



โรงพยาบาลเอกชัย  
EKACHAI HOSPITAL



EKH

# รายงานประจำปี 2562

ANNUAL REPORT 2019

บริษัท เอกชัยการแพทย์ จำกัด (มหาชน)

EKACHAI MEDICAL CARE PUBLIC COMPANY LIMITED

# ปฏิทิน 2563 Calendar 2020

## January

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## December

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โรงพยาบาลเอกชัย  
EKACHAI HOSPITAL

สัมผัสจากใจ ห่วงใยดูแลคุณ  
Healing Hands with Caring Hearts

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# Admiral Surasak Rounroengrom

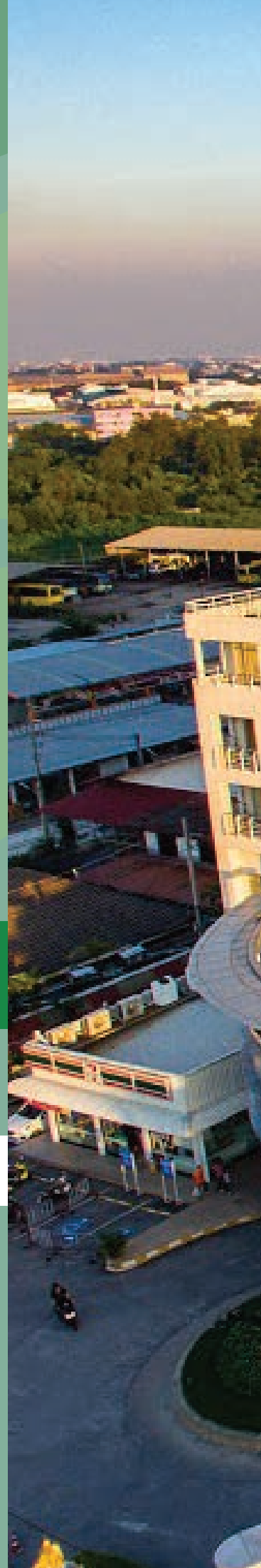
## Chairman of the Board

### Vision

To provide healthcare services with customer focus and international standards

### Mission

We are committed to being the leader in providing accepted, efficiency and ethical highly quality care through a dedicated healthcare team, effective management and up to date some kinds of technology.





# Message from the Chairman

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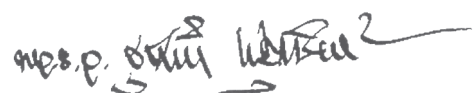
## To Shareholders of Ekachai Medical Public Company Limited

“ The year 2019 is the year that the Global and Thai's Economy are in a state of fluctuations and slowing down, affecting various business sectors, including Healthcare business. However, the company performed well in accordance with the strategic plan and policy by opening the Infertility Center, the new Pediatric Center building and established a subsidiary company to operate the elderly care center business which is expected to be completed in 2021.

In addition, the company also prepared for the development of medical services and personnel with expertise and experience. We are committed to provide our patients with both physical and mental holistic treatment to receive the best treatment possible. Our management strictly adheres to good corporate governance, ethics, honesty, transparency and Social and Environmental Responsibility in accordance with the concept of Green Hospital.

Finally, on behalf of the board of directors, management, physicians, nurses, and staff, I would like to thank our shareholders, customers, and business partners for their confidence and trust. The company pledged that we will continue to do business based on corporate governance, to develop our capabilities, expertise, and service, and sustainable development, as well as the hospital's determination of “touch of care”.

Yours sincerely,



(Admiral Surasak Rounroengrom)

Chairman of Executive Board

February 27, 2020





## โรงพยาบาลเอกชัย EKACHAI HOSPITAL

Dear Shareholders of Ekachai Medical  
Care Public Company Limited

“ The Audit Committee of Ekachai Medical Care Public Company Limited consists of three independent directors which are Dr. Surin Koocharoenprasit as Chairman of the Audit Committee, Mr. Worapol Wiriyakulapong and Mr. Vuthichai Tumasaroj as Audit Committee, All members of the Audit Committee have experience in law, accounting and finance, management and also knowledge of Hospitals. Their qualification were compiled both with Securities and Exchange Commission, Thailand and The Stock Exchange of Thailand.

The Audit Committee acts as assigned from the Board of Directors in accordance with duties and responsibilities as defined in “Audit Committee Charter” which complies with guidelines and best practices for Audit Committee of the Stock Exchange of Thailand.

