristic or any other potential conflicts of interest with the Company or its subsidiaries except for approval granted to transactions in line with policy and criteria considered approved by the general shareholders' meeting or the Board of Directors.

Terms in Office for Directors

The Company's directors have a term of three years in position per term .At every annual general shareholders 'meeting, the Company's directors are out of office at one-third of all directors .If the number of directors cannot be divided into three parts, directors are to resign by the number closest to one-third .Directors who are out of office may be reselected into office .Directors who have to leave office in the first and second year after registering the Company drew lots and directors who were in position the longest in later years will be the directors who will leave their positions.

Board Self- Assessment

The Board has established an annual self-assessment for the overall performance of the Board of Directors, Sub-Committee (Executives Committee, Nomination and Remuneration Committee and Audit Committee), and of members on an individual basis. The assessment has been conducted based on the self-assessment guidelines provided by the Stock Exchange of Thailand and in accordance with the Company's Good Corporate Governance principles.

The self-assessment serves as a framework to monitor the performance of Board of Directors' duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation, and summarize in the performance evaluation report. The Company shall also use any recommendation to improve effectiveness of the Board's operation onwards. The results of self-assessment the Board of Directors and Sub-Committee for the year 2019 summarized in the Board of Directors' Meeting No.6/2019 held on December 16, 2019 are as follows:

Self- Assessment for the Board of Directors

Principles: The self-evaluation forms have been organized for the Board and of members on an individual basis based on the self-assessment guidelines provided by the Stock Exchange of Thailand but adapted to fit the Company's Board structure. The performance evaluation results will be a key paths to stipulate and enhance the efficiency of the Board onwards.

The assessment shall cover the following criteria:

1. Structure and qualifications of the Board of Directors;
2. Roles, duties and responsibilities of the Board of Directors;
3. Meeting of the Board of Directors;
4. Acts of duty of the Board of Directors;
5. Relationship with the Company's Management;
6. Self-development of directors and executives.

Result of 2019 Performance Evaluation of the Board of Directors and of members on an individual basis regarding the overall 6 criteria was scored at 91.90% which represented in a range of "Excellence" performance.

Self- Assessment for the Executive Board

Principles: The self-evaluation for the Executive Board organized in a form to evaluate the performance of the Board's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Board's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Executive Board onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Executive Board;

Result of 2019 Performance Evaluation of the Executive Board and of members on an individual basis regarding the overall 3 criteria was scored at 75.93% which represented in a range of "Pretty Good" performance.

Self- Assessment for the Nomination and Remuneration Committee

Principles: The self-evaluation for the Nomination and Remuneration Committee organized in a form to evaluate the performance of the Committee's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Committee's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Nomination and Remuneration Committee onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Nomination and Remuneration Committee;

Result of 2019 Performance Evaluation of the Nomination and Remuneration Committee and of members on an individual basis regarding the overall 3 criteria was scored at 91.37% which represented in a range of "Excellence" performance.

Self- Assessment for the Audit Committee

Principles: The self-evaluation for the Audit Committee organized in a form to evaluate the performance of the Committee's duties and of members on an individual basis aimed to attain the following objectives:

- 1) To monitor the performance of the Committee's duties, analysis of the functioning results, problems, and obstacles that arise in the previous year operation;
- 2) To stipulate and enhance the efficiency of the Audit Committee onwards.

The assessment shall cover the major 3 criteria as follows:

1. Structure and qualifications of the Sub-Committee;
2. Meeting of the Sub-Committee;
3. Acts of duty of the Audit Committee;

Result of 2019 Performance Evaluation of the Audit Committee and of members on an individual basis regarding the overall 3 criteria was scored at 97.99% which represented in a range of "Excellence" performance.

Report on Shareholding Changes of Directors and Executives in the Company and Its Subsidiaries in 2019

N0	Name	Position	No. of Shares Held As of 31 Dec 2018	No. of Shares Held As of 31 Dec 2019	Increase (Decrease) in Shares	Shareholding Ratio in the Company (%)
1	Prof.Dr.Somsak Lohlekha	Chairman of the Board	7,765,360	7,765,360	-	1.04
2	Mr.Pipat Savetvilas	Vice Chairman of the Board	35,893,684	36,543,684	650,000	4.87
3	Assoc.Prof.Dr.Wirat Wongsangnak	Director / Nomination and Remuneration Director	3,883,920	3,971,320	87,400	0.53
4	Dr.Ungoon Chantanavanich	Director/ Nomination and Remuneration Director	15,000,000	21,260,960	6,260,960	2.83
5	Mrs.Supaporn Kantamanond	Director	6,073,260	6,073,260	-	0.81
6	Dr.Somchao Tanterdtham	Director	1,987,840	3,175,680	1,187,840	0.42
7	Mrs.Vidchuda Ampornphol	Director	1,141,160	1,141,160	-	0.15
8	Asst.Prof.Dr.Piboon Limprapat	Independent Director/Chairman of the Audit Committee / Nomination and Remuneration Chairman	1,030,000	1,030,000	-	0.14
9	Mr.Kunthon Nakporm	Independent Director/Audit Director/The Nomination and Remuneration Director	1,680,005	1,680,005	-	0.22
10	Mrs.Benjanwan Thanapaisanpipat	Independent Director/Audit Director	1,096,600	1,096,600	-	0.15
11	Miss Thippawan Uthaisang	Independent Director/Audit Director	1,000,000	1,000,000	-	0.13

6.2 Executives

The list of executives as of 31 December 2019 comprised 8 executives as follows:

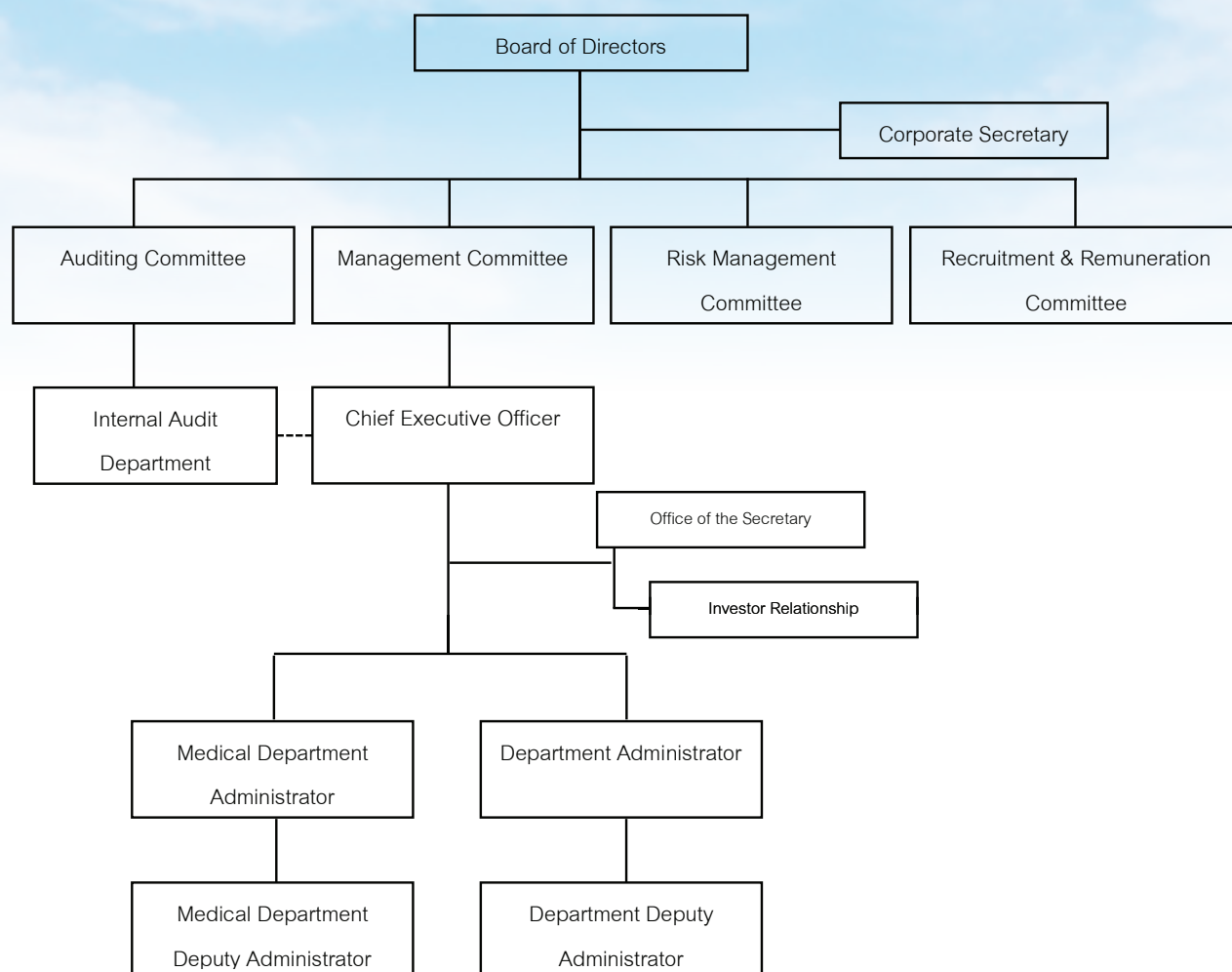
Names	Positions
Dr.Ungoon Chantanavanich	Chief Executive Officer
Dr.Reungrit Hassakul	Medical Department Administrator
Dr.Phattarahathai Phupanich	Deputy Medical Department Administrator
Miss Jirawan Menghong	Department Administrator
Mr. Vitavas Pirmphol	Deputy Department Administrator/ Secretary
Miss Chomsri Chaiwachirasak	Deputy Department Administrator Financial accounting
Miss Surajit Jantawong	Deputy Department Administrator
Mr. Ekkachai Sirichutimangkoon	Deputy Department Administrator

Chief Executive Officer's Scope of Authority and Duty

The Chief Executive Officer's scope of authority and duty as approved by the Board of Directors Meeting No. 12/2014 on 12 December 2014 was as follows:

- (1) To decide in significant matters for the Company, designate the Company's missions, objectives, guidelines and policies including overall governance of performance, production, customer relations and the Chief Executive Officer is required to be responsible to the Board of Directors.
- (2) To have the authority to approve expenses or spending according to the Company's projects, investment or purchase/sale of permanent properties as approved by the Executive Committee and/or the Board of Directors within the approved balance according to scope of approval authority.
- (3) To consider the Company's fundraising topics for presentation to the Executive Committee.
- (4) To have the authority to employ, appoint, discharge, remove and fire employees. To set wage rates, rewards, raise salaries, remuneration and bonuses for employees from the level of Deputy Managing Directors and lower.
- (5) To act on the Company's behalf and represent the Company to outside persons in related businesses in the interests of the Company.
- (6) To operate businesses related to the Company's general administration.
- (7) To perform any other duties assigned by the Audit Committee, The Nomination and Remuneration Committee, the Risk Management Committee and/or the Board of Directors.
- (8) To have the authority to grant power and/or assign other persons to perform specific tasks by granting power and/or the aforementioned assignment to be within the scope for granting power according to power of attorney letters given and/or to comply with regulations, specifications or orders determined by the Company's Board of Directors.

Authority, duty and responsibility entrusted to the Chief Executive Officer are required to have no characteristics allowing the Chief Executive Officer or a person granted power by the Chief Executive Officer to approve transactions in which that person or a person with potential conflict (as defined in the Securities and Exchange Commission Notification or the Capital Market Supervisory Board) may have interests or benefits in any characteristic or may have any other conflicts of interest with the Company or its subsidiaries, except when approving transactions in agreement with policy and criteria approved by the general shareholder's meeting or the Board of Directors.



6.3 Corporate Secretary

Mr. Wittawat Permpon functions as the Corporate Secretary for compliance with the Securities and Exchange Act of B.E. 2535 (1992) (including revisions and additions). The Corporate Secretary has the primary duty of working on behalf of the Company and/or the Board of Directors to prepare and store directors' registrations, Board of Director meeting invitation letters, minutes to the Board of Directors' meetings, the Company's annual reports, minutes to general shareholders' meetings and store reports on interest-holding reported by directors or executives in addition to performing any other action notified and specified by the Capital Market Supervisory Board in addition to sending copies of interest-holding reports according to Article 89/14 prepared by directors for the Chairman of the Board and the Chairman of the Audit Committee to acknowledge within seven business days from the date when the Company received that report. Furthermore, the Corporate Secretary also has the following duties:

- (1) Provide basic consultation regarding the law and the Company's rules and regulations enquired by the Board of Directors and monitor to have accurate and regular compliance in addition to reporting significant changes to specifications and/or the law for the Company's business operations to the Board of Directors' acknowledgement.
- (2) Manage shareholders' meetings and Board of Directors meetings in compliance with the law, the Company's regulations and related practices.
- (3) Record minutes to shareholders' meetings and Board of Directors' meetings in addition to monitoring to ensure practices according to resolutions of the shareholders' meeting and the Board of Directors' meeting.
- (4) Provide disclosure of information and information reports in areas of responsibility for related agencies in compliance with the regulations and specifications of the aforementioned agencies.
- (5) Ensure that activities performed by the Board of Directors and any other actions are compliant with the law and/or Capital Market Supervisory Board Notifications and/or assignments by the Board of Directors

6.4 Directors' and Executives' Remuneration

6.4.1 Monetary Remuneration

Directors' remuneration is composed of meeting gratuities paid based on the number of times when directors are in attendance at meetings as follows:

Name	Director		Audit Directors		The Nomination and Remuneration Committee		Executive Directors	
	Volume	Meeting Gratuities	Volume	Meeting Gratuities	Volume	Meeting Gratuities	Volume	Meeting Gratuities
1. Prof.Dr.Somsak Lohlekha	6/6	180,000	-	-	-	-	-	-
2. Mr.Pipat Savetvilas	6/6	150,000	-	-	-	-	-	-
3. Assoc.Prof.Dr.Wirat Wongsangnak	6/6	120,000	-	-	2/2	40,000	12/12	120,000
4. Dr.Ungoon Chantanavanich	6/6	120,000	-	-	2/2	40,000	12/12	108,000
5. Mrs.Supaporn Kantamanond	6/6	120,000	-	-	-	-	-	-
6. Dr.Somchao Tanterdtham	6/6	120,000	-	-	-	-	-	-
7. Mrs.Vidchuda Ampornphol	6/6	120,000	-	-	-	-	-	-
8. Asst.Prof.Dr.Piboon Limprapat	6/6	120,000	4/4	120,000	2/2	60,000	-	-
9. Mr.Kunthon Nakporm	6/6	120,000	4/4	80,000	2/2	40,000	-	-
10. Mrs.Benjawan Thanapaisanpipat	6/6	120,000	4/4	80,000	-	-	-	-
11. Miss Thippawan Uthaisang	6/6	120,000	4/4	80,000	-	-	-	-

In 2019, the Company has paid Director Bonus of Baht 3.53 million whilst Executive committees had 12 meetings and the Company has paid Executives' remuneration totaling of Baht 672,000.

Consultant's Remuneration

In 2019, the Company's subsidiary, Asia Business Management Center Co., Ltd. (ABMC), engaged in business support for the Company with the objective of supporting business expansions by the Company and its subsidiaries in the fields, legal work and corporation business development. Two directors were employed to provide consultation for the Company's corporation with total remuneration of 7.73 million baht.

Executive Remuneration

In 2019, the Company paid remuneration to eight executives (other than remuneration as directors) in the form of salaries, bonuses and other returns from the Company at Baht 30.71 million.

6.4.2 Non-Monetary Remuneration

The Company has the policy to give other remuneration to directors and executives such as office cars, mobile phones, medical treatment expenses and expenses related to office cars and mobile phones for use in working such as fuel costs and phone service fees, etc.

6.5 Personnel

6.5.1 Numbers of Employees/ Staff

Personnel	No. Staff (Persons) as of 31 December 2019	
Doctors/Medical Advisory	274	
	Employees	Temporary/ Part-Time Employees
Nurses	468	51
Medical Technologists	146	37
Management & Administrative	217	2
Total	831	90

6.5.2 Employee Compensation

Remuneration	31 December 2019 (MB.)
Doctor's Fees	219.59
Salaries	303.06
Bonus	27.28
Overtime	72.99
Social Security Contributions	6.72
Provident Fund Contributions	2.81
Total	632.45

6.5.3 Provident Fund

The Company established the Provident Fund by participating in the "Registered Advanced Retirement Provident Fund" managed by Thanachart Fund Management Co., Ltd. with the objective of building morale and encouragement among employees in addition to motivating employees to work with the Company in the long-term.

6.5.4 Personnel Development Policy

It is the Company's policy to develop personnel with the objective of developing personnel to have knowledge and capabilities in working while also retaining personnel with knowledge and capabilities to work with the Company in the long-term with career advancement. The Company has provided regular training inside and outside facilities by preparing training plans every year, surveying training needs of personnel at every level in each department along with considering appropriate training preparations for work in each field.



Corporate Governance Policy

Corporate Governance Policy

According to the Company performance, the Board of Directors has complied with laws, objectives, regulations and decisions of the Company's shareholders' meeting in addition to adhering and complying with the Principles of Good Corporate Governance of Listed Companies based on the guidelines prescribed by the Stock Exchange as the Company's operational guidelines for performance efficiency while also creating transparency for investors, thereby building confidence in the Company's business operations among outside persons. The Company's Corporate Governance Policy covers the following five sections:

Section 1 – Shareholders' Rights

The Company recognizes and acknowledges the importance of shareholders' rights including basic rights as investors and as owners of the Company, for instances, rights to buy, sell, transfer their shares; rights to receive dividends from the Company; rights in shareholders' meetings; rights to receive sufficient and timely information; rights to express their opinions; rights to participate in making decisions on important issues, such as dividend payment, election or removal of directors, appointment of auditors, approval of important transactions that affect the direction of the business and operation of the Company, amendment of memorandum of association and articles of association of the Company, etc.

The Company has engaged in the following activities to promote and facilitate shareholders in exercising rights:

(1) The Company sends invitation letters to shareholders in advance of not less than 7 days or within the period of time required by law or other related regulations to inform them of the meeting agendas which include opinion of the Board of Directors on each agenda item, together with supporting documents and information sufficient to facilitate shareholders in making their decisions. In addition, the Company announces the aforementioned information on the Company's website prior to the shareholders' meeting date.

(2) In cases where shareholders are unable to personally attend meetings, these shareholders have the right to authorize any independent director or person as their proxy to attend the meeting and vote on their behalf, using one of the proxy forms sent with the invitation letter.

(3) The Company has policy to facilitate shareholders by holding shareholders' meetings at convenient places for traveling. Furthermore, the Company attaches shareholders' meeting maps to meeting invitations along with selecting appropriate dates and allocating sufficient times to hold meetings.

(4) Prior to the shareholders' meeting date, the Company allows shareholders to propose opinions, recommendations, or inquiries before the meeting date based on the criteria announced by the Company which shall be earlier notified via the Company's website.

(5) At meetings, the Company allows shareholders equal rights to express opinions, recommendations or ask questions in various agendas independently before making decisions in any agenda. In addition, the Company's directors and executives who are involved will attend to answer questions at the shareholders' meeting.

(6) The Company implements the use of voting ballots on every agenda to help accelerate and ensure the transparency and accountability of the vote counting process.

(7) The Company arranges for independent persons to help count votes on each agenda.

(8) After meetings, the Company prepares comprehensive meeting minutes recording of accurate and complete relevant information including questions, explanations, and opinions expressed at the meeting along with related presentation for records and references. Moreover, the Company disseminates votes on each agenda and the minutes to shareholders' meetings on the Company's website so that shareholders are able to verify.

(9) The Company provides convenience for shareholders in receiving dividends by the method of electronic transferring to bank accounts so as to accelerate and ensure the time-efficient and avoid any lost, damaged, or delayed cheque delivery.

Section 2 – Equitable Shareholders Treatment

The Company is committed to equitable treatment of every shareholder, whether they are major or minority, executives or non-executives, Thai or foreign nationality shareholders, and has undertaken the following tasks:

(1) The Company notifies shareholders' meeting schedules and related agendas to the Stock Exchange of Thailand and publicizing via the Company's website. In addition, both Thai and English version of the meeting invitation letter shall be accompanying on the Company's website.

(2) The Company facilitates minority shareholders in nominating directors or proposing additional agendas prior to the shareholders' meeting date. The Company clearly specifies criteria related to methods for allowing minority shareholders to nominate directors or criteria for consideration to add agendas proposed by minority shareholders in advance.

(3) At each shareholders' meeting, the Company has a policy of treating all shareholders on an equitable basis. Before commencing a meeting, the Chairman will explain to the attendees about their right to vote, details on how to cast ballots are announced for each agenda and votes are tallied for each resolution. Sufficient and appropriate time will be allocated for the shareholders as well as proxies to express their views, offer advice, and ask questions at each agenda item. The Chairman will proceed according to the meeting agenda as outlined in the invitation notice. No additional agenda items that have not been indicated in the invitation notice will be raised without notifying the shareholders in advance especially significant agendas for which shareholders require time to study information before making decisions.

(4) On the agenda to elect directors, the Company supports individual elections.

(5) The Company requires directors to report interest-holdings in any meeting agenda before giving consideration to agendas related to the Board of Directors' meeting and recording on the minutes to the Board of Directors' meeting. Furthermore, the Company forbids significant interested directors who are unable to propose independent opinions on related agendas from participation in that agenda.

(6) The Company specified guidelines to store and prevent use of the Company's inside information by forbidding persons or agencies with knowledge of inside information from disclosing the aforementioned information to unrelated agencies or persons. In cases where any person discloses the aforementioned information or uses inside information for his/hers or others' personal gain or carry out transactions with potential conflicts of interest, that person is considered to have committed severe crimes requiring disciplinary actions. Furthermore, the Company stipulates that every director and executive with duties to report securities holdings in compliance with the law to have the duty to prepare the aforementioned reports and send reports to the Corporate Secretary regularly for disclosure in the annual report.

Section 3 – Roles of Interested Persons

The Company gives importance to the rights of every interested person or group such as internal interested persons consisting of the Company's shareholders and employees or external interested persons consisting of trading partners and customers, etc. The Company is well aware that support and opinions from every interested person or group will be beneficial to the Company's operations and business development. Therefore, the Company will comply with the law and related specifications to ensure the rights of the aforementioned interested persons receive good care. Furthermore, the Company considers the rights of every interested parties in the Company's business operations based on the following guidelines:

Shareholders: The Company aims to operate its businesses with transparency and efficiency to achieve the utmost benefits for the shareholders in the long-term through stable growth and sustainable capability in generating profits. The Company also has the policy to disclose information with transparency and reliability to every shareholder.

Employees: The Company treats employees equally and fairly with proper remuneration. Furthermore, the Company committed to the development of employees' skills, knowledge, ability, and capacity by arranging for training, seminars, and development program in order to continuously enhance every employee's skill and create motivation and loyalty for highly skilled and capable employees. Moreover, the Company has set anti-corruption guidelines and instills every employee to comply with the law and related regulations such as restrictions against use of inside information, etc.

Counter Parties: The Company has a selection and evaluation policy that is fair to all parties concerned and uphold the rule on fair competition based on equal information. In addition, the Company abides by the appropriate and fair terms and conditions

of agreements and contracts with all counter parties along with arranging for systems to monitor and ensure complete compliance with contract conditions while also preventing corruption and unlawful behaviors in every step of the procurement process. The Company commits to conduct purchasing activities according to the trade terms and conditions of the agreements that are contractually fair and ethical.

Customers: The Company takes responsibility for customers by the commitment to provide high quality medical service in compliance with international standards. In addition, the Company has a department to take care of customer complaints and suggestions aimed to continuously improve the quality of care and satisfy all customer needs.

Creditors: The Company has the policy to abide by the contracts and commitments made with debtors of all types, whether in terms of the objective, repayment, interest, maintaining quality of collateral (if any) as well as with other related contracts.

Competitors: The Company behaves within the framework of good competition with ethics inside legal frameworks along with supporting and promoting free and fair competition policies.

Society and the Public: The Company recognizes and places importance to safety for society, the environment and quality of life for persons related to the Company's operations and promotes conscientiousness and responsibility toward the environment and society among the Company's employees while also arranging for compliance with the law and various regulations. In addition, the Company attempts to participate in activities to create and maintain the environment and society along with promoting culture in localities where the Company operates business.

In addition, interested persons are able to enquire for details, report complaints or clue to illegal actions, financial report accuracy, erroneous internal control systems or violations to the Company's business ethics via the Company's independent directors or audit directors. Complaints and clues will be protected and kept confidential.

Section 4 – Disclosure and Transparency

(1) The Board of Directors places importance on the disclosure of information and has a policy to disclose information which is transparent, complete, reliable and timely information, including financial information and general information as well as other information affecting the Company's securities prices, all of which influence the decision-making processes of the Company's investors and stakeholders by disclosing information based on the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand.