# Report of the Audit Committee

In 2019, the Audit Committee arranged four meetings and arranged a meeting between the Audit committee and the Auditors without management in attendance. The meetings were attended by management as well as the company’s Internal Auditor Department and External Auditor in order to share information, comments and give suggestions which were benefit to administration proposes. The results of each meeting were presented to the Board of Directors of the Company. During past year, the Audit Committee had carried out important activities, which could be summarized as follows.

1. In reviewing the financial statements, the Audit Committee has asked for the accuracy and completeness of the quarterly and annual financial statements. With the explanation from the management and auditor, the quarterly and annual financial statements are prepared in accordance with the legal requirements and generally accepted accounting principles before presenting to the Board of Directors.
2. In reviewing the internal control system, the Audit Committee in cooperation with the internal auditors has asked for the internal control system. The Audit Committee is of the opinion that the company has adequate and suitable internal controls in the acceptable criteria.



3. In reviewing the internal auditing plans, the Audit Committee has asked and considered the internal auditing plans to ensure that the internal auditing plans has been adjusted and been consistent with current situation for more effective work.
4. In reviewing the risk management, the Audit Committee has asked risk management plan in order to ensure that the risk has been managed properly in the acceptable criteria. The company has focused and developed Risk Management System, the company has effectively managed the risk in accordance with the company's target. As the result of reviewing, The Audit Committee is of the opinion that the company has adequate and suitable the risk management.
5. In reviewing the related party transactions, the Audit Committee has considered and asked for the transactions that may have conflicts of related party transactions. As the result of reviewing, the majority of the transactions were normal commercial transaction in accordance with good corporate governance.
6. The Securities and Exchange Commission Law and Regulations, the Audit Committee has preformed the full scope of authority set forth in the Charter of the Audit Committee in compliance with the Securities and Exchange Commission Law and Regulations.
7. In consideration, selection, appointment and proposal of remuneration of the auditor of the Company, the Audit Committee has considered the selection of auditors by considering the independence of the operation, business skills including audit fees. The Audit Committee gave an opinions to the Board of Directors for

considering and proposing to the Annual General Meeting of Shareholders for the year 2020 to consider appointing an auditor from EY Office Limited to be the auditor of the Company and the subsidiary company for the year 2020 by appointing Ms. Sumalee Reewarabandith, Certified Public Accountant No. 3970 and/or Mr. Termphong Opanaphan, Certified Public Accountant No. 4501 and/or Ms. Vissuta Jariyathanakorn, Certified Public Accountant No. 3853. The said auditor is an auditor that approved by the Securities and Exchange Commission.

In conclusion, the Audit Committee has opinion that the financial statements of the company have presented fairly, sufficiently, completely in accordance with general financial reporting standard. The internal control has enough efficiency and effectiveness to control any frauds by separating authorization. The company has operated businesses in accordance with The Securities and Exchange Act, The Stock Exchange of Thailand Act or any related laws.



(Dr. Surin Koocharoenprsit)

Chairman of the Audit Committee

27<sup>th</sup> February 2020





## Board of Directors



### 1 Admiral Surasak Rounroengrom

- Chairman of the Board
- Independent Director

### 2 Dr. Surin Koocharoenprasit

- Chairman of the Audit Committee
- Independent Director

### 3 Mr. Worapol Wiriakulapong

- Independent Director
- Audit Committee

### 4 Mr. Vuthichai Tumasaroj

- Independent Director
- Audit Committee

### 5 Mr. Amnuay Oerareemitr

- Director

### 6 Mr. Suthipong Tangsajjapoj

- Director

### 7 Mrs. Orasa Tangsajjapoj

- Director

### 8 Mrs. Kanchana Oerareemitr

- Director

### 9 Mr. Wanlop Popianthong

- Director

### 10 Dr. Amnaj Eur-Areemitr

- Director

### 11 Mr. Metha Wanadilok

- Director

### 12 Ms. Nichanun Lertpunyaphol

- Company Secretary

# Audit Committee

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## 1 Dr. Surin Koocharoenprasit

- Chairman of the Audit Committee
- Independent Director

## 2 Mr. Worapol Wiriyaikulapong

- Independent Director
- Audit Committee

## 3 Mr. Vuthichai Tumasaroj

- Independent Director
- Audit Committee

## 4 Ms. Nichanun Lertpunyaphol

- Secretary of the Audit Committee

# Executive Committee



**1** Mr. Amnuay Oeraremitr

• Chief Executive Officer

**2** Mr. Suthipong Tangsajjapoj

• Executive Vice President

**3** Mrs. Orasa Tangsajjapoj

• Executive Director

**4** Mrs. Kanchana Oeraremitr

• Executive Director

**5** Mr. Wanlop Popianthong

• Executive Director

**6** Dr. Amnaj Eur-Areemitr

• Executive Director

**7** Dr. Kaweechai Lertassawarat

• Executive Director

**8** Mrs. Pichamonch Patanapoonyapirom

• Executive Director

**9** Mr. Metha Wanadilok

• Executive Director

**10** Ms. Nichanun Lertpunyaphol

• Secretary of the Executive Committee



# Management Team



## 1 Dr. Amnaj Eur-Areemitr

- Hospital Director

## 2 Dr. Kaweechai Lertassawarat

- Deputy of Hospital Director
- Medical department

## 3 Mrs. Pichamonch Patanapoonyapirom

- Deputy of Hospital Director
- Administration Division

## 4 Mrs. Penrung Laohasom

- Assistant of Hospital Director
- Quality Development

## 5 Dr. Nitta Oerareemitr

- Assistant of Hospital Director
- Medical and Nursing staff Organization

## 6 Mr. Suthipong Tangsajjapoj

- Assistant of Hospital Director
- Accounting and Finance

# Financial Highlights

( Unit : Baht )

	31-Dec-19*	31-Dec-18*	31-Dec-17*	31-Dec-16*	31-Dec-15*
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## Statement of financial position

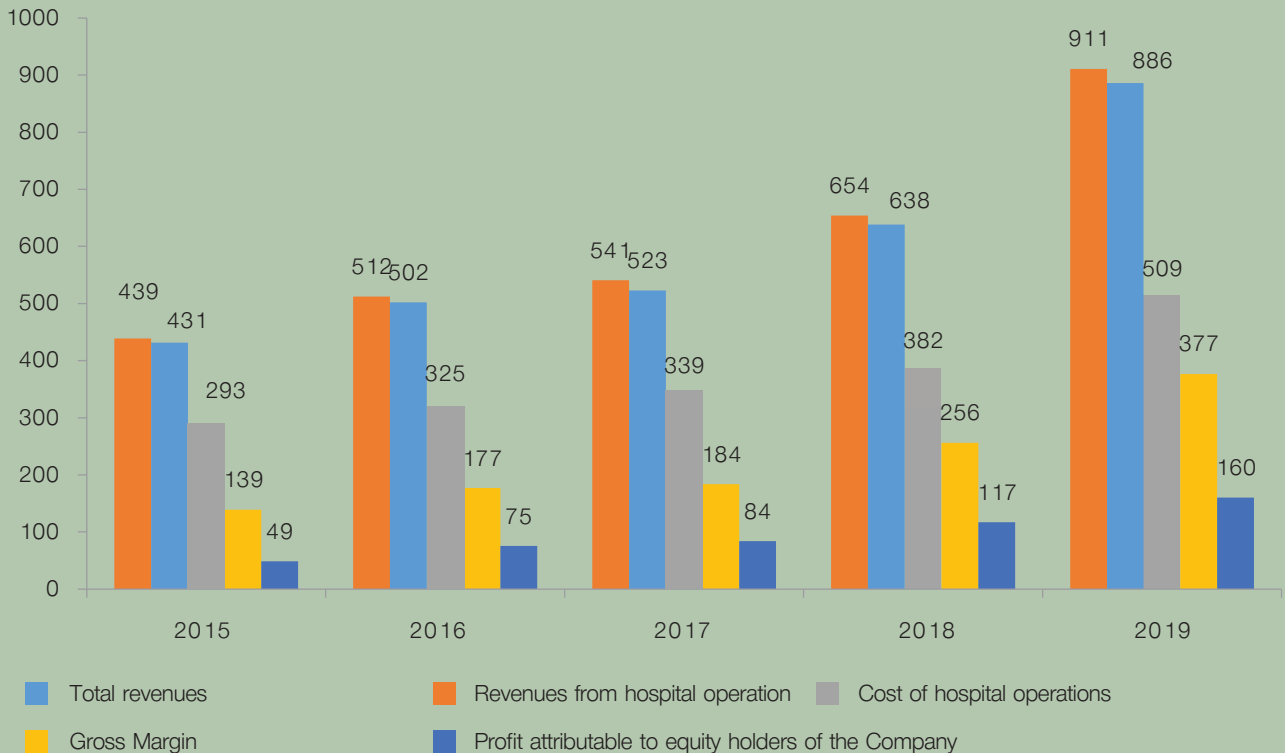
Total Assets	1,093,455,958	968,301,151	900,311,259	877,622,078	310,412,321
Total Liabilities	139,518,459	106,306,034	77,173,614	90,244,114	80,935,507
Shareholders' Equity	953,937,499	861,995,117	823,137,645	787,377,964	229,476,814
Issued and paid-up	300,000,000	300,000,000	300,000,000	300,000,000	216,600,000