(2) The Company arranges Investor Relations Department staff to perform the duty of communicating with investors or shareholders. The Company holds regular meetings to analyze performance along with disseminating the Company's financial information and general information to shareholders, securities analysts, rating firms, and related government agencies via various channels such as reports to the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's securities. Furthermore, the Company places importance on the disclosure of regular information in both Thai and English version to allow shareholders and investors to access up-to-date news via the Company's website including the Company's visions, missions, financial statements, public relation news, annual reports, corporate structures and executives, shareholding structure and major shareholders, meeting invitations, the Company's registration documents as well as various charters, etc.

(3) The Company places importance to the Company's financial statements and financial information appearing in annual reports. The Audit Committee reviews financial report and internal control system quality in addition to adequately disclosing significant information in remarks accompanying financial statements and reports for the Board of Directors along with preparing reports on the Committee's responsibilities to financial reports for presentation with the auditor's report in annual reports. Furthermore, the Committee supports the Management Department to prepare management discussion and analysis to accompany financial statement disclosure in every quarter.

(4) The Company discloses information regarding each director, the Board of Directors' and sub-committees' roles and duties, number of meetings and attendance during the past year and opinions from performing duties including continual professional training and knowledge improvements on annual reports and forms showing the Company's annual information in addition to disclosing remuneration policy and remuneration characteristics and details for the Company's and its subsidiaries' directors and high-ranking executives (if any).

- (5) The Company provides disclosure of auditing fees and fees for other services performed by the auditor.
- (6) The Company arranges for summaries of approved reports on corporate governance and business ethics policy, risk management policy and environment and social care policy including performance in compliance with the aforementioned policies and cases where the aforementioned policies could not be carried out with reasons for disclosure by reporting via various channels such as annual reports and the Company's website, etc.

Section 5 – Responsibilities of the Board of Directors

1. Board of Directors and Sub-Committee Structure

The Board of Directors is composed of qualified directors with extensive ability and experience in various fields capable of benefiting the Company with roles in setting the organization's policies and overall visions. The Board of Directors also has significant roles in governing, auditing, and evaluating the Company's performance to ensure that the plans are carried out efficiently and effectively.

The Board of Directors is currently composed of 11 directors with two (2) executive directors and nine (9) non-executive directors and comprises four independent directors or accounted for one-third of the Board, creating proper balance in considering and voting regarding meeting topics and agendas. Directors have a term in office of no more than three (3) years as prescribed by governing laws. Furthermore, the Company's directors and executives may hold positions as directors or executives in other companies in the corporation or other companies while maintaining compliance with specifications of the Securities and Exchange Commission, the Stock Exchange of Thailand and related agencies in addition to requirements for reports to Board of Directors' meetings.

In addition, the Board of Directors appoints sub-committees to facilitate in governing Company's business and corporate governance as follows:

(1) The Executive Committee: The Executive Committee consists of at least three (3) executive directors who perform the duty of supporting the Board of Directors in managing the Company's business in accordance with corporate policy, plan, regulation, and order, including goals set under frameworks assigned by the Board of Directors.

(2) The Audit Committee: The Audit Committee consists of at least three (3) audit directors who perform the duty of supporting the Board of Directors in governance, management audits, internal control, risk management, and good governance along with financial report preparations in order for the Company's operations and information disclosure to be transparent and reliable.

(3) The Nomination and Remuneration Committee: This committee is composed of at least three (3) directors who function to recruit appropriate persons to become directors and high-leveled executives including considering remuneration patterns and criteria as well as the development program.

(4) The Risk Management Committee: The Risk Management Committee comprises at least five (5) risk management committee, with no restriction of being Company's director, who support the Board of Directors in setting risk management policies to cover the entire organization and governing to ensure proper risk management systems or processes to reduce impacts on the Company's business.

Moreover, the Company has arranged for the Corporate Secretary to perform duties related to Board of Directors' meetings and shareholders' meetings in addition to supporting the work of the Board of Director by providing consultation related to specifications of the law and regulations related to performance of duties by the Board of Directors including coordinating compliance with the Board of Directors' resolutions.

2. Board of Directors' Roles, Duties and Responsibilities

The Board of Directors has responsibilities to shareholders regarding the Company's business operations with duties to specify the Company's policies and operational directions including governing management based on goals and creating guidelines leading to long-term benefits for shareholders under legal specifications and business ethics. In the meantime, the Board of Directors also considers the interest of every interested party with details appearing on the Board of Directors' charter.

(1) Corporate Governance Policy

The Company prepared the Company's corporate governance policy in writing and presented the policy to the Board of Directors' meeting for approval. In addition, the Company prepared good corporate governance handbooks to provide guidelines for directors, executives and employees in complying with the aforementioned policy. The Board of Directors arranges annual reviews for the aforementioned policy.

(2) Business Operation Ethics

The Company intends to operate the Company's business with transparency, morals and responsibility to interested persons including society and the environment. The Company specified practices in writing for the Board of Directors, executives, and employees to uphold as principles for practice as follows:

- (a) Business Ethics on Responsibility to Shareholders.
- (b) Business Ethics on Customer Relations.
- (c) Business Ethics on Trading Partner, Trading Competitor and Creditor Relations.
- (d) Business Ethics on Responsibility to Employees.
- (e) Business Ethics on Responsibility to Society and the Environment.

The Company will announce and notify for every employee to acknowledge and have strict compliance.

(3) Conflicts of Interest

The Company has policy for considering the elimination of problems from conflicts of interests with attention to detail, honesty, reason and independence under a good ethical framework primarily for the benefit of the Company by specifying for persons who are involved or related to considered transactions to disclose information regarding personal interests and the interests of related persons to the Company without participating in considerations or having the authority to approve the aforementioned transactions.

The Company has policy to carry out related transactions and transactions with conflicts of interest while having consistency with the law including regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Company will disclose the aforementioned transactions in annual reports and the annual disclosure report form (Form 56-1).

(4) Internal Control

The Company has effective internal control systems for internal governance and control at the executive and operational level. The Company has established the Internal Audit Department to assess internal control system sufficiency and report to the Audit Committee according to auditing plans.

(5) Committee Reports

The Audit Committee is under obligation to review financial reports by holding meetings with the accounting department and the independent auditor prior to presenting financial reports to the Board of Directors on a quarterly basis. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries including financial information and disclosure in the Company annual reports.

3. Board of Directors' Meetings and Self-Assessment

The Company hosts Board of Directors' meetings at least every quarter with additional meetings as necessary by clearly setting meeting agendas in advance and having an agenda to regularly consider performance monitoring. The Company sends meeting invitations with meeting agendas and documents accompanying meetings to every director for no less than seven days before the meeting to allow the Board of Directors to have sufficient time for studying information before participation in the meeting except for cases with necessary and urgent causes. The Company also records minutes to the meeting and collects certified documents for use as reference and accountability. At every meeting, executives and people involved should attend to provide accurate and information and details in time to accompany decisions.

In reaching a resolution, the Board of Directors' meeting uses a majority vote with one director casting one vote. Interested directors will not participate in meetings and vote on that topic. In case of tied votes, the Chairman of the meeting will cast another vote to decide the vote.

Furthermore, the Board of Directors supports annual performance evaluations at least once a year to modify and review performance by setting clear meeting topics before measuring the aforementioned evaluation outcomes to collect opinions for presentation to the meeting in addition to disclosing criteria, steps and overall evaluation outcomes on the annual report.

4. Remuneration

Directors' remuneration are in the form of meeting gratuities which are required to be within average criteria when compared to the same industry by considering adequacy to duties and responsibilities of directors. Executives receive remuneration in the form of salaries and annual bonuses mainly by considering the Company's performance. Total annual remuneration for the Board of Directors and executives must not be unusually high when compared to other peers that listed on the Stock Exchange of Thailand but shall be considered with respect to maximizing shareholder benefits.

The Company has the Nomination and Remuneration Committee to consider the patterns and criteria for Directors' remuneration and propose to the annual general shareholders' meeting for approval.

5. Director and Executive Development

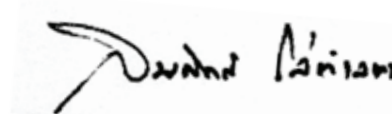
The Board of Directors has the policy to promote and provide convenience, training and education for persons involved in the Company's corporate governance system such as directors, audit directors, executives and the Corporate Secretary, etc., in order to continually improve performance. Training and education may be carried out in the Company or by outsourcing to other institutes.

In cases there is a change in director or new director, the Management Department will provide documents and information beneficial to the work of new directors in addition to providing recommendations on the Company's business characteristics and business operation guidelines for new directors.

The Board of Directors will arrange for rotations in assignments with the expertise of executives and employees by considering the suitability of tasks and time. The Chief Executive Officer will specify time range and consider performance to create development and succession plans for the Company while also developing more knowledge and ability among executives and employees in order to be able to work with interchangeably.

This Company policy regarding the implementation of good corporate governance shall be effective from 12 May 2017 onwards.

In accordance with the approval of the Board of Directors' meeting No. 2/2017 held on 12 May 2017.



(Prof.Dr.Somsak Lohlekha)

Chairman of the Board

Ladprao General Public Company Limited

Corporate Social Responsibilities

The Company has realized the importance of business operations to grow sustainably under social responsibility (Corporate Social Responsibility). The company focuses on the business with respect to the stakeholders, society, social and environmental with ethics and integrity. The company has set up social responsibility policy (Corporate Social Responsibilities: CSR) so as to lead to a commitment to a sustainable development and a meaningful social contribution which can be described as follows:

1. Policy and Framework for CSR

The company has a policy to conduct its business with responsibility for the environment and the group of stakeholders (stakeholders) in accordance with the eight fundamentals. It is considered to be one of the main strategies of corporate governance and the company's employees to adhere to a strict guideline for the company's sustainability

In 2019, Ladprao General Hospital in association with Ladprao Hospital Foundation jointly contributed funding to support the care for bed-rest patients managed by the clergy of Wat Wangkanayatayikaram, Kanjanaburi Province, including the renovation of canteen as well as the purchase of necessary media and equipment for teaching students at Wat Wangkanayatayikaram School, Ampur Thamoong Kanjanaburi Province.

2. Performance and Preparing Reports

The company has initiated and committed to engage in social responsibility activities which is part of CSR in-process as follows:

1) Fair Business Practices

The company is firmly committed to operating its business with honesty, fairness, a code of conduct and persistence in trade competition based on the principles of business ethics, the law and equitable trade competition, including the refusal of any behavior that would obstruct fair competition, e.g. searching for the trade secrets of competitors, collecting, receiving and offering any dishonest trade benefits in the purchase of medical supplies, equipment and instruments by setting up product evaluation and standardization to by considering the maximum benefit for patients while maintaining consistent standards for all vendors. In addition, the Company respects the intellectual rights of other people. The company has policy for personnel to engage in practice that is compliant with the law or specifications regarding intellectual property rights such as using computer programs that are properly copyrighted in compliance with the law, etc. In addition, the Company has campaigns to promote and instill sub-consciousness among company employees at every level in order to build corporate social responsibility.

2) Anti-Corruption

The company manages its business based on a foundation of transparency, ethics, firm commitment to the principles of good governance and legal practice concerning the prevention and resistance to corruption, the offering or acceptance of bribery with public or private sector officials. The company has established a corporate structure for clearly delegating duties and responsibilities, work processes and chain of command in each unit. Neither direct nor indirect engagement in practice or consenting to corruption of any type is prohibited covering every unit involved and compliance with the anti-corruption policy on a regular basis. The objective is to create a balance of authority and strictness in proper auditing. Any actions falling under the scope of corruption involving the Company must be reported to a superior or a responsible person for the examination which the guilt must be considered for disciplinary actions as prescribed by company regulations or subject to legal penalties if are illegal. The company supports parties to contracts, trade partners or other persons who are under obligation to perform duties in relation to the Company, reports on violations of the Company's anti-corruption policy. In addition, the Company supports parties to contracts, trade partners or other persons who are under obligation to perform duties in relation to the Company, reports on violations of the Company's anti-corruption policy.

3) Respecting Human Rights

The company has policy for supporting and respecting the protection of human rights by stipulating that the employees, patients and customers are entitled to fair treatment without discrimination due to issues concerning personal health or economic, or social status. The company's business must not involve in any violation of human rights, e.g. use of child labor and sexual harassment, etc. In addition, the Company is responsible for having all patients informed of their rights and developing

channels for filing complaints from people whose human rights are violated due the Company's business operations. Moreover, the aforementioned are remedied as deemed fitting.

4) Fair Treatment of Labor

The company recognizes the importance of developing human rights and fair treatment of labor as factors that will contribute to added value for the business and build competitive capacity with sustainable growth for the Company in the future. Hence, the Company has set the policies in Section 7: Human Resources Management to serve as guidelines for the standard treatment of all employees in recruitment and selection, welfare and remuneration policies, annual performance evaluation, termination of employment. The Company has also arranged for annual health examination for personnel at all levels and offer good occupational safety and hygiene in the workplace for all employees.

5) Responsibility to Customers

The company is firmly committed to continually develop the service of high quality to meet the needs and satisfaction of customers adhered with the principle of responsibility, honesty and responsiveness to customers as being parts of the Company's family members. Doctors and experts in various fields are to provide high quality services to ensure customers receive the best appropriate treatment with proper quality meeting international standards. The company has established a customer relations and communication system for use in hearing of customer opinions so as to efficiency handling complaints about service provision. Customer information are maintained as the confidentiality and not illegally used. In addition, the company holds various activities to build and promote sustainable relationships with customers.

6) Environmental Care Policy

The company recognizes the importance as CSR aimed to operate its business safely and with consideration of impacts in the areas of occupational health and the environmental care and conservation. The company holds its activities under environmental management standards, including performance and control of practice in compliance with the laws governing environmental conservation, regulation on infectious waste disposal, the collection, transport and disposal of garbage or waste, and the control of pollution, including other related laws with strict compliance. In addition, the Company gives attention to other related details, e.g. using recycled paper bags for drugs etc.

It is defined as a power management and energy conservation policy that is communicated to staff at all levels and implemented in accordance with the hospital's energy conservation measures. In addition, the Company participated in the energy management project run by of King Mongkut's Institute of Technology Thonburi providing consultation, planning and evaluation for Electrical Equipment Performance Improvement, changing the bulb to LED energy saving light which can continuously reduce the consumption of electricity as targeted. The hospital building has been granted as the energy Conservation Building by Electricity Authority (MEA Energy saving Building), continuously since 2004 in accordance with the Company energy saving policy which promotes the Green Hospital notion.

7) Participation in Community or Social Development

The Company recognizes its responsibility to communities and society. Thus, it has policy for offering social assistance and development with a commitment to healthcare service provision to society, e.g. projects for the promotion of health knowledge and mobile medical units in Bangkok Metropolitan area, including support for key health campaigns, e.g. training on health care in communities. In addition, the Company publicizes about health knowledge for society via the Company's website and has policy for supporting education for the youth by making donations and offering student scholarships.

3. CSR-after Process Activities for Social and Environmental Benefits

In the year 2019, the company has conducted social and environmental activities in addition to normal business operations (after-process) in the following 5 areas:

1) Society and Religious Promotion

The Company realizes of the belief that Religious is the center of heart and soul and is the guidance for people developing good moral and ethics. The following activities have been incorporated among the employees to cultivate customs and traditions satisfied with religious.

- "Kathin Ceremony Project by Ladprao Hospital" to jointly contribute funding to support the care for bed-rest patients managed by the clergy of Wat Wangkanayatayikaram, Kanjanaburi organized by the Company and Ladprao Hospital Foundation.

- Campaign for Attending Temple Activities: Merit Making 9 Monastery in Uthai Thani Province. This Project welcomed and encouraged employees to participate to cultivate the preservation of respectable customs and traditions.

Beside the religious promotion activities, we are committed to supporting the communities and society through various activities for sustainable development of society well-being as follows:

- Contribute the budget for the implementation of sporting events for students at the Santichon Islamic School in order to promote sports for the youth of the nation.

- Contribute the budget for the activities in relation to the Fashion Show Exhibition Project under the concept of "Sukhonthamas" of Art Learning Group for Bodindecha School (Sing Singhaseni) to support the creative activity, promotion and development of students' design ability.

- Being A Promoter of Gifts for holding children's activities regarding Children's Day celebrated at Wangthonglang District Office, Chokchai Police Station and Ladprao Fire Station on National Children's Day for the year 2019.

2) Youth and Education

The Company recognizes the importance of education and youth as importance driving forces for the future of the nation through the following supportive social activities for youth and education, for instances:

- Donation for the renovation of canteen "Ladprao Foundation" as well as the purchase of necessary media and equipment for teaching students at Wat Wangkanayatayikaram School, Ampur Thamoong Kanjanaburi Province so as to enhance the education of underprivileged students to gain advance up to standard to extent their quality of being good citizen.

- Scholarships Project granted to the qualified students at Watbuengthonglang School who possess good behavior and strong academic performance but have financial need in order to support their future study and leverage their knowledge for future development of their community.

3) Health Promotion

The Company intends to cultivate consciousness of the people in society to realize the importance of health care in order to have good physical health and mental health, as well as to cultivate an awareness of living with good health care as well as physical exercise through various health promotion activities, for instances of the followings:

- Futsal league against contract parties. The purpose of the league is to promote health exercise and build up inter-companied relationships of all participating the activities.

- Health Visit Project. The project is to have hospital pediatrician and nurses go out to visit community school and carry out health checks for schoolchildren. The 2019 Health Visit covering 1) Ladprao Bilingual School 2) Udomsuxsa School 3) Settabutr Upatham School and 4) Chokchai (Teacher Kiew) Ladprao School and 5) Wattananivet School.

- Free ambulance service and mobile medical care service in community activities and offices located in the vicinity of the hospital.

4. Environmental Care Promotion

The Company recognizes the importance of environment protection and conservation by building knowledge and cultivating consciousness of all staff and people in neighboring community through Environmental Care Projects. Ladprao General Hospital has joined the promotion program to improve energy efficiency in buildings in the second energy-saving building contest and won the award and granted emblem of "MEA Energy saving building" from the Electricity authority and also launched the campaign "Reduce the Waste" by encouraging patients to carry a fabric bag for take-home medicine.

5. Organizational Relationships Promotion

The company has organized various activities to build relationships among people in the organization, including the 26th year celebration (annual merit making), Internal Futsal league and 2019 Party Employee Yearly etc.

Internal Control and Risk Management

9.1 Board of Directors' opinion about the Company's internal control system

According to Board of Directors' Meeting No. 1/2020 on the 25th of February 2020 which all four audit committees attended the meeting, the Board had reviewed and evaluated the Company's internal control system by gathering all information and evidence from the management executives and internal auditor in various aspects including corporate and environmental conditions, risk assessment, control and compliance activities, information technological communication and the monitoring system. The Board then rendered the opinion that the Company internal control system currently has an appropriateness and effectiveness to ensure the business and the assets undertaking of the Company and its subsidiaries have been well protected from such an illegal or unauthorized use by the executives. The Company has demonstrated a commitment to integrity and governance to comply with the internal control system regarding the connected transactions with the Company's shareholders directors, executive and related parties including any potential conflicts of interest.

9.2 Performance in Relation to the Company's Internal Control System

"Aim to Prosperity Co., Ltd" as the independent internal audit firm has performed the auditing duty in assessing the associated risks and adequacy of the internal auditing systems for the Company and its subsidiaries for the year 2018. The internal auditor had audited and evaluated the adequacy of such main systems in and across departments. The auditing demonstrated that the Company has already governed with an appropriately efficient internal control system and adequate main risk control activities undertaking of corporate environment and administration, accounting, finance, human resources, purchasing, HA quality, information technology, building and safety, nurse and procurement, and medical administrative. According to such duty, the assessment result has shown the satisfied level of controllable risks in main work system such as, corporate environment and administration, accounting, finance, human resources, purchasing, and information technology which can be summarized as follows:

Corporate and Environmental Management

- a. The authorized organizational chart showing proper lines of organized duty has been announced to all employees across the organization.
- b. Work procedure and job description has been set for each and every department.
- c. Lines and levels of authority has been organized and communicated to acknowledge all employees.
- d. The corporate governance policy is formally written and announced
- e. Corporate goals and objectives have been set with annual budget and plan.
- f. The Company has the effective risk management process governed by risk management commission and closely monitor by the executive board on regular monthly basis.
- g. Employee discipline has been set and communicated to one and all .
- h. The hospital has committed to engage in high level quality system and standard and been granted accreditation HA from the Healthcare Accreditation Institute (Public Organization).

Accounting System

- a. The signatures in the disbursement requests must be reviewed to ensure the proper authorization prior to have the finance official authorized such payments.
- b. Bank reconciliations statements have been prepared on a monthly basis for all bank accounts.
- c. The accounting and finance program and database are holdup in the Company's server and regularly back-up to secure such data on monthly basis.
- d. Bookkeeping documents and database have been categorized and stored in proper section and order.

Finance System

- a. Corporate cheque-books have been safely kept in the secured place undertaking by the Finance Department Manager.
- b. Financial reports including receipts and their copies have been printed out and reviewed by the finance supervisor on regular daily basis.

- c. An internal system has been set for controlling all cashiers on each shift to inflexibly deliver all cash received together with its financial documents to the central safe cabinet of the Finance Department.

Human Resources

- a. The utilization of Human Resource Management Software (HRMI) to professionally and efficiently manage Company's workforce.
- b. Employee performance evaluation has been conducted by supervisors at least twice a year.
- c. Any application documents submitted for employment have been securely kept in a safe cabinet with an organized manner.

Purchasing System

- a. Strive to validate list of qualified suppliers (ASL "Approved Supplier List)
- b. All major supplies are assessed.
- c. Obtain competitive price by comparing of at least two traders for each purchase.
- d. A drug committee was set up to consider new drugs' appearance and justify ethical buying consequences.
- e. Organize an asset inspection commission comprising personnel from various units to ensure the conformity of the receiving materials and goods.
- f. Requisition notes for purchases must be authorized in compliance with the Company's authorizing instruction.
- g. Purchase orders should be properly clarified by the responsible officials/units.

Information Technology Management System

- a. All information technology server and its computer network appliances have been stored in a secured room under proper temperature air-conditioner.
- b. The IT database has been regularly holdup in back-up tape on daily basis.



Related Transactions

As of 31 December 2019, the Company had the following 4 subsidiaries:

1. Asia Medical and Agricultural Laboratory and Research Center Company Limited (AMARC)

AMARC is engaged in the business of providing medical and agricultural testing & analysis, and research. The company has a 97.14-percent shareholding in AMARC. AMARC then holds the status of the Company's subsidiary with the following 3 directors in common: Mr. Wirat Wongsangnak, Mr. Ungoon Chantanavanich and Mrs. Vidchuda Ampomphol.

2. Asia Medical and Laboratory Center Company Limited (AMLC)

AMLC is engaged in the business of analytical and medical testing laboratory and research services. The company has a 99.99 percent shareholding in AMLC. AMLC then holds the status of the Company's subsidiary with the following one director in common: Mr. Wirat Wongsangnak.

3. Asia Business Management Center Company Limited (ABMC)

ABMC is engaged in the business of medical service provision and business development support. The company has a 99.99 percent shareholding in ABMC. ABMC then holds the status of the Company's subsidiary with the following one director in common: Mr. Ungoon Chantanavanich.

4. Ladprao General Hospital 2 Company Limited (LP2)

At present, LP2 is not yet operated, but is currently engaged in the process of conducting investment planning and strategies for the construction and/or operations of a new established private hospital as planned. It holds the status of the Company's subsidiary having the Company hold 99.99 percent stake and have the following five directors in common: Mr. Somsak Lohlekha, Mr. Wirat Wongsangnak, Mr. Ungoon Chantanavanich, Mrs. Supaporn Kantamanond and Mr. Pipat Savetvilas.

In the year 2019, the Company conducted the following related transactions with its subsidiaries and related persons comprising: dividend income/payment, a service provision contract for medical treatment; management fee, marketing events with activities including advertising media and public relations, office rental charge and land lease; miscellaneous services and general security deposits; (additional details described in the notes to financial statements).

1. Characteristics of Relationships

During the year 2019, the Company and its subsidiaries engaged in related transactions with connected persons subject to potential conflicts of interest regarding shareholders, directors, executives and/or affiliated and related persons/ companies as follows:

Persons/Juristic Persons with Potential Conflicts of Interest	Characteristics of Relationships
LP Holding Co., Ltd.	LP Holding is engaged in the business as a holding company. LP Holding holds 32.89 percent of the Company's paid-up capital at the par value of Baht 375.00 million and holding the status of a major shareholder in the Company with the following six directors in common with the Company comprising: Mr.Somsak Lohlekha, Mr.Wirat Wongsangnak, Mr.Ungoon Chantanavanich, Mrs.Supaporn Kantamanond, Mr.Pipat Savetvilas and Mr.Somchao Tanterdtham.
Ladprao Education Co., Ltd. (LBS)	LBS is engaged in education business of operating Ladprao Bilingual School serving for preschool and primary levels. Partly, LBS shareholders are of the same group as the Company's and have the following three directors in common: Mr.Somsak Lohlekha, Mr.Wirat Wongsangnak, Mr.Ungoon Chantanavanich.
Ladprao General Hospital Foundation (Foundation)	Ladprao General Hospital Foundation was established on 10 September 2007 with the following objectives: <ul style="list-style-type: none"> - Promoting community health. - Funding medical treatment assistance for serious and chronic diseases for which without government support.

Persons/Juristic Persons with Potential Conflicts of Interest	Characteristics of Relationships
	<ul style="list-style-type: none"> - Promoting education and sports for the nation's youths. - Supporting medical research. - Performance or cooperation in other public interest charity - Prohibited involvement in any political activities of any kind. <p>The Foundation has the following three directors in common with the Company: Mr.Somsak Lohlekha, Mr.Wirat Wongsangnak, Mr.Ungoorn Chantanavanich.</p>
Oregon Aluminum Co., Ltd. (Oregon)	<p>Oregon's business is being a contractor for glass and aluminum installation.</p> <ul style="list-style-type: none"> - Mr. Pipat Savetvilas, as a director and shareholder in Oregon with a shareholding of 22.00 percent and being a director and shareholder in the Company, together with related persons defined under Section 2 5 8 directly and indirectly have an 8.70 percent shareholding valued at par of Baht 375 million paid-up capital in the Company and serve as a director in the following subsidiary: LP2 - Mr. Pipat Savetvilas is Mrs. Somchit Savetvilas' husband who is the older sister of Mr.Ungoorn Chantanavanich and Mrs.Supaporn Kantamanond.
Adtech Co., Ltd. (Adtech)	<p>Adtech is engaged in the business of building design & related service provision and construction management.</p> <ul style="list-style-type: none"> - Mr. YongYuth Winyoonpradit, a director and shareholder in Adtech, has a shareholding of 33 percent. Mr.Winyoonpradit is Mrs. Somjai Winyoonpradit's husband who is the older sister of Mr.Ungoorn Chantanavanich and Mrs.Supaporn Kantamanond. - The Winyoonpradit together with Adtech group directly and indirectly hold shares in the Company amounting to 2.06 percent of the paid-up capital valued at par of Baht 375 million.
Mr.Ungoorn Chantanavanich	<p>The company shareholder directly and indirectly hold totaling the amount of 12.32 percent of the paid-up capital valued at par of Baht 375.00 million.</p> <ul style="list-style-type: none"> - Holds the positions of director and chief executive officer in the Company. - Holds the position of chairman of ABMC - Holds the position of director in AMARC, LP2, LP Holding and LBS. - Older brother of Mrs.Supaporn Kantamanond.
Mrs. Supaporn Kantamanond	<p>Directly and indirectly hold Company shares at 1.42 percent of the paid-up capital valued at par of Baht 375.00 million</p> <ul style="list-style-type: none"> - Holds the positions of director of the Company. - Holds the position of director in LP2 and LP Holding. - Younger sister of Mr.Ungoorn Chantanavanich.
Mr.Wirat Wongsangnak	<p>Directly and indirectly hold Company shares at 1.24 percent of the paid-up capital valued at par of Baht 375.00 million</p> <ul style="list-style-type: none"> - Holds the position of director of the Company - Holds the position of chairman of AMARC and AMLC - Holds the position of director in AMARC, AMLC, LP2, LP Holding.
Mr.Somsak Lohlekha	<p>Directly and indirectly hold Company shares at 2.85 percent of the paid-up capital valued at par of Baht 375.00 million</p>

Persons/Juristic Persons with Potential Conflicts of Interest	Characteristics of Relationships
	<ul style="list-style-type: none"> - Holds the position of chairman of the Company - Holds the position of chairman in LP2 and LP Holding.

Person/Juristic Person with Potential Conflict	Type of Related Transaction	As of 31 December 2019		Necessity & Reason
		Transaction Value (Baht)	Balance (Baht)	
Asia Business Management Center Co.,Ltd (ABMC)	Deposit for Management Contract	0.00	4,000,000.00	Deposits was made according to Management Contract dated November 1, 2012. The Company and ABMC agreed to amend for the deposit of Baht 4,000,000.
	Management Fee	24,000,000.00	2,000,000.00	Hospital business management agreement has 3 years period from November 1, 2018 to October 31, 2021. It carries the charge at Baht 2.00 million monthly and the service fee is charged at 20% from the excess amount between the annual revenue estimate that the Company receives from the Social Security Office.
	Building Rental	183,000.00	16,500.00	<ul style="list-style-type: none"> ● A contract No.LPH 003/2019 of a 1-year term starting from 1st January 2019 to 31 December 2019 was made to rent the building used for office work at a monthly rental fee of Baht 15,000 . ● As of November 1, 2019, monthly rental was agreed to adjust to Baht 16,500 commencing November 1, 2019 till December 31, 2019.
	Dividend Income	1,999,860.00	0.00	ABMC Paid out the dividend to shareholders according to the resolution of the Annual General Shareholders' Meeting from the net profit of the year 2018 on May 17, 2019 at the rate of Baht 2 per share.
	Building #4 electricity fee	63,227.56	4,460.00	Electricity service fee collected based on bill from EGAT.
Asia Medical Laboratory and Research Center Co., Ltd. (AMLC)	Deposits for Laboratory Management Contract	0.00	2,000,000.00	The Company has engaged AMLC for the Service agreement of laboratory analysis and research for medical specimen which has a term of 3 years starting from February 1, 2017 to January 31, 2020 at the deposit of Baht 2,000,000 regarding contract no.016/2017.
	Management Fee	6,000,000.00	500,000.00	The Company engaged AMLC for the Service agreement at the service fee of Baht 500,000 which later cancelled on October 1,2019 by the amendment for cancellation of Contract no.016/2017, 014/2017, and the Contract Attachment dated January 1,2019. Instead, AMLC has been engaged for the service agreement of laboratory testing for medical specimen at the agreed description and testing rate commencing October 1,2019 till January 31, 2020.

Person/Juristic Person with Potential Conflict	Type of Related Transaction	As of 31 December 2019		Necessity & Reason
		Transaction Value (Baht)	Balance (Baht)	
	Dividend Income	18,199,272.00	0.0	<ul style="list-style-type: none"> ● AMLC Paid out the dividend to shareholders according to the resolution of the Annual General Shareholders' Meeting from its net profit of the year 2018 on May 17, 2018 at the rate of Baht 6.40 per share. ● According to the minutes of the Board of Directors of the Company No. 2019/11 dated November 21, 2019, it was approved to pay the interim dividends on December 12, 2019 for the operation of the nine-month period ended September 30, 2019 at Baht 30.00 per share.
	Service agreement of laboratory analysis and research for medical specimen	71,262,523.00	6,211,584.00	<ul style="list-style-type: none"> ● As of January 1, 2019, the service fee rate has been altered to be based on the number of tests on service at the agreed price commencing January 1, 2019 till January 31, 2020. ● On October 1, 2019, there was the amendment for cancellation of Contract no.016/2017, 014/2017, and the Contract Attachment dated January 1, 2019. Instead, AMLC has been engaged for the service agreement of laboratory testing for medical specimen at the agreed description and testing rate commencing October 1, 2019 till January 31, 2020.
	Rental Revenues	2,400,000.00	200,000.00	A rental contract was made between the Company and AMLC. The Company agreed to have AMLC rented hospital area of 200 sq.m. at Baht 1,000 per sq.m. totaling Baht 200,000 per month. (incl. electricity, tap water, in-house telephone as well as other utilities). The Contract is 3-year term from February 1, 2017 to January 31, 2020 Contract no.013/2017.
	Revenue from Administrative Management Service	600,000.00	50,000.00	The Company has contracted out for AMLC for the Company's service of human resource management, The Company and AMLC decided to enter The Administrative Service Agreement. The Company will provide administrative works concerning HR, Purchasing, Accounting, Financing and other administrative services on monthly basis at 50,000 Baht. The agreement has a term of 3 years starting from February 1, 2017 to January 31, 2020 - contract no.015/2017.
Asia Medical and Agricultural Laboratory and Research Center Co, Ltd. (AMARC)	Rental Security Deposit	343,800.00	2,011,800.00	<ul style="list-style-type: none"> ● The company ordinary collected a deposit for the rental charge. ● As of July 1, 2019, the Company was to amend the attachment to the contract no. LPH002/2017 for the incremental rental deposit of Baht 343,800 due to the fact of an increase of rental space.

Person/Juristic Person with Potential Conflict	Type of Related Transaction	As of 31 December 2019		Necessity & Reason
		Transaction Value (Baht)	Balance (Baht)	
	Medical Treatment Service Provision	1,856,268.13	131,807.60	In case of medical services provided for AMARC personnel, AMARC directly paid the agreed portion to the Company while the remaining part was collected from the service recipients as per general clients.
	Short-term loan to Subsidiaries	B/F 13,000,000.00 Execute 0.00 Pay (13,000,000.00)	0.00	Company lent to AMARC for its working capital requirement since 30 May 2017 and charged the interest of not less than Company cost of financing on condition of At-Call Notes Payable. The Company will gain from higher interest earned compared with its saving accounts. <ul style="list-style-type: none"> ● As of August 9, 2019, AMARC repay the principal amounting to Baht 1.00 million to the Company. ● As of September 18, 2019, AMARC repay the principal amounting to Baht 1.00 million to the Company. ● As of November 8, 2019, AMARC repay the principal amounting to Baht 1.00 million to the Company. ● As of November 20, 2019, AMARC repay the principal amounting to Baht 2.00 million to the Company. ● As of December 6, 2019, AMARC repay the principal amounting to Baht 8.00 million to the Company.
	Interest Income	B/F 0.00 Exe.753,727.40 Pay(753,727.40)	0.00	Company charges for its At-Call Notes with reference to the interest of Thanachart Bank's MLR Rate and stated the condition of At-Call Notes Payable.
	Dividend Income	1,942,790.00	0.00	AMARC paid dividends to the shareholders from its 2018 net profit in accordance with the minutes of the Annual General Shareholders' Meeting of the subsidiary No. 15/2019 at the rate of Baht 0.20 each share.
	Rental Income -Building Lease	7,359,600.00	0.00	<ul style="list-style-type: none"> ● A contract was made to lease the parts of building area with related out space located at Ladprao soi 122 covering floor 1st-4th in approximately 3,500sq.m. to AMARC for its use of head office at monthly rental charges of Baht 556,000 ● As of July 1, 2019, monthly rental was agreed to adjust to Baht 670,600 due to the increase of rental space by the amendment of attachment to the contract no. LPH002/2017 commencing on July 1, 2019 till December 31, 2021.
	Deposit (sale and purchase agreement of land and building)	42,000,000.00	42,000,000.00	The Company had signed the sale and purchase agreement of land and building on December 4, 2019 and received the deposit amounted to Baht 42 million on December 6, 2019.
Asia Hospital Co., Ltd.(AH)	Property appraisal costs and related expenses	263,576.14	263,576.14	The hospital had already prepaid the property appraisal costs and related expenses

Person/Juristic Person with Potential Conflict	Type of Related Transaction	As of 31 December 2019		Necessity & Reason
		Transaction Value (Baht)	Balance (Baht)	
Ladprao Education Co., Ltd. (LBS)	Guide Post	80,364.00	6,831.00	Fee for the installation and space of LBS Guide Post
	Medical treatment service provision	651,872.79	211,418.20	LBS made a contract for group medical treatment services for its students and school personnel of which its terms and conditions were in general as contract parties.
LP holding Co., Ltd.(LPHD)	Dividend payment	39,645,925.00	0.00	<p>- According to decision of the Annual General Shareholders' Meeting No 30/2019, the Company paid the annual dividend via 2018 performance on May 17, 2019 at the rate of Baht 0.10 per share</p> <p>- According to the minutes of the Board of Directors of the Company No. 5 /2019 dated November 13, 2019, it was approved to pay the interim dividends of 2019 from the operation of the nine-month period ended September 30, 2018 at Baht 0.075 per share on December 12, 2019.</p>
Adtech Co., Ltd.	Expenses paid for the construction consultant	6,228,910.17	0.00	The company hired Adtech as a construction consultant for the construction of hospital buildings. The consultant fee paid under the contract have been considered and opined by the Audit Committee for its proper and rationale based on the comparison of professional engineering standards.

Key Financial Figures

Statements of Financial Position as at December 31 of the 3-year period:

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and cash equivalents	67.90	3.53	59.38	3.27	208.64	9.98
Temporary investments	-	-	49.11	2.70	246.97	11.82
Trade and other receivables	157.76	8.21	99.08	5.45	104.47	5.00
Accrued revenues from hospital operations	100.33	5.22	136.87	7.54	114.06	5.46
Inventories	24.57	1.28	23.50	1.29	21.64	1.03
Other current assets	11.81	0.61	3.34	0.18	11.70	0.56
Total current assets	362.37	18.85	371.28	20.43	707.47	33.85
Non-current assets						
Fixed deposits pledged as collateral	41.62	2.17	41.64	2.29	41.15	1.97
Investment property	-	-	-	-	39.82	1.91
Property, plant and equipment	1,400.96	72.89	1,293.79	71.20	1,204.58	57.64
Land leasehold right	15.93	0.83	17.43	0.96	18.94	0.90
Intangible assets	44.25	2.30	45.80	2.52	43.07	2.06
Deferred tax assets	28.59	1.49	31.81	1.75	33.25	1.59
Other non-current assets	28.30	1.47	15.35	0.85	1.73	0.08
Total non-current assets	1,559.65	81.15	1,445.81	79.57	1,382.54	66.15
Total assets	1,922.02	100.00	1,817.09	100.00	2,090.01	100.00

Statements of Financial Position as at December 31 of the 3-year period: (continued)

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Non - current liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	15.10	0.79	5.62	0.31	27.32	1.31
Trade and other payables	179.71	9.35	174.42	9.60	208.85	9.99
Current portion of long-term liabilities						
Liabilities under financial lease agreements	40.65	2.11	35.31	1.94	26.82	1.28
Long-term loans from financial institution	40.08	2.09	24.84	1.37	28.72	1.37
Income tax payables	0.47	0.02	-	-	10.31	0.49
Advance received from the Social Security	9.40	0.49	-	-	-	-
Others current liabilities	13.26	0.69	14.02	0.77	14.17	0.68
Total current liabilities	298.67	15.54	254.21	13.99	316.19	15.13
<u>Non - current liabilities</u>						
Liabilities under financial lease agreements	73.41	3.82	78.14	4.30	65.62	3.14
Long-term loans from financial institution	92.48	4.81	29.92	1.65	60.08	2.87
Deferred tax liabilities	6.24	0.33	5.57	0.31	3.71	0.18
Employee benefit obligations	65.95	3.43	45.24	2.49	46.59	2.23
Other non-current liabilities	11.59	0.60	9.22	0.51	16.69	0.80
Total other non-current liabilities	249.67	12.99	168.09	9.25	192.68	9.22
Total liabilities	548.34	28.53	422.29	23.24	508.87	24.35

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Shareholders' equity</u>						
Share capital						
Authorized share capital						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	19.51	375.00	20.64	375.00	17.94
Issued and fully paid-up						
750,000,000 ordinary shares, Baht 0.50 par value	375.00	19.51	375.00	20.64	375.00	17.94
Premium on ordinary shares	922.83	48.01	922.83	50.79	922.83	44.15
Premium from purchasing of investment in subsidiary	5.63	0.29	5.63	0.31	5.63	0.27
Retained earning						
Appropriated						
Legal reserve	37.50	1.95	37.50	2.06	37.50	1.79
Treasury shares reserve	197.24	10.26	197.24	10.85	-	-
Unappropriated	29.82	1.55	52.77	2.90	239.10	11.44
Total equity attributable to owners of the company	1,568.02	81.58	1,590.97	87.56	1,580.07	75.60
Less treasury shares	(197.24)	(10.26)	(197.24)	(10.85)	-	-
Total shareholders' equity of the parent, net	1,370.78	71.32	1,393.73	76.70	1,580.07	75.60
Non-controlling interests of the subsidiaries	2.90	0.15	1.06	0.06	1.07	0.05
Total shareholders' equity	1,373.68	71.47	1,394.79	76.76	1,581.14	76.65
Total liabilities and shareholders' equity	1,922.02	100.00	1,817.09	100.00	2,090.01	100.00

Statements of Comprehensive Income for the 3- year ended December 31:

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
REVENUES						
Revenues from hospital operations	1,383.69	86.66	1,362.09	85.73	1,291.01	84.68
Revenues from services	197.75	12.38	163.41	10.29	136.83	8.97
Other incomes						
Profit from the business acquisition	-	-	-	-	8.75	0.57
Investments income (expense) of private fund, net	3.16	0.20	(9.55)	(0.60)	26.67	1.75
Rental income	3.60	0.22	3.70	0.23	5.45	0.36
Gain from sale of fixed assets	0.03	0.00	62.68	3.95	48.78	3.20
Others	8.59	0.54	6.34	0.40	7.17	0.47
Total revenues	1,596.82	100.00	1,588.67	100.00	1,524.65	100.00
EXPENSES						
Cost of hospital operations	1,124.17	70.40	1,060.27	66.74	991.41	65.03
Cost of services	100.09	6.27	86.30	5.43	79.59	5.22
Administrative expenses	193.57	12.12	198.72	12.51	172.84	11.34
Management remuneration	46.80	2.93	50.68	3.19	48.51	3.18
Finance costs	8.68	0.54	7.28	0.46	4.84	0.32
Total expenses	1,473.31	92.27	1,403.25	88.33	1,297.18	85.08
Profit before income tax expenses	123.51	7.73	185.42	11.67	227.47	14.92
Income tax expenses	12.64	0.79	28.36	1.79	33.49	2.20
Profit for the year	110.87	6.94	157.06	9.89	193.98	12.72
Other comprehensive income :						
Items that will not be reclassified to profit or loss						
Actuarial loss on the defined employee benefit plans, net income tax	(7.48)	(0.47)	-	-	5.00	0.33
Other comprehensive income (loss) for the year	(7.48)	(0.47)	-	-	5.00	0.33
Total comprehensive income for the year	103.39	6.47	157.06	9.89	198.98	13.05
Profit attributable to						
Owners of the company	110.49	6.92	156.95	9.88	193.83	12.71
Non-controlling interests of the subsidiaries	0.38	0.02	0.11	0.01	0.14	0.01
	110.87	6.94	157.06	9.89	193.98	12.72
Total comprehensive income attributable to						
Owners of the company	103.05	6.45	156.95	9.88	198.83	13.04
Non-controlling interests of the subsidiaries	0.34	0.02	0.11	0.01	0.15	0.01
	103.39	6.47	157.06	9.89	198.98	13.05
Basic earnings per share						
Attributable to owners of the company	0.15		0.21		0.26	

Statements of Cash Flow for the 3-year ended December 31:

Description	2019	2018	2017
	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Profit for the year	110.87	157.06	193.98
Adjustments to profit for the year to cash provided by (used in) from operations:			
Interest income	(1.20)	(1.49)	(1.23)
Investments income (expense) from private fund	(0.80)	(9.75)	(14.67)
Unrealized (gain) loss on investments from private fund	(2.36)	19.30	(12.00)
Gain from sale of investment properties	-	(57.83)	-
Loss (gain) from sale of fixed assets	1.01	(4.71)	(46.52)
Other incomes - consultant payable	-	-	(8.75)
Bad debts	0.04	-	-
Doubtful accounts (reversal)	(16.13)	6.87	10.23
Written off withholding tax	1.28	-	-
Depreciation	98.74	93.11	70.31
Amortization	4.78	5.11	4.35
Good will	-	-	0.44
Employee benefit expenses	18.24	5.71	8.24
Interest expenses	8.68	7.28	4.94
Income tax expenses	12.64	28.36	33.49
Profit from operations before changes in operating assets and liabilities	235.79	249.02	242.80
Changes in operating assets - (Increase) Decrease			
Trade and other receivables	(60.17)	3.25	(6.20)
Accrued revenues from hospital operations	54.19	(28.36)	26.91
Inventories	(1.07)	(1.85)	(2.27)
Other current assets	(8.47)	1.22	(3.77)
Other non-current assets	(2.61)	(2.70)	0.53
Changes in operating liabilities - Increase (Decrease)			
Trade and other payables	5.97	(6.31)	11.89
Advance received from the Social Security Office	9.40	-	-
Other currents liabilities	(0.76)	(0.15)	3.89
Other non - current liabilities	2.37	(7.47)	9.10
Cash generated from operation	234.64	206.65	282.77
Cash received from interest income	0.87	1.11	0.97
Cash paid for employee benefit obligations	(6.58)	(7.06)	-
Cash paid for income tax	(18.32)	(39.16)	(32.35)
Net cash provided by operating activities	210.61	161.54	251.38

Statements of Cash Flow for the 3-year ended December 31: (continued)

Description	2019	2018	2017
	Million Baht	Million Baht	Million Baht
Cash flows from investing activities			
Decrease in temporary investments	51.47	178.57	175.98
Interest income and discount from investments	0.84	10.57	16.32
(Increase) decrease in fixed deposits pledged as collateral	0.02	(0.49)	(0.42)
Cash paid for purchase of property, plant and equipment	(167.57)	(161.11)	(274.47)
Cash received from investment property	-	97.64	84.64
Cash received from sale of fixed assets	0.17	7.10	1.90
Cash paid for land leasehold right	-	-	(0.05)
Cash paid for purchase of intangible assets	(1.98)	(6.15)	(7.42)
Cash received from interest income	0.33	0.37	0.33
Net cash provided by (used in) investing activities	(116.72)	126.50	(3.20)
Cash flows from financing activities			
Increase (decrease) in overdrafts from financial institution	9.48	(20.70)	4.66
Cash received from short-term loans from financial institutions	30.00	61.00	101.00
Cash paid for short-term loans from financial institutions	(30.00)	(62.00)	(100.00)
Cash received from long-term loans from financial institutions	116.00	-	88.80
Cash paid for long-term loans from financial institutions	(38.20)	(34.04)	-
Cash paid for liabilities under financial lease agreements	(39.35)	(30.86)	(22.25)
Cash paid for treasury shares	-	(197.24)	-
Dividend paid	(126.00)	(146.05)	(225.00)
Cash received from the capital increase in a non-controlling interests	1.43	-	-
Dividend paid to non-controlling interests	(0.06)	(0.12)	(0.11)
Cash paid for interest expenses	(8.67)	(7.29)	(6.69)
Net cash used in financing activities	(85.37)	(437.30)	(159.70)
Net increase (decrease) in cash and cash equivalents	8.52	(149.26)	88.58
Cash and cash equivalents at beginning of the year	59.38	208.64	120.06
Cash and cash equivalents at end of the year	67.90	59.38	208.64

Key Financial Ratios:

Description	unit	2019	2018	2017
<u>Liquidity Ratios</u>				
Current Ratio	times	1.21	1.46	2.24
Quick Ratio	times	1.09	1.35	2.13
<u>Activity Ratios</u>				
Account Receivable Turnover	times	12.31	14.99	13.93
Average Collection Period	days	29.64	24.35	26.20
Fixed Asset Turnover	times	1.19	1.27	1.42
Account Payable Turnover	times	6.91	5.98	5.68
Average Payment Period	days	52.79	61.01	64.26
Cash Cycle	days	(15.98)	(29.47)	(31.07)
Inventory Turnover	times	50.94	50.80	52.23
Average Sale (Inventory) Period	days	7.17	7.18	6.99
Total Asset Turnover	times	0.85	0.81	0.75
<u>Leverage Ratios</u>				
Debt/Equity Ratio	times	0.40	0.30	0.32
Interest Coverage Ratio	times	15.85	27.90	34.80
<u>Profitability Ratios</u>				
Gross Profit Margin	%	22.59	24.84	24.99
Net Profit Margin	%	6.92	9.88	12.71
Return on Asset (ROA)	%	7.07	9.86	11.48
Return on Equity (ROE)	%	7.99	10.56	12.17
<u>Financial Ratio</u>				
Dividend payout / Net Profit of the Company (<i>Dividend Policy</i>)				
- dividend payout derived from net profit	%	92.47(*)	84.98	91.14

(*)The aforesaid dividend payment for the year 2019 shall be proceeded following the approval of the shareholders' meeting No. 31/2019. Nevertheless, the Company need not to allocate any of incremental legal reserve since it had reached the amount required by law and the Company's Articles of Association.