## Statement of comprehensive income

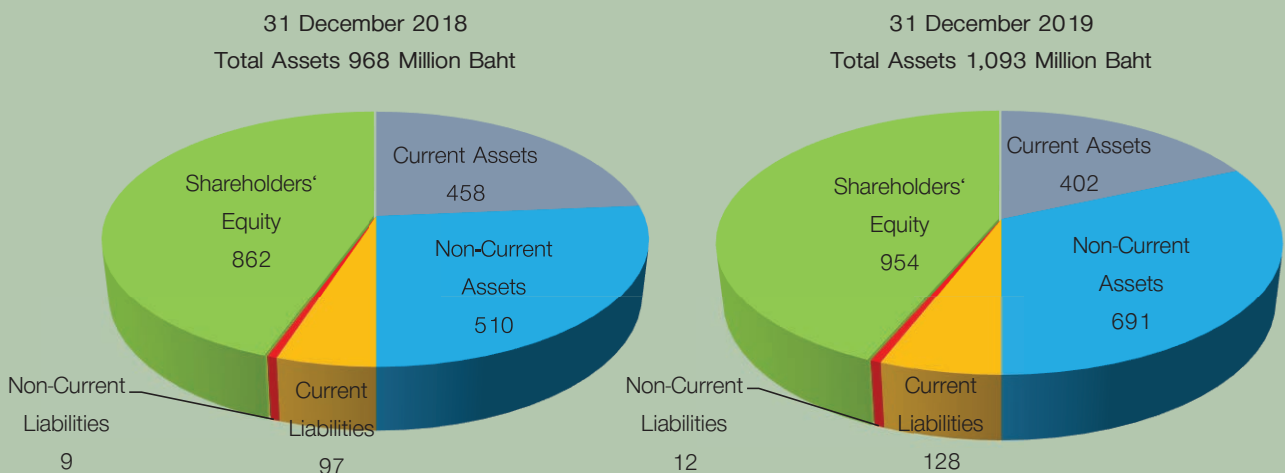
Revenues from Hospital Operations	886,041,037	638,121,447	522,981,266	502,128,037	431,440,561
Total Revenues	910,996,832	654,288,043	540,980,811	511,975,874	438,606,128
Cost of Hospital Operations	509,333,608	382,144,695	339,010,073	325,163,333	292,500,097
Gross Margin	376,707,429	255,976,752	183,971,193	176,964,704	138,940,464
Profit to Equity holders of the Company	160,298,615	117,208,760	83,830,970	75,269,796	48,567,471
Return on Assets (%)	15.19	12.13	9.24	12.67	15.50
Return on Equity (%)	17.41	13.62	10.11	14.80	23.67
Net Profit Margin (%)	17.60	17.91	15.50	14.70	11.07

## Overall Revenues and Profits

(Unit: Million Baht)



## Statements of Financial Position





# Corporate Social Responsibility

The Company intends to support the society since the founding of the company, the commitment to conduct business with social responsibility. By adhering to ethical business forward with good conscience to employees at all levels and hold those responsible to all parties involved with integrity. Which has been performed since the year 2006 and establishes ethical guidelines covering the entire enterprise, customers and employees are summarized below.

1. **Corporate Ethics:** Adherence to the ideology of the business. Focus to emphasize on the factors that affect the existence of sustainable business practices such as standards of medical care, pricing and operational transparency and fairness.
2. **Self-Ethics:** Instilled in every employee pride in the company's growth. Promote the discipline to live together happily. Including respect for the rights of self and others. This will result in a sense of duty to serve clients and individuals involved effectively.
3. **Collegial Ethics:** Encourage activities to strengthen a good relationship among staff at all levels with the aim to achieve a good tradition of the company's assets.
4. **Customer Ethics:** Customers are the factors crucial to sustainable existence. Therefore, every step of the operation will be completed in a responsible manner. Based on patients' rights regarding to the standards of medical care, multidisciplinary and services based on client-centered.

In addition, the Company has implemented CSR activities in various areas as follows.

## 1/ Anti-Corruption

The company does not use the money or goods to offer to any person to induce the act or omission of anything wrong. In the same time, the Company unwanted employees to receive money or goods with a value in excess of the normal business relationship.

If granted, it may cause other people understand that recipients are biased or have other special business relationships with this giver which could cause an injustice to those concern. The company employees should not accept or agree to accept any money or other benefits from its affiliation with the Company.

This is to encourage voluntary compliance by the private sector to cooperate in the prevention and fight against corruption with the standardization of business which is correct and transparent. As well as creating a higher standard of business ethics. The Company has filed a declaration affording alignment private practice Thailand to fight corruption (Private Sector Collective Action Coalition Against Corruption) to build confidence in the governance and anti-corruption to the stakeholders of the Company and the whole Thai society.

## 2/ Treat employees fairly.

The Company recognizes the importance of safety, occupational health and working environment of the employees. Safety and Environment Committee has made the security policy for the purpose of promoting and encouraging all employees who are valuable resources of the company are safe while working in a good environment which affect to the health intact.

The company is taking care of workplace hygienic and safe regularly, to prevent unexpected accidents or danger to patients and staff. As well as supporting the use of proper protective equipment, promote and prevent employee's illness regarding to any work cases and to encourage employees to have good health. And the participation of the project "White Hospital" to prevent employees from involvement with drugs.

In addition, the company also provides care benefits to employees in areas such as the provision of maternity

services free, the grant after birth providing health care, the annual health check, organizing birthday parties and birthday gifts to employees, monthly merit making event, recreation activities for employees on various occasions, the forum provides an opportunity for employees to present issues to the director of the hospital directly, promoting human resource development for career advancement including providing the provident fund for the security of employees after retirement.

### 3 The Responsibility to Customers

The Company has the business ideal in adhering to the responsibility of all stakeholders especially the customers or “clients”, the company is regarded as the most important, so the company decided to set up a code of conduct with the guidelines below.

- Safety Clinic: Ensure patients can be identified correctly. Effective communication between the patient care. Safety in the use of high-risk medications. Including patient's safe use of medical devices. And safe from infections in the company. Define security policies of the patient (Patient Safety Goal).
- The Responsibility: Company efforts to find a solution and responsible to any errors that may occur willingly. These responsibilities will help to build trust and respect peace of mind impressed to the customers, businesses honored and a good image in society.
- Providing services based on client-centered. And most important to concern to the patient's right.
- Provide good service: to provide a good service to customers enabling customers to be convenience, get a quick service, faithful and impressive under the motto “The touch from our hearts, concern and care about you.”
- The need to maintain a fair and beneficial to customers, the company will be fair and provide equal benefits to all customers.
- Care visit after using the service is the important factors that impress customers. Caring for customers continuously. Regular care is considered a good rapport with customers. Customers appreciate the warmth and good faith with the Company.

### 4 Caring for the environment

The concept of Green Hospital; the Company has established the Committee on the Environment and Security (Environment of Care Committee) which is a committee who responsible for monitoring the implementation of regulatory measures to protect the environment within the company and prevent impacts to the community which has policies and practices related to the environment as follows.

Wastewater Treatment Company has provided waste water treatment to treat the microbial bio and check the wastewater quality every three months prior to release into the public water conduit.

Energy Conservation: The Company has established a policy to use energy efficiently and reduce all unnecessary energy loss without performance decrease. Energy saving measures for the practices of organization such as turning of the lights in sunny area, switch off whenever not in use, walk up and down 1-2 stairs instead of using the elevator, set the air conditioning temperature at 25 ° C., turning off the lights, air conditioning and computers during lunch time, turning off the air conditioning for 15-30 minutes before finish working.