Management Discussion and Analysis

BUSINESS POLICY AND OVERALL OPERATION

Overall Operating Performance

The business operation of the Company and its subsidiaries covers 4 main business sectors comprising hospital and related healthcare services, scientific analytical and diagnostic laboratory service of medical healthcare, food, agricultural, pharmaceutical, clinical trial, calibration, hospital management and consulting services, as well as medical analytical and diagnostic services having details as follows:-

1. HEALTH CARE SERVICES: operated and managed by

- Ladprao General Hospital Public Company Limited ("LPH", "Company" or "Hospital") operates a private hospital business in Bangkok providing complete general healthcare services (General Hospital) and special medical care for both outpatients and inpatients including emergency with 24-hour ambulatory service. The Company has always emphasized the importance of quality healthcare with efficient, advanced and high standard technology medical equipment and experienced physicians and staff under the registered hospital name of "Ladprao Hospital" ("Hospital") with its service capability including the new Excellence Center of 206 registered beds with an OPD capacity of approximately 4,400 patients/day.
- Ladprao General Hospital 2 Company Limited ("LP2") (Subsidiary) LP2 has not yet operated. The company has been established with the objective to operate the new established private hospital providing healthcare services which has been under new hospital investment project approval as planned.

2. SCIENTIFIC ANALYTICAL and DIAGNOSTIC SERVICES and RESEARCH for MEDICAL, AGRICULTURAL, FOOD AND DRUG: operated by

- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd. ("AMARC") (Subsidiary) operates full services covering various segments as following:- (a) fresh food and processed food product analysis, agricultural, animal husbandry and fishery product testing with microorganism and contaminant test/research capacity, chemical analysis including analysis for physical contaminants of the aforementioned products for service recipients to use findings for various objectives such as import or export permission requests in addition to requests for various quality certificates, etc.; (b) pharmaceutical analyses such as tests for compounds in drugs or contaminants (c) measuring device calibration services to support accurate calibration results for devices such as weighing machines and thermometers and (e) (d) agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances, etc.

AMARC has been granted 5 Certificates from the Board of Investment Thailand; 4 certificates for privileges in doing scientific laboratory test and the other for servicing calibration business. The major privileges for the Company including but not limited to

1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income. **
2. Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 1)

3. HOSPITAL MANAGEMENT AND CONSULTING SERVICES: operated by

- Asia Business Management Center Co., Ltd. ("ABMC") (Subsidiary) The business of supporting medical services and business development is operated by ABMC, a subsidiary. This business supports the Hospital's work and business development in the Company and its subsidiaries with the objective to operate and provide support services for the Hospital's legal work by providing legal consultation, pressing charges and following-up to

collect debts, etc., along with providing support in management work and business management. ABMC employed personnel with appropriate qualifications to perform the duty of providing consultation and participating in business management and development, making plans and setting business policies for the Company and its subsidiaries.

4. SCIENTIFIC ANALYTICAL AND DIAGNOSTIC SERVICES: operated by

Asia Medical Laboratory and Research Center Co., Ltd. ("AMLC") (Subsidiary), a subsidiary, conducts its professional on scientific analytical and medical diagnostic services with various medical examination and analysis served for hospital business including scientific analysis such as chemistry, immunology hematology and microbiology, etc. The Company was approved a grant of BOI privilege for the entire business from the Board of Investment Thailand on November 30, 2018 and received the promotion certificate on January 16, 2019 which the Company has already activated its rights and benefits in relation to corporate tax exemption since October 1, 2019.

The major privileges for the Company including but not limited to:

1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income.
2. Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 1)

Since the present Company's revenues are from its hospital and related healthcare services providing to various types of customers both general and Social Security patients, the variety of income base strengthen the revenue growth. The Company is one of the leading healthcare service providers on Ladprao and its surrounding areas recognized as high quality hospital with excellent doctors supported by experienced colleagues, advanced technology and responsive service in a comforting environment. The Company also has its location advantage due to not only situated among the high population density area surrounded by a number of growing private enterprises, shopping centers, schools, education centers and organizations but also supported by being in the official developing zone according to the city plan. In addition, the continually support from government on public health knowledge enhance and stipulate public health awareness as well which therefore support the Company sustainable growth.

In addition, the Company reported the service performance from scientific analytical and diagnostic laboratory of food, agricultural, pharmaceutical and medical operating by AMARC (subsidiary). The revenue from this testing service sector has continuously increased mainly due to growing customer base both new and existing ones who have recognized AMARC, been satisfied and impressed with the in-time reliable and efficient high-quality services with certified international standard.

Analysis on Operating Performance

● Revenues

The Consolidated revenue structure for the year 2019 mainly derived from 4 business sectors, having details as earlier mentioned, comprising hospital and related healthcare services operating by the Company; scientific analytical and diagnostic laboratory service of food, agricultural, pharmaceutical, as well as calibration under AMARC (subsidiary); hospital management and consulting services, as well as medical analytical and diagnostic services operating by ABMC and AMLC, respectively which its revenues are not consolidated in the financial statements for its support only for the Company that realized as inter-transaction,

The Company revenue structure for the year 2019 principally resulting from 2 main sectors of hospital revenues and service revenues, analytical & testing of food, agricultural products and drug (Scientific Testing & Research), as shown in the following table:-

Revenues Structure	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
1. HOSPITAL REVENUES	1,383.69	86.66	1,362.09	85.73	1,291.01	84.68
- Hospital Revenues from general clients	909.98	56.99	815.83	51.35	702.11	46.05
- Revenues from Social Security Fund	473.71	29.67	546.26	34.38	588.90	38.63

2. SERVICE REVENUES	197.75	12.38	163.41	10.29	136.83	8.97
- Scientific Testing & Research	197.75	12.38	163.41	10.29	136.83	8.97
3. OTHER REVENUES	15.38	0.96	63.17	3.98	96.81	6.35
- Profit from the business acquisition	-	-	-	-	8.75	0.57
- Investments income of private fund, net	3.16	0.20	(9.55)	(0.60)	26.67	1.75
- Rental income	3.60	0.22	3.70	0.23	5.45	0.36
- Gain from sale of fixed assets	0.03	0.00	62.68	3.95	48.78	3.20
- Others	8.59	0.54	6.34	0.40	7.16	0.47
Total Revenues	1,596.82	100.00	1,588.67	100.00	1,524.65	100.00

The consolidated revenues for the year 2019 totaling of Baht 1,596.82 million increased from last year by 0.51% even the hospital revenues from general clients showed a 11.55% growth. This was mainly due to a 13.28% decrease of the revenues from Social Security Scheme caused by the deviation of the past-record AdjRW advised by the Social Security Office resulting in the medical-service-fee adjustment for diagnosis related group (DRG) including chronic diseases fee were then subtracted accordingly. In addition, the drop of other income was mainly affected by the discontinue of profits from sale of investment assets which had occurred only in the previous year. The revenue from hospital operation amounted to Baht 1,383.69 million, or an average of 86.66% of the total revenues, testing and analytical service revenue operating by AMARC (subsidiary) of Baht 197.75 million or 12.38% of the total revenues, and other income of Baht 15.39 million or 0.97% of total revenues.

OPERATING PERFORMANCE

● Revenue from Hospital Operation

The Company's sources of income are mainly from 2 customer segments comprising the revenues from general clients and patients under the Social Security Scheme which have details as follows:

Revenue from Hospital Operation	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
- Hospital Revenues from general clients	909.98	65.76	815.83	59.90	702.11	54.38
Outpatients (OPD)	572.79	62.95	483.74	59.29	417.49	59.46
Inpatients (IPD)	337.19	37.05	332.09	40.71	284.62	40.54
- Revenues from Social Security Fund	473.71	34.24	546.26	40.10	588.90	45.62
Total Revenues from Hospital Operation	1,383.69	100.00	1,362.09	100.00	1,291.01	100.00

The Company reported its 2019 revenues from hospital operation totaling of Baht 1,383.69 million accounted for 86.66% of total revenues and increased from the previous year 2018 by 1.59 % even the hospital revenues from general clients showed a 11.55% growth. This was mainly due to a 13.28% decrease of the revenues from Social Security Scheme caused by the deviation of the past-record AdjRW advised by the Social Security Office resulting in the medical-service-fee adjustment of Baht 14.92, and 18.81 million for diagnosis related group (DRG) received in year 2013 and 2015 respectively, and the amount of Baht 8.46 million booked in year 2018 for chronic diseases were then subtracted accordingly

Nevertheless, Asia Medical & Agricultural Laboratory and Research Center ("AMARC"), a subsidiary, generating revenues Baht 197.75 million or growth of 21.01% over the same period of 2018.

Hospital Revenues from general clients

The Company had its 2019 hospital revenues from general clients in the amount of Baht 909.98 million accounted for 65.76% of total revenues from hospital operation and increased from the previous year 2018 by 11.54% primarily generated by the policy of expansion of medical specialty centers to cover diseases with high complexity and growing demand segment covering but not limited

to Eye and LASIK, Brain and Nerves, and Orthopedic Centers which therefore driving greater spending per visit and appealing extra clients visiting the hospital.

In 2019, the hospital revenue from outpatients of Baht 572.79 million, which accounted for 62.95% of hospital revenues from general clients, increased from the previous year 2018 by 18.41% . Whereas the other 37.05% was derived from inpatients of Baht 337.19 million and also grew from 2018 at the rate of 1.54%.

Hospital Revenues from Social Security Fund

The Company had revenue from Social Security Fund totaling of Baht 473.71 million, accounted for 34.24% of hospital revenues, a decrease of 13.28% from 2018 caused by the deviation of the past-record AdjRW advised by the Social Security Office resulting in the medical-service-fee adjustment of Baht 14.92, and 18.81 million for diagnosis related group (DRG) received in year 2013 and 2015 respectively, and the amount of Baht 8.46 million booked in year 2018 for chronic diseases were then subtracted accordingly.

● Revenues from Services

In 2019, the Company reported revenues from scientific and laboratory testing services totaling of Baht 197.75 million, or equivalent to 12.38% of total consolidated revenues, an increase of 21.01% from 2018.

The service revenue structure comprising 6 business segments classified by the category of laboratory in the following table:

Revenues from Scientific and Laboratory Testing & Research	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Food and Agricultural Lab	144.18	72.91	133.67	81.80	118.90	86.90
2. Medical and Pharmaceutical Lab	6.56	3.32	3.81	2.33	3.83	2.80
3. Calibration Lab	7.83	3.96	7.49	4.59	6.83	4.99
4. Hazardous Material Performance Testing Lab	3.78	1.91	3.88	2.37	1.24	0.91
5. Accreditation Lab	3.88	1.96	6.39	3.91	2.66	1.94
6. Laboratory analysis of agricultural hazardous material properties and Fertilizer analysis	28.51	14.42	5.64	3.45	0.03	0.02
7. Other Services*	3.01	1.52	2.53	1.55	3.34	2.44
Total	197.75	100.00	163.41	100.00	136.83	100.00

Note: Other services* involve any additional charges for tasks beyond ordered scientific laboratory jobs, such as, extra reports requested by clients.

The revenue from service has continuously increased mainly due to greater scope expansion, growing customer base who have recognized AMARC, satisfied and impressed with the efficient and high quality services delivering to with the certified international standard, well-experienced professional consultation, and being accredited laboratory granted from the accreditation and/or recognizing government bodies. It is also a firm policy to develop professionalisms as marketing team to penetrate, establish, and expand its client's base not only at center but broaden through regionals to strengthen its continual growth.

● Other Income

For the year 2019, the Company had Baht 15.38 million of other income, in addition to the revenues from hospital operation and scientific testing and laboratory service, accounted for 0.97% of total revenues, a decrease of 75.65%. The drop of other income totaling Baht 47.79 million was mainly affected by the discontinue of profits from sale of investment assets which had occurred only in the year 2018.

- **Cost of Services**

The Company reported consolidated cost of services for the year 2019 of Baht 1,224.26 million, accounted for 83.10 % of total cost, an increase of 6.78% from last year 2018. The aggregate cost comprising cost of hospital operations, operated by the Company and cost of services managed by the subsidiary.

Cost of Hospital Operations

Cost of hospital operations for the year 2019 was Baht 1,124.17 million, or equivalent to 81.24% of revenue from hospital operations, a growth of 6.03% from last year 2018 as a result of a rise in the cost of depreciation from investment in property, especially the Center of Medical Excellence, which had started its operation since the beginning of the year 2018 in association with the increase of cost of doctors, nurses, and medical specialists so as to reserve the growth of intensify medical services and excellent specialty centers with on-going expansion according to the committed to the Company's growth objectives to engage in high level of international medical service standard. The major content comprised doctors' fee, nurses' benefits, as well as medicines and medical supplies.

Cost of Services

Cost of services for the year 2019 was Baht 100.09 million or 50.61 % of the aggregate revenues, an increase of 15.99% from last year 2018. The contents involved the cost of scientific testing with laboratory analysis operating by AMARC comprising salaries and wages for scientists and scientific testing experts, laboratory chemicals and agents, and depreciation accounted for 52.18%, 33.27%, and 14.55% of total cost of analytical services respectively

- **Services and Administrative Expenses and Management Remuneration**

Services and administrative expenses and management remuneration of the Company and subsidiaries comprising employee benefits, management and directors' remuneration, advisory fees, marketing and public relation, utilities, and administrative expenses, etc. The expenses for the year 2019 of Baht 240.37 million or equivalent to 15.05% of total revenues, a decrease of 3.62% from last year 2018.

- **Financing Costs**

The consolidated financing costs for the Company and its subsidiaries for the year 2019 reported at Baht 8.68 million, or 0.54% of total revenues.

- **Profits**

Profitability Ratio	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross Profit from operation	357.18	22.59	378.93	24.84	356.84	24.99
Net Profit for the Year	110.87	6.94	157.06	9.89	193.98	12.72
Profit attributable to Owners of the Company	110.49	6.92	156.95	9.88	193.83	12.71

Profitability Performance

The Company and its subsidiaries reported its gross profit of Baht 357.18 million or 22.59 % of total operating revenues. The decrease in gross profit in the operating year 2018 – 2019 mainly caused by the impact from the adjustment of medical-service income caused by the deviation of past-record AdjRW notified by Social Security Office as earlier described. However, if considering only normal operation excluding the afore-mentioned adjustment, the Company and its subsidiaries have performed a consolidated gross profit of 24.6% for the year ending December 31, 2019.

12.2 Analysis on Financial Position

● Assets

The Company and its subsidiaries reported total assets as at December 31, 2019 of Baht 1,922.02 million having the current assets of Baht 362.37 million and the non-current accounted for Baht 1,559.65 million, or equivalent to 18.85% and 81.15% of total assets respectively. The classification of major items is as following: -

Cash and cash equivalents and temporary investments

Cash and cash equivalents and temporary investments as at December 31, 2019 was totaling of Baht 67.90 million or equivalent to 3.53% of total assets, an increase from the year 2018 YoY due to the increase portion of self-pay general clients.

Trade and other receivables

As at December 31, 2019, the Company and its subsidiaries reported trade and other receivables totaling of Baht 157.76 million, or equivalent to 8.21 % of total assets which can be summarized as follows: -

Trade and other receivables	2019 Million Baht	2018 Million Baht	2017 Million Baht
Receivable from Social Security Office	15.03	5.26	6.94
Trade receivable - other	121.77	91.25	79.04
Total	136.80	96.51	85.98
(Less) Allowance for doubtful accounts	(13.60)	(12.07)	(10.76)
Total trade and other receivables -net	123.20	84.44	75.22

According to the above data table, the receivable from Social Security Office in the year 2019 was slightly increase due to official payment method enforced by the Social Security Office. Meanwhile, if considered only the trade receivable – other than from Social Security Office, there was reported of Baht 121.77 million which was in corresponded with growing revenues from normal course of business operation.

Receivable Aging Analysis	2019		2018		2017	
	Million	%	Million	%	Million	%
Within credit term	61.79	45.17	42.04	43.56	42.57	49.51
Less than 3 months	45.91	33.56	32.86	34.05	25.58	29.75
3-6 months	14.02	10.25	8.29	8.59	5.51	6.41
6-12 months	3.16	2.31	4.25	4.40	4.35	5.06
Over 12 months	11.92	8.71	9.07	9.40	7.97	9.27
Total	136.80	100.00	96.51	100.00	85.98	100.00

The Company had the proportion of total accrued income within credit term altogether with less than 180 days to the total outstanding receivables increased by 46.32 % due to the greater amount of receivables following Company's growing revenues from normal course of business operation. Hence, it is the Company's policy to cope with uncontrolled loss of receivables by having allowances in relation to unreceivables' aging that is to set 50% of receivables of which aging lines between 181-360 days for doubtful account and 100% of ones if aging far beyond 1 year.

Accrued revenues from hospital operations

As at December 31, 2019 the Company accrued its net revenues from hospital operations by Baht 100.33 million or equivalent to 5.22 % of total assets with the following details:

Accrued hospital revenues	2019		2018		2017	
	Million	%	Million	%	Million	%
Accrued revenues from hospital operations of Chronic diseases	57.65	57.46	71.84	52.49	31.54	27.65
Accrued revenues from hospital operations provided to patients with severe diseases	27.37	27.28	64.81	47.35	88.52	77.61
Accrued social security income – other	15.31	15.26	17.87	13.06	6.10	5.35
Allowance for doubtful account	-	-	(17.65)	-12.90	(12.10)	-10.61
Total	100.33	100.00	136.87	100.00	114.06	100.00

Accrued medical treatment income represents medical income that has not been collected from the Social Security Office. The Company is not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income in accordance with bases, methods and terms specified by such authority, and consider the amount of the latest actual collection together with the current circumstances.

Inventory

As at December 31, 2019 the Company and its subsidiaries have their inventory left totaling Baht 24.57 million or equivalent to 1.28% of total assets comprising medicines, medical supplies, miscellaneous and laboratory chemicals having details as follows:

Inventory	2019		2018		2017	
	Million	%	Million	%	Million	%
Medicines	12.33	50.18	10.41	44.30	11.00	50.83
Medical supplies	2.09	8.51	2.46	10.47	2.42	11.18
Miscellaneous	3.76	15.30	4.95	21.06	3.85	17.79
Laboratory chemicals	6.39	26.01	5.68	24.17	4.37	20.20
Total	24.57	100.00	23.50	100.00	21.64	100.00

The overall status for the Company and its subsidiaries as at December 31, 2019 showed the inventory amounted to Baht 24.57 million increasing from 2018-YOY by 4.55% in accordance with the upraise corporate sales.

Property, Plant and Equipment

As at December 31, 2019 the Company has its property, plant and equipment accounted for 72.89% of total assets with the value of Baht 1,400.96 million. The increase was generated by the on-going investment in the new Excellence Center Building along with medical equipment and appliances in lines with the policy of striving to be an excellent medical service provider.

SOURCES OF FUND

● Liabilities

As at December 31, 2019, the Company and its subsidiaries reported their liabilities of Baht 548.34 million or an increase by 29.85% mainly due to the increasing support from the financial institutions for the investment in medical excellence centers, the renovation of specialized medical centers, and acquisition of necessary medical, agricultural and food laboratories equipment so as to enhance and serve for the growing service capabilities of the company and subsidiaries in accordance with the corporate business plan.

● Shareholders' Equity

As at December 31, 2019, the Company and its subsidiaries had the equity attributable to owners of the company before the reserve for treasury shares of Baht 1,568.02 million. However, when deducting the treasury stock according to the project approved by the shareholders 'meeting by the amount of Baht 197.24 million, the shareholders' equity attributable to owners of the company would be Baht 1,370.78 million.

Audit Committee Report

ATTN: Shareholders of Ladprao General Hospital Public Co., Ltd.

The Audit Committee of Ladprao General Hospital Public Company Limited has acted independently as being assigned by the Board of Directors in accordance with the Audit Committee's Charter, which complies with the requirements and guidelines for the Audit Committee of the Securities and Exchange Commission and the Stock Exchange of Thailand. For the year 2019, the Company Audit Committee appointed by the Board of Directors, comprises directors who are qualified, knowledgeable and experienced in finance, accounting, economics and business administration consists of 4 independent persons as followings:

Asst.Prof.Dr. Piboon Limprapatas	Chairman of the Audit Committee
Mr. Kunthon Nakporm	Audit Committee
Mrs. Benjawan Thanapaisanpipat	Audit Committee
Miss Thippawan Uthaisang	Audit Committee

In the year 2019, the Audit Committee held a quarterly meeting, totaling 4 times. Each meeting had been constituted with a quorum and having the independent auditor attended. The Audit Committee has performed their duties according to the following responsibilities:

Regarding the review of Company financial statements, the audit committee had conducted the review for the year 2019 of both quarterly and annually financial statements and the operations of the company and its subsidiaries along with the external independent auditor so as to ensure that the reports have been correctly and fairly prepared in accordance with general accounting standards and adequately disclosed the significant information and accounting policy in notes to the aforesaid Company statements.

For the review of internal control systems, the Audit Committee had reviewed the assessment results of the internal control system which the Internal Audit Office reported quarterly and opined that the operations of the Company to safeguard an efficient internal control system having been set up as well as the adequacy of such system had been assessed appropriately and effectively and no material effects were found which was in accordance with the auditor's opinion. The committee is then confident that the Company is able to efficiently achieve its target performance and goals.

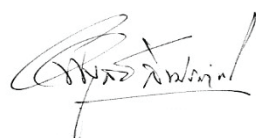
According to the review of the Company's operations to ensure the compliance with the Securities and Exchange Act, regulations of the Exchange as well as laws related to the business of the Company. The Audit Committee is of the opinion that the Company has complied with such laws and regulations with no impact to the company's operations.

The Audit Committee has considered the selection, appointment and remuneration of the auditor and opined that the auditor and teams from Dharmniti Auditing Company Limited have independently conducted their duties with qualified knowledge, competence and experience in compliance with auditing standards and thus proposed to the Board of Directors to consider the appointment of the auditor and propose to the Shareholders' Meeting for consideration.

Consideration of connected transactions or transactions that may lead to conflicts of interest with the Company, including the review of information disclosure to be accurate and complete so as to ensure that such transactions are appropriate and transparent.

Report of the Audit Committee's work and performance to the Board of Directors every quarter to provide suggestions that are beneficial to the Company management.

The Audit Committee has been confident that for the year 2018, the Company had an appropriate and efficient internal control system, good corporate governance, effective disclosure of information and fairly presented financial reports all material aspects in accordance with generally accepted standard, thereby enabling the Company to effectively achieve its goals.



Asst. Prof. Dr. Piboon Limprapat
Chairman of the Audit Committee

25 February 2020

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Ladprao General Hospital Public Company Limited

Opinion

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

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

Basis for Opinion

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

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Key Audit Matters

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

Revenue recognition from general medical treatment

The revenue from medical treatment is significant amount in the consolidated and separate financial statements, representing 57% and 64% of total revenues, respectively. In addition, there are various components in revenues from hospital operation such as revenues from sales of medicine and medical supplies, revenues from medical services, revenues from patient rooms, etc., including discounts with parties, whereas the agreements contain various conditions for each party. I therefore focus with respect to the amount, value and timing of revenue recognition of the Company.

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

Revenue recognition from Social Security

The Company has the revenue from Social Security by entering into medical service provider agreement under Social Security Act, B.E.2533. The revenues from Social Security in the consolidated and separate financial statements represent 30% and 33% of total revenues, respectively. The Company will receive the money from the Social Security Office in terms of insured persons who select the medical treatment with the hospitals. In addition, the Company will also gain the income from medical service fee for the cases with burden of disease risk and high-cost disease but the additional revenue from earnings each time has to be approved by the Social Security Office. However, the consideration process of the Social Security Office takes a long time. In the event that the Company has already provided the medical service to the insured persons, the Company has its right to gain the medical treatment fee according to the medical service agreement. The management then consider the estimation of medical service revenue for the cases with burden of disease risk and high-cost disease. This is significant estimation requiring the management to apply the high judgment. The specialists' opinion is also needed in considering the severity rate of the disease to estimate the revenue. I therefore focus with respect to the revenue recognition from Social Security as it has a significant risk to the financial statements.

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I made an understanding for the process of estimating the medical service revenue for the cases with burden of disease risk and high-cost disease by investigating the sources and reliability of the insured persons' information used in calculating the revenue estimate, assessing the appropriateness of severity rate of the disease by comparing with rules, method and conditions as announced by the Social Security Office, testing the calculation of revenue estimation for medical service in case burden of disease risk and high-cost disease including the comparison of receipts during the period and analyzing the difference cause compared to the estimated medical service revenue and reviewing the receiving of medical service fee for the cases with burden of disease risk and high-cost disease after the end of period.

Other Information

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

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

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

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

(Miss Sulalit Ardsawang)
Certified Public Accountant
Registration No. 7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 25, 2020

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Current assets					
Cash and cash equivalents	5	67,901,012.38	59,384,132.07	31,009,717.78	19,797,683.42
Temporary investments	6	-	49,108,676.72	-	49,108,676.72
Trade and other receivables	4 and 7	157,763,386.86	99,081,299.95	120,263,067.00	65,672,623.69
Accrued revenues from hospital operations	8	100,333,404.37	136,867,085.20	100,333,404.37	136,867,085.20
Short-term loans to subsidiary company	4	-	-	-	13,000,000.00
Inventories	9	24,571,154.70	23,498,148.31	14,434,226.41	13,417,188.06
Other current assets		11,812,094.88	3,340,478.58	9,931,314.43	1,851,911.97
Non-current assets held for sale	12	-	-	116,675,580.79	-
Total current assets		362,381,053.19	371,279,820.83	392,647,310.78	299,715,169.06
Non-current assets					
Fixed deposits pledged as collateral	10	41,617,402.52	41,637,272.07	31,198,051.89	30,922,371.57
Investments in subsidiaries	11	-	-	172,315,200.00	123,618,450.20
Investment property	12	-	-	-	122,536,307.11
Property, plant and equipment	13	1,400,960,671.99	1,293,785,242.98	1,165,532,531.47	1,077,338,158.78
Land leasehold right	14	15,924,504.87	17,432,741.29	15,924,504.87	17,432,741.29
Intangible assets	15	44,248,306.08	45,803,148.86	16,034,785.62	16,718,716.90
Deferred tax assets	16	28,585,588.44	31,805,529.86	27,701,796.85	31,284,908.18
Other non-current assets	4	28,302,341.01	15,345,089.57	17,741,407.47	7,209,134.27
Total non-current assets		1,559,638,814.91	1,445,809,024.63	1,446,448,278.17	1,427,060,788.30
Total assets		1,922,019,868.10	1,817,088,845.46	1,839,095,588.95	1,726,775,957.36

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	17	15,103,030.28	5,618,121.37	9,577,712.01	-
Trade and other payables	4 and 18	179,705,909.58	174,420,386.28	159,385,649.54	159,736,985.63
Current portion of liabilities under financial					
lease agreements	19	40,645,993.72	35,311,550.97	23,167,777.21	22,829,998.37
Current portion of long-term loans from					
financial institutions	20	40,080,000.00	24,840,000.00	40,080,000.00	24,840,000.00
Income tax payables		469,206.93	-	-	-
Advance received from the Social Security	23	9,404,249.50	-	9,404,249.50	-
Deposit received	4 and 12	-	-	44,011,800.00	-
Others current liabilities		13,258,206.12	14,016,337.94	5,693,894.97	6,927,762.85
Total current liabilities		298,666,596.13	254,206,396.56	291,321,083.23	214,334,746.85
Non-current liabilities					
Liabilities under financial lease agreements	19	73,409,817.75	78,140,104.79	25,615,068.90	34,969,964.61
Long-term loans from financial institutions	20	92,480,000.00	29,920,000.00	92,480,000.00	29,920,000.00
Deferred tax liabilities	16	6,246,782.45	5,566,911.91	-	-
Employee benefit obligations	21	65,948,747.60	45,240,493.76	54,915,107.53	38,635,270.86
Other non-current liabilities	4	11,587,070.54	9,221,022.42	15,250,190.07	14,431,945.10
Total non-current liabilities		249,672,418.34	168,088,532.88	188,260,366.50	117,957,180.57
Total liabilities		548,339,014.47	422,294,929.44	479,581,449.73	332,291,927.42

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Authorized share capital					
750,000,000 ordinary shares, Baht 0.50 par value		375,000,000.00	375,000,000.00	375,000,000.00	375,000,000.00
Issued and fully paid-up					
750,000,000 ordinary shares, Baht 0.50 par value		375,000,000.00	375,000,000.00	375,000,000.00	375,000,000.00
Premium on ordinary shares		922,834,728.00	922,834,728.00	922,834,728.00	922,834,728.00
Premium from purchasing of investment in subsidiary		5,627,738.31	5,627,738.31	-	-
Retained earnings					
Appropriated					
Legal reserve		37,500,000.00	37,500,000.00	37,500,000.00	37,500,000.00
Treasury shares reserve	22	197,240,598.36	197,240,598.36	197,240,598.36	197,240,598.36
Unappropriated		29,815,288.81	52,767,618.52	24,179,411.22	59,149,301.94
Total equity attributable to owners of the company		1,568,018,353.48	1,590,970,683.19	1,556,754,737.58	1,591,724,628.30
Less treasury shares	22	(197,240,598.36)	(197,240,598.36)	(197,240,598.36)	(197,240,598.36)
Total shareholders' equity of the parent, net		1,370,777,755.12	1,393,730,084.83	1,359,514,139.22	1,394,484,029.94
Non-controlling interests of the subsidiaries		2,903,098.51	1,063,831.19	-	-
Total shareholders' equity		1,373,680,853.63	1,394,793,916.02	1,359,514,139.22	1,394,484,029.94
Total liabilities and shareholders' equity		1,922,019,868.10	1,817,088,845.46	1,839,095,588.95	1,726,775,957.36

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
REVENUES					
Revenues from hospital operations		1,383,690,079.36	1,362,086,325.49	1,385,569,819.49	1,363,698,653.52
Revenues from services		197,748,881.34	163,406,039.55	-	-
Other incomes					
Investments income (expense) of private fund, net	6	3,160,027.72	(9,550,523.52)	3,160,027.72	(9,550,523.52)
Dividend income	4 and 11	-	-	22,141,922.00	40,680,760.00
Rental income	4	3,604,571.93	3,705,395.46	14,006,985.02	13,181,133.78
Gain from sale of fixed assets		33,968.50	62,682,500.00	33,968.50	62,682,500.00
Others	4	8,589,866.40	6,339,127.28	9,702,441.43	6,438,304.47
Total revenues		1,596,827,395.25	1,588,668,864.26	1,434,615,164.16	1,477,130,828.25
EXPENSES					
Cost of hospital operations	4	1,124,169,319.95	1,060,271,176.03	1,154,403,617.93	1,090,527,332.08
Cost of services		100,095,248.38	86,297,429.76	-	-
Administrative expenses	4	193,567,987.70	198,722,524.12	137,362,807.26	156,837,883.07
Management remuneration	4	46,801,372.96	50,678,390.38	31,020,879.76	33,967,768.53
Finance costs	4	8,679,255.86	7,279,809.53	6,321,122.76	5,671,890.63
Total expenses		1,473,313,184.85	1,403,249,329.82	1,329,108,427.71	1,287,004,874.31
Profit before income tax expenses		123,514,210.40	185,419,534.44	105,506,736.45	190,125,953.94
Income tax expenses	28	12,644,479.85	28,361,392.34	8,173,385.43	20,683,294.71
Profit for the year		110,869,730.55	157,058,142.10	97,333,351.02	169,442,659.23
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarials loss on the defined employee benefit plans,					
net income tax	21	(7,478,840.10)	-	(6,303,248.70)	-
Other comprehensive income for the year		(7,478,840.10)	-	(6,303,248.70)	-
Total comprehensive income for the year		103,390,890.45	157,058,142.10	91,030,102.32	169,442,659.23

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Profit attributable to					
Owners of the company		110,492,881.52	156,951,665.94	97,333,351.02	169,442,659.23
Non-controlling interests of the subsidiaries		376,849.03	106,476.16	-	-
		<u>110,869,730.55</u>	<u>157,058,142.10</u>	<u>97,333,351.02</u>	<u>169,442,659.23</u>
Total comprehensive income attributable to					
Owners of the company		103,047,663.33	156,951,665.94	91,030,102.32	169,442,659.23
Non-controlling interests of the subsidiaries		343,227.12	106,476.16	-	-
		<u>103,390,890.45</u>	<u>157,058,142.10</u>	<u>91,030,102.32</u>	<u>169,442,659.23</u>
Basic earnings per share					
Attributable to owners of the company	29	<u>0.15</u>	<u>0.21</u>	<u>0.14</u>	<u>0.23</u>

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht

Consolidated financial statements											
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Premium from purchasing of investment in subsidiary	Retained earnings		Unappropriated	Total share holders' equity of the company	Treasury shares	Non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated to						
					Legal reserve	Treasury shares reserve					
Balance at December 31, 2017		375,000,000.00	922,834,728.00	5,627,738.31	37,500,000.00	-	239,104,470.94	1,580,066,937.25	-	1,071,775.03	1,581,138,712.28
Dividend payment	26	-	-	-	-	-	(146,047,920.00)	(146,047,920.00)	-	-	(146,047,920.00)
Dividend payment for non-controlling interests		-	-	-	-	-	-	-	-	(114,420.00)	(114,420.00)
Total comprehensive income for the year		-	-	-	-	-	156,951,665.94	156,951,665.94	-	106,476.16	157,058,142.10
Treasury shares reserve	22	-	-	-	-	197,240,598.36	(197,240,598.36)	-	-	-	-
Treasury shares	22	-	-	-	-	-	-	-	(197,240,598.36)	-	(197,240,598.36)
Balance at December 31, 2018		375,000,000.00	922,834,728.00	5,627,738.31	37,500,000.00	197,240,598.36	52,767,618.52	1,590,970,683.19	(197,240,598.36)	1,063,831.19	1,394,793,916.02
Dividend payment	26	-	-	-	-	-	(125,999,993.04)	(125,999,993.04)	-	-	(125,999,993.04)
Investment in a subsidiary		-	-	-	-	-	-	-	-	1,553,250.20	1,553,250.20
Dividend payment for non-controlling interests		-	-	-	-	-	-	-	-	(57,210.00)	(57,210.00)
Total comprehensive income for the year		-	-	-	-	-	103,047,663.33	103,047,663.33	-	343,227.12	103,390,890.45
Balance at December 31, 2019		375,000,000.00	922,834,728.00	5,627,738.31	37,500,000.00	197,240,598.36	29,815,288.81	1,568,018,353.48	(197,240,598.36)	2,903,098.51	1,373,680,853.63

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht								
Separate financial statements								
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Treasury shares	Total shareholders' equity	
				Appropriated to	Unappropriated			
								Legal reserve
Balance at December 31, 2017		375,000,000.00	922,834,728.00	37,500,000.00	-	232,995,161.07	-	1,568,329,889.07
Dividend payment	26	-	-	-	-	(146,047,920.00)	-	(146,047,920.00)
Total comprehensive income for the year		-	-	-	-	169,442,659.23	-	169,442,659.23
Treasury shares reserve	22	-	-	-	197,240,598.36	(197,240,598.36)	-	-
Treasury shares	22	-	-	-	-	-	(197,240,598.36)	(197,240,598.36)
Balance at December 31, 2018		375,000,000.00	922,834,728.00	37,500,000.00	197,240,598.36	59,149,301.94	(197,240,598.36)	1,394,484,029.94
Dividend payment	26	-	-	-	-	(125,999,993.04)	-	(125,999,993.04)
Total comprehensive income for the year		-	-	-	-	91,030,102.32	-	91,030,102.32
Balance at December 31, 2019		375,000,000.00	922,834,728.00	37,500,000.00	197,240,598.36	24,179,411.22	(197,240,598.36)	1,359,514,139.22

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Cash flows from operating activities</u>				
Profit for the year	110,869,730.55	157,058,142.10	97,333,351.02	169,442,659.23
Adjustments to profit for the year to cash provided by (used in)				
from operations:				
Interest income	(1,197,315.21)	(1,488,111.72)	(1,363,327.71)	(1,833,881.13)
Investments income (expense) from private fund	(798,064.98)	(9,745,741.36)	(798,064.98)	(9,745,741.36)
Unrealized (gain) loss on investments from private fund	(2,361,962.74)	19,296,264.88	(2,361,962.74)	19,296,264.88
Gain from sale of investment properties	-	(57,825,984.84)	-	(57,825,984.84)
Loss (gain) from sale of fixed assets	1,016,211.34	(4,715,832.09)	(33,968.50)	(4,856,515.16)
Dividend income	-	-	(22,141,922.00)	(40,680,760.00)
Bad debts	37,005.95	-	-	-
Doubtful accounts (reversal)	(16,129,823.26)	6,868,675.78	(16,304,428.77)	6,184,106.68
Written-off withholding tax	1,275,419.57	-	-	-
Depreciation	98,744,094.96	93,106,537.29	84,187,639.17	82,700,298.00
Amortization	4,776,055.41	5,112,586.92	3,762,242.70	4,074,967.98
Employee benefit expenses	18,235,536.23	5,713,395.09	14,982,710.46	4,819,870.41
Interest expenses	8,679,255.86	7,279,809.53	6,321,122.76	5,671,890.63
Income tax expenses	12,644,479.85	28,361,392.34	8,173,385.43	20,683,294.71
Profit from operations before changes in operating assets and liabilities	235,790,623.53	249,021,133.92	171,756,776.84	197,930,470.03
Changes in operating assets - (Increase) Decrease				
Trade and other receivables	(60,167,661.52)	3,251,156.02	(55,987,683.31)	7,571,748.50
Accrued revenues from hospital operations	54,189,545.28	(28,363,010.73)	54,189,545.28	(28,363,010.73)
Inventories	(1,073,006.39)	(1,857,031.72)	(1,017,038.35)	265,342.78
Other current assets	(8,471,616.30)	1,221,858.38	(8,079,402.46)	2,094,674.06
Other non - current assets	(2,607,832.55)	(2,700,327.21)	673,203.95	(2,969,057.40)
Changes in operating liabilities - Increase (Decrease)				
Trade and other payables	5,968,973.79	(6,309,135.65)	464,423.90	(11,359,390.03)
Advance received from the Social Security Office	9,404,249.50	-	9,404,249.50	-
Other currents liabilities	(758,131.82)	(149,826.37)	(1,233,867.88)	(706,679.50)
Other non - current liabilities	2,366,048.12	(7,467,328.52)	2,830,044.97	(7,467,328.52)
Cash generated from operation	234,641,191.64	206,647,488.12	173,000,252.44	156,996,769.19

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash received from interest income	872,520.26	1,117,959.31	331,135.34	658,087.61
Cash paid for employee benefit obligations	(6,581,934.66)	(7,060,540.00)	(6,581,934.66)	(7,060,540.00)
Cash paid for income tax	(18,324,487.25)	(39,162,161.47)	(14,219,939.08)	(34,513,265.42)
Net cash provided by operating activities	210,607,289.99	161,542,745.96	152,529,514.04	116,081,051.38
Cash flows from investing activities				
Decrease in temporary investments	51,470,639.46	178,565,560.82	51,470,639.46	178,565,560.82
Interest income and discount from investments	843,869.30	10,567,310.43	843,869.30	10,567,310.43
Cash paid for short-term loans to subsidiary company	-	-	-	(47,000,000.00)
Cash received for short-term loans to subsidiary company	-	-	13,000,000.00	44,000,000.00
(Increase) decrease in fixed deposits pledged as collateral	19,869.55	(490,363.34)	(275,680.32)	(276,976.59)
Cash paid for purchase of share capital in subsidiary company	-	-	(48,696,749.80)	(3,600,000.00)
Cash paid for purchase of property, plant and equipment	(167,576,427.98)	(161,107,654.64)	(151,501,640.38)	(149,788,643.27)
Cash received from investment property	-	97,644,542.50	42,000,000.00	97,644,542.50
Cash received from sale of fixed assets	174,584.11	7,095,805.11	161,500.00	7,093,001.37
Cash paid for purchase of intangible assets	(1,979,923.55)	(6,151,947.73)	(1,570,075.00)	(1,551,553.50)
Dividend received from investment in subsidiaries	-	-	22,141,922.00	40,680,760.00
Cash received for interest income	324,518.10	373,032.44	1,032,192.37	1,175,793.52
Net cash provided by (used in) financing activities	(116,722,871.01)	126,496,285.59	(71,394,022.37)	177,509,795.28
Cash flows from financing activities				
Increase (decrease) in overdrafts from financial institutions	9,484,908.91	(20,700,773.04)	9,577,712.01	(26,318,894.41)
Cash received from short-term loans from financial institutions	30,000,000.00	61,000,000.00	30,000,000.00	61,000,000.00
Cash paid for short-term loans from financial institutions	(30,000,000.00)	(62,000,000.00)	(30,000,000.00)	(62,000,000.00)
Cash received from long-term loans from financial institutions	116,000,000.00	-	116,000,000.00	-
Cash paid for long-term loans from financial institutions	(38,200,000.00)	(34,040,000.00)	(38,200,000.00)	(34,040,000.00)
Cash paid for liabilities under financial lease agreements	(39,353,102.23)	(30,863,707.51)	(24,986,916.87)	(22,156,576.50)
Cash paid for treasury shares	-	(197,240,598.36)	-	(197,240,598.36)
Dividend paid	(125,999,993.04)	(146,047,920.00)	(125,999,993.04)	(146,047,920.00)
Cash received from the capital increase in a non-controlling interests	1,430,250.20	-	-	-
Dividend paid to non-controlling interests	(57,210.00)	(114,420.00)	-	-
Cash paid for interest expenses	(8,672,392.51)	(7,290,659.22)	(6,314,259.41)	(5,682,740.32)
Net cash used in financing activities	(85,367,538.67)	(437,298,078.13)	(69,923,457.31)	(432,486,729.59)

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net increase (decrease) in cash and cash equivalents	8,516,880.31	(149,259,046.58)	11,212,034.36	(138,895,882.93)
Cash and cash equivalents at beginning of the year	59,384,132.07	208,643,178.65	19,797,683.42	158,693,566.35
Cash and cash equivalents at end of the year	67,901,012.38	59,384,132.07	31,009,717.78	19,797,683.42
<u>Additional disclosure items to cash flows statements</u>				
Non-cash transaction :				
Decrease in payable for purchase - fixed assets	(690,313.84)	(28,112,055.32)	(822,623.34)	(25,445,653.83)
Increase in liabilities under financial lease agreements	39,957,257.94	51,880,602.45	15,969,800.00	14,386,000.01
Allocate depreciation to intangible assets	39,236.33	235,398.49	-	-

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

LADPRAO GENERAL HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. GENERAL INFORMATION

1.1 Legal status

The Company was established under Thai law.

The Company was registered as public company limited under the Limited Public Company on March 11, 1993.

The Company was listed on the SET (Stock Exchange of Thailand) on October 28, 2015.

1.2 The registered office

The registered address of the Company is at 2699 Ladprao Road, Klongchaokunsing, Wangthonglang, Bangkok, Thailand.

1.3 Nature of the Company's business

The Company is principally engaged in hospital business.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

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

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

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

2.2 Basis of consolidated financial statements preparation

- a) The consolidated financial statements include the financial statements of Ladprao General Hospital Public Company Limited and its subsidiaries are as follows:-

Name of Subsidiaries	Type of business	Head office	Percentage of holding (% of share capital)	
			2019	2018
1. Ladprao General Hospital 2 Co., Ltd.	Private Hospital (Pre- operating Stage)	Bangkok	99.99	99.99
2. Asia Medical and Agricultural Laboratory and Research Center Co, Ltd.	Scientific analytical and diagnostic services and research for medical, agricultural, food and drug, Agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances	Bangkok	97.14	97.14
3. Asia Business Management Center Co, Ltd.	Hospital Management & Consulting services	Bangkok	99.99	99.99
4. Asia Medical Laboratory and Research Center Co, Ltd.	Scientific analytical and diagnostic services	Bangkok	99.99	99.99
5. Asia Hospital Co., Ltd.	Medical services, health mobile checkup and nurse services in factories and agencies. (Pre - operating stage)	Ayutthaya	50.80	-

According to the resolution of Board of Directors' Meeting No. 2/2019 dated May 15, 2019, approved the policy to invest in a new subsidiary named Asia Hospital Company Limited which had registered the establishment on April 9, 2019. The Company has held the share of 50.80% in such subsidiary and the Company has included the financial statements of aforesaid subsidiary in the preparation of the consolidated financial statements since the second quarter of 2019 onwards. As at December 31, 2019, the subsidiary has not yet launched its operation.

- b) The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- c) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- d) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position

2.3 Financial reporting standards that became effective in the current year

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

2.4 Financial reporting standards that will become effective in the future

During the year, 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 January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

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

Financial Reporting Standards :

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standards :

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations :

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

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

TFRS 16 Leases

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

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

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

3. ACCOUNTING POLICIES

3.1 Revenue and expense recognition

Revenues from hospital operations, mainly consisting of medical service, hospital room and medicine charges, are recognized as income when services have been rendered or medicine delivered.

Revenues from Social Security Office of the treatment and service to patients are under the social security system, it's recognized as revenue when it meets certain conditions.

Revenues from services are recognized when the service are rendered.

Revenues from obtaining dividends are recognized as income when the right to receive the dividends is established.

Interest income are recognized on an accrual basis based on the effective rate.

Investment income recognizes on an accrual basis as follows:-

Interest income is recognized on the accrual time basis.

Interest income arising from amortization of premium or discount of debt security is calculated by effective rate basis.

Dividend income is recognized when dividend is declared.

Gain or loss on sale of investments is recognized on trade date and the cost of investments is calculated by the weighted average cost basis.

Unrealized gain (loss) from valuation of investments is recognized as income or expense in the statement of comprehensive income.

Other income and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash, cash at banks and deposits at financial institutions and all highly liquid investments with an original maturity of 3 months or less and without withdrawal restrictions.

3.3 Temporary investments

Investment in securities held-for-trading as investments in private fund, are stated at fair value.

Fair value of securities held by private fund calculated by fair value of listed securities (including the subscription rights) is based on the closing price of securities quoted on the Stock Exchange of Thailand. The fair value of bills of exchange, treasury bills, debentures and bonds are calculated from the latest yield-rate quoted on The Thai Bonds Market Association.

3.4 Trade receivable and allowance for doubtful accounts

Trade receivable is stated at the net realized 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 experience and analysis of debt aging as of the reported date.

3.5 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated on weighted average basis.

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

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

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

3.6 Investments in subsidiaries

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

In separate financial statement, investments in subsidiaries are stated at cost net of allowance for impairment (if any).

3.7 Investment property

Investment property, including the property held to earn rental income or for capital appreciation or for both. It is not intended for sale or use in the business as usual, process procurement of goods, services, management.

Investments properties are stated at cost less accumulated depreciation and loss on impairment.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each item. The estimated useful lives are 20 - 30 years.

3.8 Property, plant and equipment and depreciation

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

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets including any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, which are the obligations of the company (if any).

Expenditure related to renewal or improvement of assets which will materially increase the replacement value of the assets will be combined as investment cost. The costs of the repair and maintenance servicing of property, plant and equipment are recognized as expenses for the period incurred.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:-

	Useful lives (year)
Building	20 - 30
Building improvement	15, 20
Structure on leasehold property	Lease contract period
Utility systems	15 - 30
Laboratory equipment	10 - 15
Medical equipment and instruments	15
Others	5

No depreciate is provided for construction in progress.

The Company and its subsidiaries have reviewed the residual value and useful lives of the assets every year.

The depreciation is separately recorded if any of the components significantly cost compared with its original cost.

Depreciation is included in determining business performance.

Property, plant and equipment are written off at disposal. Any gain or loss arising from sale or disposal of an asset is recognized in the statement of comprehensive income.

3.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

3.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any) which intangible assets were as follows:

3.10.1 Computer program and computer network

Computer program and computer network are stated at cost less accumulated amortization. Amortization is charged to expenses on a straight-line basis over the estimated useful life of 10 years.

3.10.2 The certified laboratory standard

The subsidiary's intangible assets represented the certified laboratory standards. Their costs are composed of the development cost of analytical testing procedures and all relevant processes of official approval for the certified standard and the accredited laboratory from the accreditation and/or recognizing government bodies. After being approved, the subsidiary will be granted the certified standard and the accredited laboratory and able to provide certified laboratory services to customers. Such incurred development costs are recorded as "The certified laboratory standard".

The subsidiary can continually render its services subject to the on-going renewal of 2 years certification from Bureau of Laboratory Quality Standards, Ministry of Public Health, 3 years certification from Bureau of Laboratory Accreditation, Ministry of Science and Technology and from Thai Industrial Standards Institute (TISI), Ministry of Industry.

Subsidiary considers to write-off the certified laboratory standard as an expense when it is restrained and/or retreated by the accreditation and/or recognizing government bodies or considered as unsatisfied future economic benefits for the company.

3.11 Impairment of assets

The carrying amounts of the Company and its subsidiaries, other than inventories are reviewed at the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Calculation of recoverable amount

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

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of comprehensive income.

3.12 Leases

Financial leases

Leases which transfer to the Company and subsidiaries most of substantial risks and rewards of ownership others than legal title, are accounted for as financial leases. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals (if any). Interest or financial charges are recognized as expenses in the statement of comprehensive income in proportion to the principal balance.

Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

3.13 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheets include deposits at financial institutions, accounts receivable, accounts payable, bank overdrafts, short-term loans from financial institutions, long-term loans, income tax payable, accrued expenses and finance lease payable. The particular accounting methods adopted are disclosed in the individual policy statements associated with each item.

3.14 Using of accounting estimation

Preparation of financial statements in conformity with the financial reporting standards requires management to estimate and make assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those aforesaid estimation.

3.15 Provisions

The Company and its subsidiary companies provisions are recognized when the Company and subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and subsidiaries expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.16 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligation in respect of the severance payments that it must pay to the employees upon retirement under the labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

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

3.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.18 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

3.19 Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year with the weighted average number of the issued and paid-up shares at the end of the year.

3.20 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Accrued revenues from hospital operations

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

Impairment of investment in subsidiary

In determining reviews the impairment of investment in the subsidiary, the management is required to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases

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

Investment property and depreciation

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

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

In determining the fair value disclosure of investment property, the management used the income approach supported by current and previous valuations by an independent appraiser.

Property, plant and equipment and depreciation

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

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

Intangible assets

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

Deferred tax assets

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

Post-employment benefits (Defined benefit plans)

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

4. RELATED PARTIES TRANSACTIONS

The Company and its subsidiaries have certain transactions with its related parties. These companies are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis mutual determined by the Company and related parties.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Company and its subsidiaries are as follows:

Related parties	Nature of relationships
1. Subsidiaries	
1.1. Ladprao General Hospital 2 Co., Ltd.	99.99% shareholding
1.2. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	97.14% shareholding
1.3. Asia Business Management Center Co., Ltd.	99.99% shareholding
1.4. Asia Medical Laboratory and Research Center Co., Ltd.	99.99% shareholding (Since on January 9, 2017)
1.5. Asia Hospital Co., Ltd.	50.80% shareholding (Since April 9, 2019)
2. Related company	
2.1. L.P. Holding Co., Ltd.	32.89% shareholding in the Company
2.2. Ladprao Education Co., Ltd.	Common directors
2.3. Ladprao Hospital Foundation	Common directors
3. Related person	Directors of the Company

Related parties significant transactions in statements of financial position as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other receivables				
Subsidiaries				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	144,522.60	335,153.20
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	301,108.40	294,412.09
- Asia Hospital Co., Ltd.	-	-	263,576.14	-
Total	-	-	709,207.14	629,565.29
Short-term loans to				
Subsidiary				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.				
Balance beginning	-	-	13,000,000.00	10,000,000.00
Additional loans	-	-	-	47,000,000.00
Return loans	-	-	(13,000,000.00)	(44,000,000.00)
Balance forward	-	-	-	13,000,000.00

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other non-current assets - deposit paid				
Subsidiary				
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	2,000,000.00	2,000,000.00
Accrued expenses				
Subsidiaries				
- Asia Business Management Center Co., Ltd.	-	-	2,000,000.00	2,000,000.00
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	6,711,584.00	5,666,374.00
Total	-	-	8,711,584.00	7,666,374.00
Deposit received				
Subsidiary				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	44,011,800.00	-
Other non-current liabilities - deposit received				
Subsidiaries				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	-	1,667,940.00
- Asia Business Management Center Co., Ltd.	-	-	4,000,000.00	4,000,000.00
Total	-	-	4,000,000.00	5,667,940.00

Related parties significant transactions in the statements of comprehensive income as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenues from hospital operations				
Subsidiary				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	1,856,268.13	1,608,889.03
Related company				
- Ladprao Education Co., Ltd.	651,872.79	1,008,739.15	651,872.79	1,008,739.15
Total	651,872.79	1,008,739.15	2,508,140.92	2,617,628.18
Rental income				
Subsidiaries				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	7,359,600.00	6,672,000.00
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	2,400,000.00	2,400,000.00
Related company				
- Ladprao Education Co., Ltd.	-	600,000.00	-	600,000.00
Total	-	600,000.00	9,759,600.00	9,672,000.00

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Dividend income				
Subsidiaries				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	1,942,790.00	3,885,580.00
- Asia Business Management Center Co., Ltd.	-	-	1,999,860.00	5,999,580.00
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	18,199,272.00	30,795,600.00
Total	-	-	22,141,922.00	40,680,760.00
Other income				
Subsidiary				
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	600,000.00	600,000.00
Interest income				
Subsidiary				
- Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	-	-	753,727.40	-
Gain from sales of investment property				
Related company				
- Ladprao Education Co., Ltd.	-	-	-	57,825,984.84
Cost of hospital operations				
Subsidiary				
- Asia Medical Laboratory and Research Center Co., Ltd.	-	-	77,262,523.00	66,879,431.40
Management fee				
Subsidiary				
- Asia Business Management Center Co., Ltd.	-	-	24,000,000.00	25,500,000.00

Management remuneration

Management remuneration represents the benefits payable to the directors and the Company's management as described in accordance with the Securities and Exchange Act including salaries, related benefit and remuneration except doctor fees.

Management remuneration for the years ended December 31, 2019 and 2018 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	46,000,193.36	49,865,774.52	30,314,500.00	33,233,666.52
Post-employment benefits	801,179.60	812,615.86	706,379.76	734,102.01
Total	46,801,372.96	50,678,390.38	31,020,879.76	33,967,768.53

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	960,083.79	2,644,966.90	889,005.79	2,577,687.00
Deposits at banks - current accounts	8,400,322.96	11,001,692.12	6,823,387.04	9,925,786.24
- savings accounts	40,251,089.98	43,966,729.22	5,007,809.30	5,523,466.35
- special saving accounts	18,289,515.65	1,770,743.83	18,289,515.65	1,770,743.83
Total cash and cash equivalents	67,901,012.38	59,384,132.07	31,009,717.78	19,797,683.42

As at December 31, 2019 and 2018, the Company has special saving with a local Bank at interest rate of 1.30% - 1.40% per annum.

Cash at bank-current account with credit balance, the Company has made an agreement to allow the bank to automatically transfer funds from the savings account to such current account, in case of an overdraft.

6. TEMPORARY INVESTMENTS

Temporary investments consisted of :

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Investment in securities held-for-trading		
Private fund	-	49,108,676.72
Total temporary investments	-	49,108,676.72

During the year 2019, the Company has sold investments in private fund in full amount and already closed the account of Private fund.

Investments income (expense) from private fund for the years ended December 31, 2019 and 2018, as recorded in statement of comprehensive income are as follows :-

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Investment income	745,217.40	3,939,925.55
Realized gain from investment	128,610.40	6,280,348.92
Unrealized gain (loss) from investment	2,361,962.74	(19,296,264.88)
Total expenses	(75,762.82)	(474,533.11)
Total investments income (expense)	3,160,027.72	(9,550,523.52)

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivable;				
Receivable from Social Security Office	15,029,035.50	5,264,244.00	15,029,035.50	5,264,244.00
Trade receivable - other	121,774,158.09	91,252,711.84	91,178,112.26	64,228,080.93
Total	136,803,193.59	96,516,955.84	106,207,147.76	69,492,324.93
<u>Less</u> Allowance for doubtful accounts				
Beginning balance	(12,074,843.73)	(10,757,306.50)	(9,692,656.48)	(9,059,688.35)
(Increase) Decrease	(1,526,041.19)	(1,317,537.23)	(1,351,435.68)	(632,968.13)
Ending balance	(13,600,884.92)	(12,074,843.73)	(11,044,092.16)	(9,692,656.48)
Trade receivable - net	123,202,308.67	84,442,112.11	95,163,055.60	59,799,668.45
Other receivable;				
Accrued income	8,956,364.99	8,263,936.58	469,465.11	812,095.05
Prepaid expense	3,258,954.10	3,243,197.06	1,816,750.76	2,016,247.73
Advance payable	21,439,905.28	851,898.06	21,438,496.53	573,878.00
Receivable sale of securities	-	914,289.02	-	914,289.02
Others	905,853.82	1,365,867.12	1,375,299.00	1,556,445.44
Total other receivable	34,561,078.19	14,639,187.84	25,100,011.40	5,872,955.24
Total trade and other receivables -net	157,763,386.86	99,081,299.95	120,263,067.00	65,672,623.69

Trade receivable can be classified by age analysis as follow:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within credit terms	61,789,093.72	42,037,539.96	47,984,529.75	29,676,570.72
Less than 3 months	45,905,850.64	32,857,441.95	33,175,288.41	21,478,604.13
Over 3-6 months	14,027,832.42	8,293,041.58	12,740,842.52	7,355,601.20
Over 6-12 months	3,165,269.79	4,256,375.60	2,524,789.84	3,700,166.83
Over 12 months	11,915,147.02	9,072,556.75	9,781,697.24	7,281,382.05
Total trade receivable	136,803,193.59	96,516,955.84	106,207,147.76	69,492,324.93

8. ACCRUED REVENUES FROM HOSPITAL OPERATIONS

Accrued revenues from hospital operations consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued revenues from hospital operations				
of Chronic diseases	57,651,452.69	71,843,583.80	57,651,452.69	71,843,583.80
Accrued revenues from hospital operations				
Provided to patients with severe diseases	27,375,907.37	64,806,225.85	27,375,907.37	64,806,225.85
Accrued social security income - other	15,306,044.31	17,873,140.00	15,306,044.31	17,873,140.00
Total accrued revenues from hospital operations	100,333,404.37	154,522,949.65	100,333,404.37	154,522,949.65
<u>Less</u> Allowance for doubtful accounts				
Beginning balance	(17,655,864.45)	(12,104,725.90)	(17,655,864.45)	(12,104,725.90)
(Increase) decrease	17,655,864.45	(5,551,138.55)	17,655,864.45	(5,551,138.55)
Ending balance	-	(17,655,864.45)	-	(17,655,864.45)
Total accrued revenues form hospital operations	100,333,404.37	136,867,085.20	100,333,404.37	136,867,085.20

During the year 2019, the Company received accrued revenues from hospital operations provided to patients with severe diseases. Therefore, recorded the reversal of allowance for doubtful accounts in the amount of Baht 17.66 million (note 23).

9. INVENTORIES

Inventories consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Medicines	12,325,140.12	10,404,652.46	12,325,140.12	10,404,652.46
Medical supplies	2,091,565.42	2,462,133.52	2,091,565.42	2,462,133.52
Miscellaneous	3,762,574.36	4,952,190.47	17,520.87	550,402.08
Laboratory chemicals	6,391,874.80	5,679,171.86	-	-
Total inventories	24,571,154.70	23,498,148.31	14,434,226.41	13,417,188.06

10. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2019 and 2018, the Company and its subsidiary's fixed deposit 3 - 12 months and saving accounts amounting to Baht 41.62 million and Baht 41.64 million, respectively as well as Baht 31.20 million and Baht 30.92 million, respectively in the separate financial statements were pledged as collateral to secure bank overdraft and using of fleet card with interest at the rate 1.1% - 1.5% per annum. Any interests earned by the Company are not restricted.

During the year 2019, the Subsidiary had released the guarantee for savings deposits that were used to guarantee of fleet card.

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as represented in separate financial statements, as follows:

Name of subsidiaries	Paid up share capital		Percentage of shareholding (%)		Separate financial statements	
	2019	2018	2019	2018	Cost method (Baht)	
					2019	2018
1. Ladprao General Hospital 2 Co., Ltd.	12,500,000.00	12,500,000.00	99.99	99.99	12,499,850.00	12,499,850.00
2. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	150,000,000.00	100,000,000.00	97.14	97.14	145,709,250.00	97,139,500.20
3. Asia Bussiness Management Center Co., Ltd.	10,000,000.00	10,000,000.00	99.99	99.99	9,999,300.00	9,999,300.00
4. Asia Medical Laboratory and Research Center Co., Ltd.	5,000,000.00	5,000,000.00	99.99	99.99	4,999,800.00	4,999,800.00
5. Asia Hospital Co., Ltd.	250,000.00	-	50.80	-	127,000.00	-
Total investments in subsidiaries					173,335,200.00	124,638,450.20
<u>Less</u> Allowance for impairment of investments						
- Ladprao General Hospital 2 Co., Ltd.					(1,020,000.00)	(1,020,000.00)
Investments in subsidiaries - net					172,315,200.00	123,618,450.20

The Board of Directors' Meeting No. 2/2019 dated May 15, 2019, agreed to the policy to invest in Asia Hospital Co., Ltd. having official establishment with the Ministry of Commerce on April 9, 2019 with the registered capital of Baht 1 million (divided into 100,000 ordinary shares at par value of Baht 10 each). The Company invested in 50,800 ordinary shares at Baht 10 each which represented 50.80% shareholding on April 9, 2019 and proportionally paid up 25% at the amount of Baht 127,000.00.

The Board of Directors' Meeting No. 5/2019 dated November 13, 2019 had a resolution to raise the investment in Asia Medical and Agricultural Laboratory and Research Center during its increase of capital totaling Baht 50 million comprising 5,000,000 shares at Baht 10 each from Baht 100 million to Baht 150 million (15,000,000 shares at par value of Baht 10 each). The rights to subscribe new ordinary shares issued for existing shareholders is in the proportion of 2:1. The Company had increased its investment totaling Baht 48.57 million by subscribing 4,856,975 issued shares at Baht 10 each and paid-up all on December 2, 2019. However, the shareholding proportion remains unchanged.

Dividend from subsidiary companies for the years ended December 31, 2019 and 2018 were as follows :

Name of subsidiaries	Type of business	Relationship	Baht	
			Separate financial statements	
			2019	2018
1. Ladprao General Hospital 2 Co., Ltd.	Private Hospital (Pre- operating Stage)	Shareholders /Co - directors	-	-
2. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.	Scientific analytical and diagnostic services and research for medical, agricultural, food and drug, Agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances	Shareholders /Co - directors	1,942,790.00	3,885,580.00
3. Asia Business Management Center Co., Ltd.	Hospital Management & Consulting services	Shareholders /Co - directors	1,999,860.00	5,999,580.00
4. Asia Medical Laboratory and Research Center Co., Ltd.	Scientific analytical and diagnostic for medical services	Shareholders /Co - directors	18,199,272.00	30,795,600.00
5. Asia Hospital Co., Ltd.	Medical services, health mobile checkup and nurse services in factories and agencies. (Pre - operating stage)	Shareholders /Co - directors	-	-
Total dividend income			<u>22,141,922.00</u>	<u>40,680,760.00</u>

The subsidiaries that have material non-controlling interests

The consolidated financial statements has consolidated Asia Medical and Agricultural Laboratory and Research Center Co, Ltd. that have material non-controlling interest:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
	2019	2018	Comprehensive income (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
			2019	2018	2019	2018
Asia Medical and Agricultural Laboratory and Research Center Co, Ltd.	2.86	2.86	486,640.26	106,476.16	2,963,824.01	1,104,143.55
Asia Hospital Co., Ltd.	49.20	-	(143,413.14)	-	(20,413.14)	-
Other	-	-	-	-	(40,312.36)	(40,312.36)
Total			<u>343,227.12</u>	<u>106,476.16</u>	<u>2,903,098.51</u>	<u>1,063,831.19</u>

Summarized financial information in respect of Asia Medical and Agricultural Laboratory and Research Center Co, Ltd. before any intragroup eliminations are as follows.

	Baht	
	2019	2018
Current assets	50,658,867.18	44,885,197.23
Non-current assets	228,639,780.77	166,920,459.12
Current liabilities	41,809,417.83	47,444,552.12
Non-current liabilities	60,972,035.44	52,859,303.41
Revenues	198,036,688.70	164,748,343.03
Profit attributable to the non-controlling interests	520,262.18	106,476.16

	Baht	
	2019	2018
Total comprehensive income to the non-controlling interests	486,640.28	106,476.16
Dividends paid to non-controlling interests	57,210.00	114,420.00
Net cash provided by operating activities	38,156,692.00	16,597,464.09
Net cash used in investing activities	(53,363,442.04)	(15,821,292.18)
Net cash provided by (used in) financing activities	17,429,151.04	(6,592,947.73)
Net increase (decrease) cash	2,222,401.00	(5,816,775.82)

12. INVESTMENT PROPERTY

Investment property consisted of:

	Baht			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	December 31, 2018	Increase	Decrease	December 31, 2019
<u>At cost</u>				
Land and improvement	32,000,000.00	-	-	32,000,000.00
Building Center's laboratory and research	113,583,357.18	-	-	113,583,357.18
Building systems and infrastructure	41,416,642.82	-	-	41,416,642.82
Total	187,000,000.00	-	-	187,000,000.00
<u>Less</u> Accumulated depreciation				
Building Center's laboratory and research	(38,768,838.72)	(3,786,369.68)	-	(42,555,208.40)
Building systems and infrastructure	(25,694,854.17)	(2,074,356.64)	-	(27,769,210.81)
Total	(64,463,692.89)	(5,860,726.32)	-	(70,324,419.21)
<u>Less</u> Transferred of investment property to non-current assets held for sale	-			(116,675,580.79)
Investment property - net	122,536,307.11			-

	Baht			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	December 31, 2017	Increase	Decrease	December 31, 2018
<u>At cost</u>				
Land and improvement	71,818,557.66	-	(39,818,557.66)	32,000,000.00
Building Center's laboratory and research	113,583,357.18	-	-	113,583,357.18
Building systems and infrastructure	41,416,642.82	-	-	41,416,642.82
Total	226,818,557.66	-	(39,818,557.66)	187,000,000.00
<u>Less Accumulated depreciation</u>				
Building Center's laboratory and research	(34,986,513.00)	(3,782,325.72)	-	(38,768,838.72)
Building systems and infrastructure	(22,389,293.63)	(3,305,560.54)	-	(25,694,854.17)
Total	(57,375,806.63)	(7,087,886.26)	-	(64,463,692.89)
Investment property - net	169,442,751.03			122,536,307.11

The Company also provides the building lease to a subsidiary. The lease agreement is made for 2 years and 6 months and the monthly rental charges for the years ended December 31, 2019 and 2018 amounting to Baht 7.36 million and Baht 6.67 million, respectively. The Company has classified the investment properties which are leased to subsidiary as land, plant and equipment in the consolidated financial statements of the Company.

According to the Directors' Meeting No. 5/2019 dated November 13, 2019, it had a resolution to approve the selling of investment properties consisting of the buildings No. 361, 361/1-4 Soi Ladprao 122, Ladprao Road, Plubpla, Wangthonglang, Bangkok, located on the title deeds No. 7022, 239799, 239800, 239801, 239802, totaled 5 title deeds, total area of 3 Ngan and 45 Square Wah to Asia Medical and Agricultural Laboratory and Research Center, a 97.14 percent-shareholding subsidiary, instead of leasing purpose. The sale and purchase has been agreed at the amount of Baht 150 million (Baht 153.30 appraised value).

The Company had signed the sale and purchase agreement of land and building on December 4, 2019 and received the deposit amounted to Baht 42 million on December 6, 2019. Asia Medical and Agricultural Laboratory and Research Center Co., Ltd. will pay the remaining amount for the official ownership transfer of all buildings located on such 5 title deeds that has been planned to complete within 6 months from the date of signing the sale and purchase agreement. Therefore, the Company transferred the investment property to the non-current assets held for sale stated in the current assets.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		
	December 31, 2018	Increase	Decrease	Balance as at December 31, 2019
<u>At cost</u>				
Land	147,331,003.27	-	-	147,331,003.27
Hospital buildings and improvements	819,463,476.48	10,814,573.47	-	874,000,588.83
Building Center's laboratory and research	78,943,338.59	-	-	78,943,338.59
Dormitory buildings and improvements	35,973,184.35	-	-	35,973,184.35
Building systems and infrastructure	270,939,170.57	6,695,401.15	-	354,312,852.04
Buildings on Leasehold	23,251,887.38	-	-	23,251,887.38
Medical equipment and supplies	337,569,850.85	25,329,132.97	(2,333,333.33)	360,565,650.49
Laboratory and Equipment	193,558,040.76	31,291,527.65	(7,764,125.75)	217,085,442.66
Equipment room patients	3,332,818.59	121,054.45	(13,910.00)	3,439,963.04
Equipment and office equipment	58,969,013.97	8,563,136.62	(1,087,041.03)	66,445,109.56
Furniture and fixtures	25,891,626.11	1,477,940.31	-	28,289,566.42
Vehicles	37,566,181.00	8,306,303.00	(1,889,000.00)	43,983,484.00
Assets under construction	30,010,234.25	114,244,302.46	-	22,933,717.51
Total	2,062,799,826.17	206,843,372.08	(13,087,410.11)	2,256,555,788.14

	Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		
	December 31, 2018	Increase	Decrease	Transfer-in (Transfer-out) December 31, 2019
<u>Less Accumulated depreciation</u>				
Hospital buildings and improvements	(329,649,595.76)	(24,302,388.03)	-	(353,951,983.79)
Building Center's laboratory and research	(29,279,616.20)	(3,739,226.54)	-	(33,018,842.74)
Dormitory buildings and improvements	(26,685,757.75)	(622,174.75)	-	(27,307,932.50)
Building systems and infrastructure	(50,207,986.91)	(13,179,858.56)	-	(63,387,845.47)
Buildings on Leasehold	(17,852,115.30)	(2,733,785.61)	-	(20,585,900.91)
Medical equipment and supplies	(149,060,703.88)	(30,575,645.16)	2,213,065.02	(177,423,284.02)
Laboratory and Equipment	(82,113,378.03)	(12,302,443.15)	7,008,539.28	(87,407,281.90)
Equipment room patients	(3,214,427.78)	(59,951.93)	13,909.00	(3,260,470.71)
Equipment and office equipment	(40,253,322.24)	(6,903,766.86)	1,078,287.04	(46,078,802.06)
Furniture and fixtures	(13,203,344.21)	(2,274,307.05)	-	(15,477,651.26)
Vehicles	(27,494,335.13)	(2,089,783.66)	1,888,998.00	(27,695,120.79)
Total	(769,014,583.19)	(98,783,331.30)	12,202,798.34	(855,595,116.15)
Property, plant and equipment - net	1,293,785,242.98			1,400,960,671.99

	Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		
	December 31, 2017	Increase	Decrease	Transfer-in (Transfer-out) December 31, 2018
<u>At cost</u>				
Land	147,664,192.18	-	(333,188.91)	147,331,003.27
Hospital buildings and improvements	805,333,616.99	14,129,859.49	-	819,463,476.48
Building Center's laboratory and research	78,099,472.70	843,865.89	-	78,943,338.59
Dormitory buildings and improvements	35,973,184.35	-	-	35,973,184.35
Building systems and infrastructure	222,305,261.03	48,633,909.54	-	270,939,170.57
Buildings on leasehold	22,215,303.69	1,036,583.69	-	23,251,887.38
Medical equipment and supplies	325,851,422.57	30,315,483.55	(18,597,055.27)	337,569,850.85
Laboratory and equipment	152,071,659.35	42,593,708.95	(1,107,327.54)	193,558,040.76
Equipment room patients	3,521,758.47	26,970.00	(215,909.88)	3,332,818.59
Equipment and office equipment	54,213,359.31	7,718,283.13	(2,962,628.47)	58,969,013.97
Furniture and fixtures	25,458,519.54	3,683,303.28	(3,250,196.71)	25,891,626.11
Vehicles	33,723,731.00	5,884,000.00	(2,041,550.00)	37,566,181.00
Assets under construction	-	30,010,234.25	-	30,010,234.25
Total	1,906,431,481.18	184,876,201.77	(28,507,856.78)	2,062,799,826.17

Baht					
Consolidated financial statements					
	Balance as at	Transactions during the year			Balance as at
	December	Increase	Decrease	Transfer-in	December
	31, 2017			(Transfer-out)	31, 2018
<u>Less</u> Accumulated depreciation					
Hospital buildings and improvements	(305,221,302.21)	(24,428,293.55)	-	-	(329,649,595.76)
Building Center's laboratory and research	(26,565,976.85)	(2,713,639.35)	-	-	(29,279,616.20)
Dormitory buildings and improvements	(26,063,125.39)	(622,632.36)	-	-	(26,685,757.75)
Building systems and infrastructure	(38,562,002.07)	(11,645,984.84)	-	-	(50,207,986.91)
Buildings on leasehold	(14,263,766.18)	(3,588,349.12)	-	-	(17,852,115.30)
Medical equipment and supplies	(137,248,169.34)	(29,064,965.88)	17,252,431.34	-	(149,060,703.88)
Laboratory and equipment	(72,728,169.37)	(10,400,185.91)	1,014,977.25	-	(82,113,378.03)
Equipment room patients	(3,386,679.81)	(43,587.85)	215,839.88	-	(3,214,427.78)
Equipment and office equipment	(36,642,045.53)	(6,443,373.52)	2,832,096.81	-	(40,253,322.24)
Furniture and fixtures	(14,282,411.45)	(2,142,180.67)	3,221,247.91	-	(13,203,344.21)
Vehicles	(26,887,142.40)	(2,248,742.73)	1,641,550.00	-	(27,494,335.13)
Total	(701,850,790.60)	(93,341,935.78)	26,178,143.19	-	(769,014,583.19)
Property, plant and equipment - net	<u>1,204,580,690.58</u>				<u>1,293,785,242.98</u>

Baht					
Separate financial statements					
	Balance as at	Transactions during the year			Balance as at
	December	Increase	Decrease	Transfer-in	December
	31, 2018			(Transfer-out)	31, 2019
<u>At cost</u>					
Land	115,331,003.27	-	-	-	115,331,003.27
Hospital buildings and improvements	819,463,476.48	10,814,573.47	-	43,722,538.88	874,000,588.83
Dormitory building and improvements	35,973,184.35	-	-	-	35,973,184.35
Building systems and infrastructure	229,852,766.51	6,695,401.15	-	76,678,280.32	313,226,447.98
Buildings on leasehold	23,251,887.38	-	-	-	23,251,887.38
Medical equipment and supplies	335,582,462.18	17,928,404.00	(2,333,333.33)	-	351,177,532.85
Equipment room patients	3,332,818.59	121,054.45	(13,910.00)	-	3,439,963.04
Equipment and office equipment	46,125,480.93	7,060,838.20	(626,278.47)	-	52,560,040.66
Furniture and fixture	21,819,555.64	1,477,940.31	-	920,000.00	24,217,495.95
Vehicles	36,552,181.00	8,306,303.00	(1,889,000.00)	-	42,969,484.00
Assets under construction	30,010,234.25	114,244,302.46	-	(121,320,819.20)	22,933,717.51
Total	<u>1,697,295,050.58</u>	<u>166,648,817.04</u>	<u>(4,862,521.80)</u>	<u>-</u>	<u>1,859,081,345.82</u>

	Baht				
	Separate financial statements				
	Balance as at	Transactions during the year			Balance as at
	December 31, 2018	Increase	Decrease	Transfer-in (Transfer-out)	December 31, 2019
<u>Less</u> Accumulated depreciation					
Hospital buildings and improvements	(329,663,568.94)	(24,302,388.03)	-	-	(353,965,956.97)
Dormitory building and improvements	(26,695,108.81)	(622,174.75)	-	-	(27,317,283.56)
Building systems and infrastructure	(23,506,126.17)	(11,168,930.63)	-	-	(34,675,056.80)
Buildings on leasehold	(17,852,115.30)	(2,733,785.61)	-	-	(20,585,900.91)
Medical equipment and supplies	(148,338,650.68)	(29,681,210.45)	2,213,065.02	-	(175,806,796.11)
Equipment room patients	(3,214,427.78)	(59,951.93)	13,909.00	-	(3,260,470.71)
Equipment and office equipment	(32,076,448.09)	(5,394,380.74)	619,018.28	-	(36,851,810.55)
Furniture and fixture	(12,130,108.90)	(2,274,307.05)	-	-	(14,404,415.95)
Vehicles	(26,480,337.13)	(2,089,783.66)	1,888,998.00	-	(26,681,122.79)
Total	(619,956,891.80)	(78,326,912.85)	4,734,990.30	-	(693,548,814.35)
Property, plant and equipment - net	<u>1,077,338,158.78</u>				<u>1,165,532,531.47</u>

	Baht				
	Separate financial statements				
	Balance as at	Transactions during the year			Balance as at
	December 31, 2017	Increase	Decrease	Transfer-in (Transfer-out)	December 31, 2018
<u>At cost</u>					
Land	115,664,192.18	-	(333,188.91)	-	115,331,003.27
Hospital buildings and improvements	805,333,616.99	14,129,859.49	-	-	819,463,476.48
Dormitory building and improvements	35,973,184.35	-	-	-	35,973,184.35
Building systems and infrastructure	181,218,856.97	48,633,909.54	-	-	229,852,766.51
Buildings on leasehold	22,215,303.69	1,036,583.69	-	-	23,251,887.38
Medical equipment and supplies	323,952,818.95	30,226,698.50	(18,597,055.27)	-	335,582,462.18
Equipment room patients	3,521,758.47	26,970.00	(215,909.88)	-	3,332,818.59
Equipment and office equipment	43,844,463.55	5,097,430.70	(2,816,413.32)	-	46,125,480.93
Furniture and fixture	21,386,449.07	3,683,303.28	(3,250,196.71)	-	21,819,555.64
Vehicles	32,709,731.00	5,884,000.00	(2,041,550.00)	-	36,552,181.00
Assets under construction	-	30,010,234.25	-	-	30,010,234.25
Total	<u>1,585,820,375.22</u>	<u>138,728,989.45</u>	<u>(27,254,314.09)</u>	<u>-</u>	<u>1,697,295,050.58</u>
<u>Less</u> Accumulated depreciation					
Hospital buildings and improvements	(305,235,275.39)	(24,428,293.55)	-	-	(329,663,568.94)
Dormitory building and improvements	(26,072,476.45)	(622,632.36)	-	-	(26,695,108.81)
Building systems and infrastructure	(14,884,541.11)	(8,621,585.06)	-	-	(23,506,126.17)
Buildings on leasehold	(14,263,766.18)	(3,588,349.12)	-	-	(17,852,115.30)
Medical equipment and supplies	(136,921,685.87)	(28,669,396.15)	17,252,431.34	-	(148,338,650.68)
Equipment room patients	(3,386,679.81)	(43,587.85)	215,839.88	-	(3,214,427.78)
Equipment and office equipment	(29,515,562.59)	(5,247,644.25)	2,686,758.75	-	(32,076,448.09)
Furniture and fixture	(13,209,176.14)	(2,142,180.67)	3,221,247.91	-	(12,130,108.90)
Vehicles	(25,873,144.40)	(2,248,742.73)	1,641,550.00	-	(26,480,337.13)
Total	<u>(569,362,307.94)</u>	<u>(75,612,411.74)</u>	<u>25,017,827.88</u>	<u>-</u>	<u>(619,956,891.80)</u>
Property, plant and equipment - net	<u>1,016,458,067.28</u>				<u>1,077,338,158.78</u>

The cost of fully depreciated assets of the Company and its subsidiary that have been still in use as at December 31, 2019 and 2018 in the consolidated financial statements amounted to Baht 144.01 million and Baht 87.09 million, respectively and in the separate financial statements amounted to Baht 110.26 million and Baht 53.34 million, respectively.

As at December 31, 2019 and 2018, the Company and its subsidiaries have medical, scientific laboratory equipment and vehicles under the financial lease agreements at net book value in the consolidated financial statements amounted to Baht 171.41 million and Baht 150.81 million, respectively and in the separate financial statements amounted to Baht 89.63 million and Baht 88.35 million, respectively.

14. LAND LEASEHOLD RIGHT

Land leasehold right represented the initial prepaid land rental paid to lessor under the lease agreements consisted of:

Lease agreements	Periods	Baht	
		Consolidated / Separate	
		financial statements	
		2019	2018
Agreement No.1	April 2013 - March 2043	15,789,473.69	15,789,473.69
Agreement No.2 - 4	January 2014 - December 2023	8,910,416.47	8,910,416.47
Agreement No.5	January 2017 - December 2046	51,157.90	51,157.90
Total		24,751,048.06	24,751,048.06
<u>Less</u> Accumulated amortization		<u>(8,826,543.19)</u>	<u>(7,318,306.77)</u>
Land leasehold right - net		<u>15,924,504.87</u>	<u>17,432,741.29</u>

For the years ended December 31, 2019 and 2018, the Company has amortized land leasehold right of Baht 1.51 million and recorded the rental payment of Baht 1.67 million as service and administrative expenses.

As at December 31, 2019 and 2018, the Company has land lease agreements for car parking space (5 contracts) as follows:

- Agreement No. 1 Lease agreement for period of 20 years commencing from April 1, 2013 to March 31, 2033. The rental charges are as follows:

<u>Term of periods</u>	<u>Rental charge (Baht/year)</u>
April 1, 2013 - March 31, 2023	447,368.42
April 1, 2023 - March 31, 2033	492,105.26

On August 1, 2015, the Company had entered into an agreement to extend the lease term from 20 years to 30 years, the Company had paid for the land leasehold right the additional amount of Baht 8.42 million. The rental charge are as follows:

<u>Term of periods</u>	<u>Rental charge (Baht/year)</u>
April 1, 2033 - March 31, 2043	584,375.00

- Agreement No. 2 - 4 Lease agreement for period of 10 years commencing from January 1, 2014 to December 31, 2023. The rental charges are Baht 1,220,905.26 per year.
- Agreement No. 5 Lease agreement for period of 30 years commencing from January 1, 2017 to December 31, 2046. The land usage compensation charges for the period from January 1, 2017 to December 31, 2019 is Baht 17,052.63 per year and adjust the rate by 15.00% every 3 years.

15. INTANGIBLE ASSETS

Intangible assets consisted of:

	Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		
	December 31, 2018	Increase	Decrease	Balance as at December 31, 2019
<u>At cost</u>				
Computer software	27,051,930.72	1,212,160.00	-	28,264,090.72
Computer network	10,776,526.40	357,915.00	-	11,134,441.40
Certificate standards test	17,684,660.00	-	-	20,154,737.64
The certificate standards test under consideration	6,490,851.19	449,084.88	(306,183.67)	4,163,674.76
Total	62,003,968.31	2,019,159.88	(306,183.67)	63,716,944.52
<u>Less Accumulated amortization</u>				
Computer software	(14,568,075.24)	(2,165,493.51)	-	(16,733,568.75)
Computer network	(1,632,744.21)	(1,102,325.48)	-	(2,735,069.69)
Total	(16,200,819.45)	(3,267,818.99)	-	(19,468,638.44)
Intangible assets - net	45,803,148.86			44,248,306.08

	Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		
	December 31, 2017	Increase	Decrease	Balance as at December 31, 2018
<u>At cost</u>				
Computer software	23,914,817.22	667,113.50	-	27,051,930.72
The computer program during the installation	2,470,000.00	-	-	-
Computer network	9,822,086.40	954,440.00	-	10,776,526.40
Certificate standards test	14,345,574.78	1,466,176.71	-	17,684,660.00
The certificate standards test under consideration	5,114,403.12	3,299,616.01	(50,259.43)	6,490,851.19
Total	55,666,881.52	6,387,346.22	(50,259.43)	62,003,968.31
<u>Less Accumulated amortization</u>				
Computer software	(11,965,501.49)	(2,602,573.75)	-	(14,568,075.24)
Computer network	(630,967.36)	(1,001,776.85)	-	(1,632,744.21)
Total	(12,596,468.85)	(3,604,350.60)	-	(16,200,819.45)
Intangible assets - net	43,070,412.67			45,803,148.86

	Baht			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	December	Increase	Decrease	December
	31, 2018			31, 2019
<u>At cost</u>				
Computer software	16,671,325.13	1,212,160.00	-	17,883,485.13
Computer network	10,776,526.40	357,915.00	-	11,134,441.40
Total	27,447,851.53	1,570,075.00	-	29,017,926.53
<u>Less</u> Accumulated amortization				
Computer software	(9,096,390.42)	(1,151,680.80)	-	(10,248,071.22)
Computer network	(1,632,744.21)	(1,102,325.48)	-	(2,735,069.69)
Total	(10,729,134.63)	(2,254,006.28)	-	(12,983,140.91)
Intangible assets - net	16,718,716.90			16,034,785.62

	Baht			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	December	Increase	Decrease	December
	31, 2017			31, 2018
<u>At cost</u>				
Computer software	16,074,211.63	597,113.50	-	16,671,325.13
Computer network	9,822,086.40	954,440.00	-	10,776,526.40
Total	25,896,298.03	1,551,553.50	-	27,447,851.53
<u>Less</u> Accumulated amortization				
Computer software	(7,531,435.61)	(1,564,954.81)	-	(9,096,390.42)
Computer network	(630,967.36)	(1,001,776.85)	-	(1,632,744.21)
Total	(8,162,402.97)	(2,566,731.66)	-	(10,729,134.63)
Intangible assets - net	17,733,895.06			16,718,716.90

The cost of fully amortized intangible assets of the Company and its subsidiary that have been still in use as at December 31, 2019 and 2018 in the consolidated financial statements amounted to Baht 6.86 million and in the Separate financial statements amount to Baht 5.85 million.

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	28,585,588.44	31,805,529.86	35,724,107.59	37,170,456.68
Deferred tax liabilities	(6,246,782.45)	(5,566,911.91)	(8,022,310.74)	(5,885,548.50)
	<u>22,338,805.99</u>	<u>26,238,617.95</u>	<u>27,701,796.85</u>	<u>31,284,908.18</u>

Changing for the years ended December 31, 2019 and 2018 are summarized as follows:

	Baht			
	Consolidated financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2018	In profit or loss	In other comprehensive income	31, 2019
Deferred tax assets:				
Trade receivable	5,469,704.19	(3,260,885.76)	-	2,208,818.43
Property, plant and equipment	23,501,305.78	(969,038.11)	-	22,532,267.67
Employee benefit obligations	8,247,675.85	1,980,160.66	1,575,812.17	11,803,648.68
Tax loss carry forward	-	63,164.41	-	63,164.41
Unrealized loss from valuation of investments	472,392.54	(472,392.54)	-	-
Total	37,691,078.36	(2,658,991.34)	1,575,812.17	36,607,899.19
Deferred tax liabilities:				
Financial lease agreements	11,452,460.41	2,816,632.79	-	14,269,093.20
Total	11,452,460.41	2,816,632.79	-	14,269,093.20

	Baht			
	Consolidated financial statements			
	As at December	Revenue (expenses) during the year		As at December
	31, 2017	In profit or loss	In other comprehensive income	31, 2018
Deferred tax assets:				
Trade receivable	4,232,882.85	1,236,821.34	-	5,469,704.19
Property, plant and equipment	24,031,470.05	(530,164.27)	-	23,501,305.78
Employee benefit obligations	8,657,693.53	(410,017.68)	-	8,247,675.85
Tax loss carry forward	4,487,223.98	(4,487,223.98)	-	-
Unrealized loss from valuation of investments	-	472,392.54	-	472,392.54
Total	41,409,270.41	(3,718,192.05)	-	37,691,078.36
Deferred tax liabilities:				
Financial lease agreements	8,483,867.60	(2,968,592.81)	-	11,452,460.41
Unrealized gain from valuation of investments	3,386,860.43	3,386,860.43	-	-
Total	11,870,728.03	418,267.62	-	11,452,460.41

	Baht		
	Separate financial statements		
	As at December	Revenue (expenses) during the year	As at December
	31, 2018	In profit or loss	In other comprehensive income
Deferred tax assets:			
Trade receivable	5,469,704.19	(3,260,885.76)	-
Property, plant and equipment	23,501,305.78	(969,038.12)	-
Employee benefit obligations	7,727,054.17	1,680,155.16	1,575,812.17
Unrealized loss from valuation of investments	472,392.54	(472,392.54)	-
Total	37,170,456.68	(3,022,161.26)	1,575,812.17
Deferred tax liabilities:			
Financial lease agreements	5,885,548.50	(2,136,762.24)	-
Total	5,885,548.50	(2,136,762.24)	-

	Baht		
	Separate financial statements		
	As at December	Revenue (expenses) during the year	As at December
	31, 2017	In profit or loss	In other comprehensive income
Deferred tax assets:			
Trade receivable	4,232,882.85	1,236,821.34	-
Property, plant and equipment	24,031,470.05	(530,164.27)	-
Employee benefit obligations	8,175,188.09	(448,133.92)	-
Unrealized loss from valuation of investments	-	472,392.54	-
Total	36,439,540.99	730,915.69	-
Deferred tax liabilities:			
Financial lease agreements	4,772,996.11	(1,112,552.39)	-
Unrealized gain from valuation of investments	3,386,860.43	3,386,860.43	-
Total	8,159,856.54	2,274,308.04	-

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Overdrafts from financial institutions				
Unsecured	-	-	-	-
Secured (*)	15,103,030.28	5,618,121.37	9,577,712.01	-
Total	15,103,030.28	5,618,121.37	9,577,712.01	-
<u>Credit lines (Million Baht)</u>				
Overdrafts from financial institutions				
Unsecured	30	30	30	30
Secured (*)	40	40	30	30

* As at December 31, 2019 and 2018 secured by 3-month-fixed deposit of the Company amounted to Baht 30 million (note 10) and the subsidiary amounted to Baht 10 million with interest rate of 0.75% per annum + fixed interest of the restricted deposit.

18. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payable	66,111,335.47	58,433,576.59	52,177,858.62	48,970,276.23
Other payable				
Advance revenues from hospital operations	4,980,471.50	5,906,915.00	4,980,471.50	5,906,915.00
Accrued doctors' fee	27,848,324.08	24,825,655.93	27,848,324.08	24,825,655.93
Accrued revenues from hospital operations	19,539,287.52	29,317,210.51	19,539,287.52	29,317,210.51
Accrued expenses	56,093,214.15	49,679,898.44	51,944,315.08	46,558,651.69
Payable for purchase- fixed assets	2,869,705.00	3,560,018.84	2,593,106.00	3,415,729.34
Others	2,263,571.86	2,697,110.97	302,286.74	742,546.93
Total other payable	113,594,574.11	115,986,809.69	107,207,790.92	110,766,709.40
Total trade and other payables	179,705,909.58	174,420,386.28	159,385,649.54	159,736,985.63

19. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

Liabilities under financial lease agreements consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Due within 1 year				
Minimum payment	44,320,689.67	39,189,059.50	24,544,161.67	24,708,107.50
Finance cost	(3,674,695.95)	(3,877,508.53)	(1,376,384.46)	(1,878,109.13)
Present value of minimum payment	<u>40,645,993.72</u>	<u>35,311,550.97</u>	<u>23,167,777.21</u>	<u>22,829,998.37</u>
Due over 1 year but not over 5 years				
Minimum payment	77,142,242.08	82,467,178.30	26,574,549.09	36,388,691.29
Finance cost	(3,732,424.33)	(4,327,073.51)	(959,480.19)	(1,418,726.69)
Present value of minimum payment	<u>73,409,817.75</u>	<u>78,140,104.79</u>	<u>25,615,068.90</u>	<u>34,969,964.60</u>

As at December 31, 2019 and 2018, the Company and its subsidiaries have engaged with local companies in 34 contracts and 27 contracts, respectively in the outstanding financial lease agreements with the repayment of both 48 and 60 monthly installments to acquire medical and laboratory equipment, along with 9 contracts and 5 contracts, respectively in the vehicle financial lease agreements with the repayment of both 48 and 60 monthly installments. The assets ownership transfer shall be made after last installment.

20. LONG - TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of:

	Baht	
	Consolidated/Separate financial statements	
	2019	2018
Long-term loans from financial institution	132,560,000.00	54,760,000.00
<u>Less</u> Current portion due within one year	<u>(40,080,000.00)</u>	<u>(24,840,000.00)</u>
Long-term loans from financial institution - net	<u>92,480,000.00</u>	<u>29,920,000.00</u>

As at December 31, 2019 and 2018, the Company has long-term loan with two local financial institutions 3 and 2 credit lines, respectively in total of Baht 204.80 million and Baht 74.80 million, respectively consisted of:

Credit line 1 and 2 amounting to Baht 200 million and Baht 70 million, respectively, the agreements of 6 year period with the loan have the annual interest rate at MLR-2 % for months 1-12 and MLR-2.5% for the remaining months (13-72) with a grace period of 12 months from the signing date on the agreement and monthly repayment of Baht 1.67 million. The Company has to maintain IBDE (Interest Bearing Debt to total Equity) at the end of the accounting year not over 1.00.

And credit line 3, amounting to Baht 4.80 million the agreement of 5 year period with the loan has the annual interest rate of MLR-2% for months 1-24, MLR-1.75% for months 25-36 and MLR-1.50% for the remaining months (37-60) with a grace period of 12 month from the signing date in the agreement and monthly repayment of Baht 0.40 million. The Company has to maintain IBDE (Interest Bearing Debt to total Equity) ratio at the end of the accounting year not over 1.00.

21. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefits obligations for the years ended December 31, 2019 and 2018 as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit obligations at beginning balance	45,240,493.76	46,587,638.67	38,635,270.86	40,875,940.45
Actuarial loss	9,054,652.27	-	7,879,060.87	-
Benefits paid by the plan	(6,581,934.66)	(7,060,540.00)	(6,581,934.66)	(7,060,540.00)
Past service costs and interest - change a considered post-employment plan amendment	11,412,096.49	-	9,424,228.82	-
Current service costs and interest	6,823,439.74	5,713,395.09	5,558,481.64	4,819,870.41
Defined benefit obligations at ending balance	65,948,747.60	45,240,493.76	54,915,107.53	38,635,270.86

Expense recognized in comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Past service costs and interest	11,412,096.49	-	9,424,228.82	-
Current service costs				
Cost of hospital operations	4,062,636.60	3,137,614.50	3,177,298.72	2,717,767.82
Services and administrative expenses	775,920.07	727,294.75	726,410.84	487,470.64
Management remuneration	370,484.59	629,662.45	302,807.52	571,294.57
Interest on obligations	1,614,398.48	1,218,823.39	1,351,964.56	1,043,337.38
Total	6,823,439.74	5,713,395.09	5,558,481.64	4,819,870.41
	18,235,536.23	5,713,395.09	14,982,710.46	4,819,870.41

Expense recognized in other comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Actuarial loss - net income tax	7,478,840.10	-	6,303,248.70	-

Principal actuarial assumptions in the estimates based on the actuarial principles

	Percentage	
	Consolidated financial statements	Separate financial statement
Discount rate	3.06 - 3.19	3.08
Salary increase rate	5.00	5.00
Employee turnover rate		
Less than 30 years	17.19 - 22.92	17.19 - 22.92
Age 30 - 39 years	7.64 - 11.46	7.64 - 11.46
Age 40 - 49 years	3.82 - 5.73	3.82 - 5.73
Age 50 - 60 years	0.00 - 1.91	0.00 - 1.91
Disability rate	Included of mortality rate	Included of mortality rate
Mortality rate	105.00 of Thai mortality table 2017	105.00 of Thai mortality table 2017

Sensitivity analysis

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate				
0.5% increase	(3,280,428.00)	(2,287,475.00)	(2,585,838.00)	(1,894,836.00)
0.5% decrease	3,575,509.00	2,496,017.00	2,811,291.00	2,062,177.00
Salary increase rate				
1% increase	8,495,786.00	5,536,086.00	6,711,879.00	4,574,564.00
1% decrease	(7,216,569.00)	(4,727,039.00)	(5,731,275.00)	(3,928,234.00)
Employee turnover rate				
20% increase	(5,211,825.00)	(3,332,304.00)	(4,033,066.00)	(2,692,020.00)
20% decrease	6,348,243.00	4,016,712.00	4,894,637.00	3,227,360.00

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

During the year 2019, long-term interest rate has significantly dropped which affected the discount rate assumed by the actuarial from 3.06% - 3.19% per annum to 1.90% - 2.09% per annum. The Company and its subsidiaries have considered to record the increase of employee benefit obligations in the amount of Baht 9.05 million (the Company : Baht 7.88 million) and to recognize the past service costs in other comprehensive income in the amount of Baht 7.48 million (the Company : Baht 6.30 million). For the sensitivity analysis data above, it may have some changes as stated. However, the Company and its subsidiaries are in the process of reassessing the employee benefits by the actuarial.

22. TREASURY SHARES/APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES

On March 12, 2018, the Meeting of the Company's Boards of Directors No.2/2018 approved the share repurchase project up to 30,000,000 shares (par value of Baht 0.50 each), or 4 percent of the total number of shares in issue, with a budget of Baht 200.00 million, for liquidity surplus management purposes. The shares are to be repurchased on the Stock Exchange of Thailand since March 26, 2018 to September 25, 2018 and the period for the resale of the share can be after 6 months from the completion date of share repurchase and not later than 3 years from this time. The Company has bought back 30,000,000 ordinary shares (par value of Baht 0.50 each), or 4 percent of total number of shares in issue, at a total repurchase value of Baht 197.24 million.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2005 of the Office of the Securities and Exchange Commission dated February 14, 2005, concerning the acquisition of treasury shares, a public limited company may buy back treasury shares in an amount not exceeding the amount of its retained earnings and has to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid up share capital by an amount equal to the value of the treasury shares which it could not sell. The Company has already appropriated the full required amount of retained earnings to a reserve for the treasury shares.

23. REVENUE FROM SOCIAL SECURITY OFFICE

The Company had received the notification letter dated July 10, 2019 from the Social Security Office regarding the payment of the medical-service-fee for in-patients with severe diseases ($AdjRW \geq 2$) payable for the periods of October - December 2013 to the Company at the total amount of Baht 29.41 million and at the same time had also received the notification of the deviation of AdjRW for the year 2013 medical service fee was consequently required to be adjusted at the total amount of Baht 26.68 million. This was caused by the Social Security Office's random sampling task of not less than 10% of the available information for such period. As a result, the Company thus recorded the receipt of net balanced amount of Baht 2.44 million (after deducting withholding tax) from the Social Security Office in regard to the notification dated July 10, 2019.

The Company has recorded the amount received from Social Security Office by reversing the allowance for doubtful account, subtracting the accrued revenue for medical service fee regarding in-patients with severe diseases ($AdjRW \geq 2$) in 2013 by the amount of Baht 17.66 million, and recording the net deduction of medical treatment revenue resulting from the aforementioned adjustment at the amount of Baht 14.92 million in the statement of comprehensive income for the year ended December 31, 2019.

The Company had later received the notification letter dated August 19, 2019 from Social Security Office regarding the inspection result by the random sampling not less than 10% of the available information of medical service in case of severe diseases ($AdjRW \geq 2$) at the time stated herein. As a result, the deviation of AdjRW for the year 2015 had caused the Company to adjust the amount of Baht 18.81 million of the aforementioned medical service fee.

The Company has recorded the adjustment of medical treatment revenue by reducing the same whole amount of medical treatment fee at the total amount of Baht 18.81 million in the statement of comprehensive income for the year ended December 31, 2019 and also stated the same amount of refund transaction of such the hospital medical service fee as advance received from Social Security Office in the statement of financial position. The refund scheme to Social Security Office has been set for 6 installments at Baht 3.13 million each by the time receiving medical service fee for in-patients with severe diseases.

As at December 31, 2019, the advance received from Social Security Office in the total balance of Baht 9.40 million was stated in the statement of financial position.

24. CAPITAL MANAGEMENT

The primary objectives for capital management of the Company and its subsidiaries are to ensure the appropriate financial structure and sustain future development of business. According to the statements, the financial position as at December 31, 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Debt to equity ratio	0.40 : 1	0.30 : 1	0.35 : 1	0.24 : 1

25. LEGAL RESERVE

In compliance with the Public Company Act, B.E.2535 (1992), the Company has to set aside a portion of annual net profit for legal reserve not less than 5% of annual net profit until this reserve is not less than 10% of authorized capital. Such reserve is not allowed to pay for dividend.

26. DIVIDEND AND LEGAL RESERVE

The Company

Year 2019

According to the minutes of the Annual General Shareholders' Meeting No.30/2019 dated April 22, 2019, it was approved to pay the annual dividend from operation of 2018 at Baht 0.20 per share for 720,000,000 shares (or equivalent to the total of 750,000,000 issued and paid-up shares minus 30,000,000 which has been repurchased till the completion date on September 25, 2018) amounting to Baht 144 million. The interim dividend had been paid on December 12, 2018 in the amount of Baht 72 million (appropriated for 720,000,000 shares of Baht 0.10 each). The remaining amount of Baht 72 million (appropriated for 720,000,000 shares of Baht 0.10 each) was paid on May 17, 2019.

And according to the minutes of the Board of Directors of the Company No.5/2019 dated November 13, 2019, it was approved to pay the interim dividends for the operation of the nine-month period ended September 30, 2019 at the rate of Baht 0.075 per share, totaling Baht 54 million to the holders of 720,000,000 ordinary shares (or equivalent to the total of 750,000,000 issued and paid-up shares minus 30,000,000 which has been repurchased till the completion date on September 25, 2018) in the amounting to Baht 54 million. The dividend paid on December 12, 2019.

Year 2018

According to the minutes of the Annual General Shareholders' Meeting No.29/2018 dated April 23, 2018, it was approved to pay the annual dividend from operation of 2017 at Baht 0.20 per share for 750,000,000 shares amounting to Baht 150.00 million. The interim dividend was paid in the amount of Baht 75 million (appropriated for 750,000,000 shares of Baht 0.10 each). On December 8, 2017, the remaining was in the budget amount of Baht 75 million, appropriated for 740,479,200 shares of Baht 0.10 each total Baht 74.05 million (calculated by 750,000,000 shares deducted with the amount of treasury shares from the record date for the right to receive dividends). The dividend paid on May 18, 2018.

And according to the minutes of the Board of Directors of the Company No.7/2018 dated November 13, 2018, it was approved to pay the interim dividends for the operation of the nine-month period ended September 30, 2018 at the rate of Baht 0.10 per share, totaling Baht 72 million to the holders of 720,000,000 ordinary shares (or equivalent to the total of 750,000,000 issued and paid-up shares minus 30,000,000 which has been repurchased till the completion date on September 25, 2018) in the amounting to Baht 72 million. The dividend paid on December 12, 2018.

The subsidiary - Asia Medical and Agricultural Laboratory and Research Center Co., Ltd.

Year 2019

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No. 15/2019 dated April 22, 2019, it was approved to pay the dividends from the net profit of 2018 at Baht 0.20 per share for 10,000,000 shares amounting to Baht 2 million after the appropriation of a legal reserve amount of Baht 186,147.13. The dividend paid on May 17, 2019.

Year 2018

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No. 14/2018 dated April 23, 2018, it was approved to pay the dividends from the net profit of 2017 at Baht 0.40 per share for 10,000,000 shares amounting to Baht 4 million after the appropriation of a legal reserve amount of Baht 265,822.93. The dividend paid on May 18, 2018.

The subsidiary - Asia Business Management Center Co., Ltd.

Year 2019

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No.12/2019 dated April 18, 2019, it was approved to pay the dividends from net profit of 2018 at Baht 2 per share for 1,000,000 shares amounting to Baht 2 million. The dividend paid on May 17, 2019.

Year 2018

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No.11/2018 dated April 19, 2018, it was approved to pay the dividends from net profit of 2017 at Baht 6 per share for 1,000,000 shares amounting to Baht 6 million. The dividend paid on May 18, 2018.

The subsidiary - Asia Medical Laboratory and Research Center Co., Ltd.

Year 2019

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No.13/2019 dated April 18, 2019, it was approved to pay the dividends from net profit of 2018 at Baht 6.40 per share for 500,000 shares amounting to Baht 3.20 million. The dividend paid on May 17, 2019.

And according to the minutes of the Board of Directors' Meeting of the subsidiary No.11/2019 dated November 21, 2019, it was approved to pay the interim dividends for the operation of the nine-month period ended September 30, 2019 at Baht 30 per share for 500,000 shares amounting to Baht 15 million. The dividend paid on December 12, 2019.

Year 2018

According to the minutes of the Annual General Shareholders' Meeting of the subsidiary No.12/2018 dated April 19, 2018, it was approved to pay the dividends from net profit of 2017 at Baht 120 per share for 140,000 shares amounting to Baht 16.80 million. The dividend paid on May 18, 2018.

And according to the minutes of the Board of Directors of the subsidiary No.10/2018 dated October 26, 2018, it was approved to pay the interim dividends for the operation of the nine-month period ended September 30, 2018 at Baht 100 per share for 140,000 shares amounting to Baht 14 million. The dividend paid on November 23, 2018.

27. EXPENSES BY NATURE

Significant expenses classified by nature are as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of medicines, medical supplies and other supplies	227,546,761.40	207,094,833.95	176,420,929.47	164,348,406.59
Doctors' fee	238,232,150.80	226,791,711.79	238,232,150.80	226,791,711.79
Employee benefit expenses	493,442,908.46	459,658,573.17	400,098,552.94	381,814,512.33
Compensation, social security patients	94,854,174.26	105,044,651.43	94,854,174.26	105,044,651.43
Depreciation and amortization expenses	103,520,150.37	99,725,557.73	87,871,664.91	86,697,048.70
Rental expenses	9,080,510.03	8,535,903.77	9,080,510.03	8,268,483.77
Utility expenses	30,578,083.14	28,688,247.69	24,610,863.90	23,227,596.31
Repair and maintenance expenses	23,269,694.27	26,137,273.67	14,623,284.80	18,568,822.42

28. INCOME TAX EXPENSES

28.1 Major components of income tax expenses for the years ended December 31, 2019 and 2018 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expenses shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	7,168,855.72	25,061,467.91	3,014,461.93	23,688,518.44
Deferred tax expense :				
Changes in temporary differences relating to the original recognition and reversal	5,475,624.13	3,299,924.43	5,158,923.50	(3,005,223.73)
Total	<u>12,644,479.85</u>	<u>28,361,392.34</u>	<u>8,173,385.43</u>	<u>20,683,294.71</u>
Income tax relating to component of other comprehensive income :				
Deferred tax relating to :				
Actuarial loss	1,575,812.17	-	1,575,812.17	-
Total	<u>1,575,812.17</u>	<u>-</u>	<u>1,575,812.17</u>	<u>-</u>

28.2 The reconciliation between the accounting profit and income tax expenses for the years ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit for the year	123,514,210.40	185,419,534.44	105,506,736.45	190,125,953.94
The applicable tax rate (%)	20	20	20	20
Income tax expense at the applicable tax rate	<u>24,702,842.08</u>	<u>37,083,906.89</u>	<u>21,101,347.29</u>	<u>38,025,190.79</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	902,016.26	873,117.23	98,934.57	312,899.21
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(4,428,384.40)	(8,136,152.00)
- Exemption profit of promoted business	(3,030,644.93)	(519,341.07)	-	-
- Expenses allowed as expenses in determining tax able	(9,252,075.07)	(9,369,515.50)	(8,803,445.18)	(9,368,307.61)
Unrecognized tax losses on deferred tax assets	2,458.97	908.11	-	-
Others	<u>(680,117.46)</u>	<u>292,316.68</u>	<u>204,933.15</u>	<u>(150,335.68)</u>
Total reconciliation items	<u>(12,058,362.23)</u>	<u>(8,722,514.55)</u>	<u>(12,927,961.86)</u>	<u>(17,341,896.08)</u>
Total income tax expenses	<u>12,644,479.85</u>	<u>28,361,392.34</u>	<u>8,173,385.43</u>	<u>20,683,294.71</u>

As at December 31, 2019 and 2018, the two subsidiaries have the accumulated tax losses that have not been yet utilized and recorded as deferred tax assets amounting to Baht 28.85 million and Baht 25.24 million, respectively, since the companies still have considered the subsidiary and rationale for its utilization of deferred tax assets compared with their financial plans.

28.3 The reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expenses				
for the year	123,514,210.40		185,419,534.44	
Income tax expenses at the applicable tax rate	24,702,842.08	20.00	37,083,906.89	20.00
Reconciliation items	(12,058,362.23)	(10.00)	(8,722,514.55)	(4.70)
Income tax expenses at the average effective tax rate	12,644,479.85	10.00	28,361,392.34	15.30
Separate financial statements				
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expenses				
for the year	105,506,736.45		190,125,953.94	
Income tax expenses at the applicable tax rate	21,101,347.29	20.00	38,025,190.79	20.00
Reconciliation items	(12,927,961.86)	(12.00)	(17,341,896.08)	(9.00)
Income tax expenses at the average effective tax rate	8,173,385.43	8.00	20,683,294.71	11.00

29. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares which are issued and paid-up during the year.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to ordinary				
Owners of the company (Baht)	110,492,881.52	156,951,665.94	97,333,351.02	169,442,659.23
Issued and paid-up share capital (Shares)				
Number of ordinary shares at beginning of the year,	750,000,000	750,000,000	750,000,000	750,000,000
Less Treasury shares	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Number of ordinary shares at end of the year,	720,000,000	720,000,000	720,000,000	720,000,000
Weighted average number of ordinary shares (Shares)	720,000,000	733,530,054	720,000,000	733,530,054
Basic earnings per share (Baht per share)	0.15	0.21	0.14	0.23

30. PROVIDENT FUND

The Company and its subsidiaries have set up and registered provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to encourage savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Company and its subsidiaries at the rate of 2% of their basic salaries. Hereby, the Company and its subsidiaries have appointed Thanachart Fund Management Company Limited as the fund manager to manage the established Fund.

Provident fund contributions made by the Company and its subsidiaries for their employees and recognized as expense in the statements of comprehensive income for the years ended December 31, 2019 and 2018 amounting to Baht 3.50 million and Baht 3.29 million, respectively in consolidated financial statements and Baht 2.81 million and Baht 2.74 million, respectively in the separate financial statements.

31. PROMOTIONAL PRIVILEGES

The subsidiaries was granted certain privileges as following:

1. Promotional Certificate no.	1506(4)/2004*	1935(4)/2009	1825(4)/2011	59-1557-1-00-2-0	61-1396-1-00-2-0	62-0042-1-00-2-0
2. Date of granted the promotional certificate	June 23, 2004	October 19, 2009	July 21, 2011	November 28, 2016	November 29, 2018	January 16, 2019
3. Date of privilege execution	May 12, 2008	July 19, 2013	July 1, 2015	January 5, 2018	Not Start execution	October 1, 2019
4. The promotional investment in the business	Scientific laboratory test	Calibration test	Scientific laboratory test	Scientific laboratory test	Calibration test	Scientific laboratory test
5. Major privileges for the Company						
5.1 Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income. (1)**	8 years	8 years	8 years	8 years	8 years	8 years
5.2 Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted (in clause 5.1)	8 years	8 years	8 years	8 years	8 years	8 years
(1)** In case of suffering loss of business during the tax exemption period, the granted Company is allowed to carry the accumulated loss so as to deduct from future taxable income incurred (if any) after the ending of tax privileges but shall not exceed five years from the date of the its expiration.						

* The major privilege (No.5) of Promotion Certificate No.1506(4)/2004 was ended on May 12, 2016.

32. OPERATING SEGMENT

The Company and its subsidiaries are organized into business units based on their products and services and have 2 principal segments and mainly geographical area of their operations in Thailand, as follows:

Operating segments	Nature of service of segments
Hospital	- Hospital services, health care center, and service contract with Social Security Office
Scientific laboratory testing & Research	- Scientific analytical and diagnostic services and research for medical, agricultural, food and drug, Agricultural plant protection product with efficiency assessment, testing and analysis of pesticide residues and hazardous substances

The operating segment's performance is regularly reviewed by the chief operating decision maker, Chief Executive Officer, in order to make decisions about the allocation of resources to the segment and assess its performance. Segment performance is measured based on operating profit or loss on the basis consistent with that used to assess operating profit or loss in the financial statements.

Business activities are classified by product segments for the years ended December 31, 2019 and 2018 as follows :-

	Consolidated financial statements (Baht)					
	Hospital		Scientific testing & Research		Total	
	2019	2018	2019	2018	2019	2018
Revenues	1,383,690,079.36	1,362,086,325.49	197,748,881.34	163,406,039.55	1,581,438,960.70	1,525,492,365.04
Cost of services	1,124,169,319.95	1,060,271,176.03	100,095,248.38	86,297,429.76	1,224,264,568.33	1,146,568,605.79
Gross profit	259,520,759.41	301,815,149.46	97,653,632.96	77,108,609.79	357,174,392.37	378,923,759.25
Other income					15,388,434.55	63,176,499.22
Other expenses					193,567,987.70	198,722,524.12
Management remuneration					46,801,372.96	50,678,390.38
Finance costs					8,679,255.86	7,279,809.53
Income tax expenses					12,644,479.85	28,361,392.34
Profit for the year					110,869,730.55	157,058,142.10
<u>Fixed assets as at December 31,</u>						
Property, plant and equipment	1,129,252,858.29	1,032,119,062.11	187,976,272.02	175,492,928.46	1,317,229,130.31	1,207,611,990.57
Common property, plant and equipment					83,731,541.68	86,173,252.41
Total property, plant and equipment					1,400,960,671.99	1,293,785,242.98
Leasehold right of land	15,924,504.87	17,432,741.29	-	-	15,924,504.87	17,432,741.29
Intangible assets	-	-	24,318,412.40	24,175,511.19	24,318,412.40	24,175,511.19
Common intangible assets					19,929,893.68	21,627,637.67
Total intangible assets					44,248,306.08	45,803,148.86

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	December 31, 2018	Increase (decrease)	Increase	December 31, 2019
Bank overdrafts	5,618,121.37	9,484,908.91	-	15,103,030.28
Long-term loans from financial institutions	54,760,000.00	77,800,000.00	-	132,560,000.00
Liabilities under financial lease agreements	113,451,655.76	(39,353,102.23)	39,957,257.94	114,055,811.47
Total	173,829,777.13	47,931,806.68	39,957,257.94	261,718,841.75

	Baht			
	Consolidated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	December 31, 2017	Increase (decrease)	Increase	December 31, 2018
Bank overdrafts	26,318,894.41	(20,700,773.04)	-	5,618,121.37
Short-term loans from financial institutions	1,000,000.00	(1,000,000.00)	-	-
Long-term loans from financial institutions	88,800,000.00	(34,040,000.00)	-	54,760,000.00
Liabilities under financial lease agreements	92,434,760.82	(30,863,707.51)	51,880,602.45	113,451,655.76
Total	208,553,655.23	(86,604,480.55)	51,880,602.45	173,829,777.13

	Baht			
	Separate financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	December 31, 2018	Increase (decrease)	Increase	December 31, 2019
Bank overdrafts	-	9,577,712.01	-	9,577,712.01
Long-term loans from financial institutions	54,760,000.00	77,800,000.00	-	132,560,000.00
Liabilities under financial lease agreements	57,799,962.98	(24,986,916.87)	15,969,800.00	48,782,846.11
Total	112,559,962.98	62,390,795.14	15,969,800.00	190,920,558.12

	Baht			
	Separate financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	December 31, 2017	Increase (decrease)	Increase	December 31, 2018
Bank overdrafts	26,318,894.41	(26,318,894.41)	-	-
Short-term loans from financial institutions	1,000,000.00	(1,000,000.00)	-	-
Long-term loans from financial institutions	88,800,000.00	(34,040,000.00)	-	54,760,000.00
Liabilities under financial lease agreements	65,570,539.47	(22,156,576.50)	14,386,000.01	57,799,962.98
Total	181,689,433.88	(83,515,470.91)	14,386,000.01	112,559,962.98

34. FINANCIAL INSTRUMENTS

34.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiary do not hold or issue any derivative financial instruments.

34.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks and some parts of bank overdrafts facility. The Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not significantly affect their operations and/or cash activities, therefore no financial derivatives was adopted to manage such risks.

As at December 31, 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	40,251,089.98	18,289,515.65	9,360,406.75	67,901,012.38
Trade and other receivables	-	-	157,763,386.86	157,763,386.86
Fixed deposits pledged as collateral	-	41,617,402.52	-	41,617,402.52
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	15,103,030.28	-	15,103,030.28
Trade and other payables	-	-	179,705,909.58	179,705,909.58
Liabilities under financial lease agreements	-	114,055,811.47	-	114,055,811.47
Long-term loans from financial institutions	132,560,000.00	-	-	132,560,000.00
Other non-current liabilities	-	-	11,587,070.54	11,587,070.54

	Baht			
	Separate financial statements			
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
<u>Financial Assets</u>				
Cash and cash equivalents	5,007,809.30	18,289,515.65	7,712,392.83	31,009,717.78
Trade and other receivables	-	-	120,263,067.00	120,263,067.00
Fixed deposits pledged as collateral	-	31,198,051.89	-	31,198,051.89
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from financial institutions	-	9,577,712.01	-	9,577,712.01
Trade and other payables	-	-	159,385,649.54	159,385,649.54
Liabilities under finance lease agreements	-	48,782,846.11	-	48,782,846.11
Long-term loans from financial institutions	132,560,000.00	-	-	132,560,000.00
Other non-current liabilities	-	-	15,250,190.07	15,250,190.07

34.3 Credit risk

The Company and its subsidiaries are exposed to credit risk of trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

34.4 Foreign currency risk

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk since the Company and its subsidiaries perform only domestic business activities.

34.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing and reducing the impact of fluctuations in cash flow by establish reasonable short-term credit facilities from financial institutions.

34.6 Fair value of financial instruments

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

Fair value hierarchy

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

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

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

35. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019, the Company and its subsidiaries have commitments and contingent liabilities as follow:

- 35.1 There were contingent liabilities associated with outstanding bank guarantees issued by two local commercial banks which required for the normal course of business totaling Baht 13.64 million as for the Company amounting to Baht 13.09 million and its subsidiary amounting to Baht 0.55 million.

35.2 The Company has an obligation regarding the payment of service fees to its two subsidiaries

Asia Business Management Center Co., Ltd.

35.2.1 Hospital business management agreement has 3 years period from November 1, 2018 to October 31, 2021. It carries the charge at Baht 2.00 million monthly and the service fee is charged at 20% from the excess amount between the annual revenue estimate that the Company receives from the Social Security Office.

Asia Medical Laboratory and Research Center Co., Ltd.

35.2.2 Service agreement of laboratory analysis and research for medical specimen arranged in the normal term of 3 years starting from October 1, 2019 as the rate further agreed.

35.3 The subsidiary has commitment in respect the management agreements with 4 executives for 1 - 3 years, at monthly rate of Baht 0.41 million.

35.4 The Company and subsidiaries have commitments under the rental contracts as follow:

35.4.1 The Company has commitments in respect of office rental contracts with other persons for the period of 3 years commencing from November 1, 2019 to October 31, 2022. The subsidiary has commitments in respect of office rental contracts with a local University for the period of 3 years commencing from May 1, 2019 to April 31, 2022.

35.4.2 The Company has commitments in respect of land lease agreements with other persons

- Contract period of 30 years commencing from April 1, 2013 to March 31, 2043 with outstanding lease value of Baht 12.22 million.
- Contract period of 30 years commencing from January 1, 2017 to December 31, 2046 with outstanding lease value of Baht 0.46 million.
- Contract period of 10 years commencing from January 1, 2014 to December 31, 2023 with outstanding lease value (3 contracts) totaling of Baht 4.88 million.
- Contract period of 3 years commencing from May 1, 2018 to April 30, 2021 with outstanding lease value of Baht 5.54 million.
- Contract period of 3 years commencing from December 1, 2017 to November 30, 2020 with outstanding lease value of Baht 0.39 million.

35.4.3 The subsidiary has commitments related to 13 vehicle lease agreements with three local companies for the period of 3 years with monthly rental charge of Baht 0.22 million.

The Company and subsidiary have commitments to pay rental in the future as follow:

Baht			
Contracts	Consolidated financial statements		
	Due within 1 year	More than 1- 5 years	More than 5 years
- Rental of office building	817,000.00	1,287,600.00	-
- Rental of land	6,228,326.28	6,615,610.38	10,955,421.04
- Rental of vehicle	1,223,652.00	279,270.00	-
Total	8,268,978.28	8,182,480.38	10,955,421.04

Baht			
Contracts	Separate financial statements		
	Due within 1 year	More than 1- 5 years	More than 5 years
- Rental of office building	396,000.00	726,000.00	-
- Rental of land	6,228,326.28	6,615,610.38	10,955,421.04
Total	6,624,326.28	7,341,610.38	10,955,421.04

35.5 The subsidiary has commitment in respect machinery maintenance service agreements with a local company for the period of 33 month with monthly service charge of Baht 0.50 million.

35.6 The Company has commitment of capital expenditure in relation to the Building, Systems Construction and installment computer network agreements for its payable totaling of Baht 28.17 million.

35.7 The Company has commitment of capital expenditure in investments in subsidiary. With an obligation to pay 50.80% of shares in the amount of Baht 0.38 million.

36. RECLASSIFICATION

Certain accounts in the 2018 financial statements have been reclassified to conform to the current year's classification, without any effect to the previously reported profit (loss) or shareholder's equity. The reclassifications are as follow:

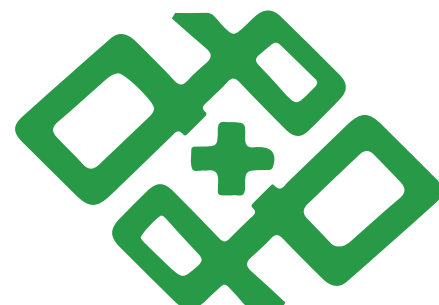
	Baht		
	Consolidated financial statements		
	Before Reclassification	Reclassification Increase(decrease)	After Reclassification
<u>Statement of comprehensive income</u>			
Cost of hospital operations	1,063,003,707.37	(2,732,531.34)	1,060,271,176.03
Cost of services	93,826,159.93	(7,528,730.17)	86,297,429.76
Services and administrative expenses	188,461,262.61	10,261,261.51	198,722,524.12

37. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of the Board of Directors of the Company No.1/2020 dated February 25, 2020, it was approved to pay the annual dividend from operation of 2019 at Baht 0.125 per share for 720,000,000 shares (or equivalent to the total of 750,000,000 issued and paid-up shares minus 30,000,000 which has been repurchased till the completion date on September 25, 2018) amounting to Baht 90.00 million. The interim dividend was paid in the amount of Baht 54.00 million (appropriated for 720,000,000 shares of Baht 0.075 each). On December 12, 2019, the remaining amount of Baht 36.00 million (appropriated for 720,000,000 shares of Baht 0.050 each). Such dividend payment will be paid to shareholders entitled to receive dividends as listed on the Record Date for the right to receive dividends on May 5, 2020 and the dividend will be paid on May 22, 2020.

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on February 25, 2020.



โรงพยาบาลลาดพร้าว

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