Solid waste management: The Company has waste management systems from waste separation at the origin of the waste. Waste divided into four categories including general waste and recycling waste, infectious waste, toxic waste and garbage which have the standard area that are supported adequately. The waste will be disposed of as waste by garbage and toxic waste to be disposed of by the Sub-district Administration Organization.

Moreover, the company has been certified by the Ministry of Natural Resources and Environment, the awards establishments that comply with the environmental impact assessment report. The Environmental Excellence (EIA Monitoring Award) Award for Outstanding three consecutive years in 2009, 2011, 2013 and 2016 confirms the intention of social responsibility which is a symbol of pride and morale further.

## 5 The Community and Social Development

The Company has regularly contributed in the events that help to develop the community within Samut Sakhon area and remote areas as below samples.

1. Donate THB 10,000 on 27 March 2019 for Karnjanabaramee Foundation, with the purpose of Mammogram check up event for group of disadvantaged women in Samutsakhon province.



2. Donate medicine and medical equipment to people in Maeyangmint Village, Chiangrai on 1 March 2019.





3. Donate necessary stuffs and money to HIV patients under supervision by Pra Alongkot, Phrabatnampu Temple on 25 June 2019, at Ekachai Hospital.



4. To enhance comfort and better wellness for this family, Ekachai Hospital deliver a patient bed to Mr. Ging Phothong, 80 years old man with paralysis at Tambol Thasine, Muang, Samutsakhon.



5. Ekachai Hospital together with Thai OSUKA and group created the campaign “the renovation of first aid and class room”, on 6 September 2019, at Baanpukare School, Pakchong, Chombung, Ratchaburi Province.





6. Deliver 74 bottles of Alcohol Gel to both Don Muang and Suvarnabhumi Airport Immigration.



7. Ekachai Hospital with Thai Red Cross created the blood donation events 4th to 7th “Giving is Living”



8. Ekachai Hospital opened house for Hi-School Student from Friend for Asia Foundation who interested to study in Medical area totally 4 groups, 120 students. The purpose of this visited is to enhance an inspiration and prepare themselves for the next step of study.





9. Ekachai Hospital created the project of “CPR for Society”, to educate the local people. There were not only from private sector but also government sector joined this event such as Rescue Foundation, School, Factory’s members, etc.



10. Give an Educated about Hygiene, First Aid, CPR, Hazardous Chemical Knowledge and how to quit smoke to the staffs in 25 local factories such as Interproplas Co.Ltd., Unicord PLC., Impact Co.Ltd., HV Filla Co.Ltd.,etc.



11. Conduct general medical examination by Ekachai Hospital's doctors and Chaiyamonkol's government staffs at local area.





12. Conduct special activities for kids and young patients in the hospital during Children's day.



13. Support special events in Samutsakhon such as Pantai Running and Mini Marathon, City god shrine parade, Samutsakhon night run, Nine shrine gods praying event by giving free water and ambulance stand by service.





17. Welcome university students for internships; to learn and face the real experience in the hospital. The company is confident that the experience gained will create a benefit for students.



# General Information and Referenced Person

## General Information

Company's Name	:	Ekachai Medical Care Public Company Limited
Stock Quote	:	EKH
Company Registration	:	0107559000087
Head Office Address	:	99/9 Moo 4, Ekachai Road, Tambol Khokkham, Amphur Muang, Samutsakhorn 74000
Telephone Number	:	0-3441-7999 or 1715
Fax Number	:	0-3441-7903
Website	:	<a href="http://www.ekachaihospital.com">www.ekachaihospital.com</a>
Type of Business	:	Operation of hospital type patients overnight under the name "Ekachai Hospital".
Sector	:	Services
Industry	:	Health Care Services
Type of Issued Shares	:	Common shares
Registered Capital	:	THB 300,000,000
Paid-up Capital	:	THB 300,000,000
Number of Shares	:	600,000,000 Shares
Par Value	:	THB 0.50

## Subsidiaries

Company	Symbol	Type of Business	Registered Capital (Baht)	Number of shares (Share)	Par Value (Baht)	Number shares of hold (Share)	% of Holding
Ekachai International Co.,Ltd.	EKI	Infertility Center	85,797,755	17,159,551	5	11,460,000	66.78
Ekachai Nursing Home Co.,Ltd.	EKN	Nursing Home	60,000,000	12,000,000	5	11,999,996	99.99

## Other References

### Regulator

The Securities and Exchange Commission, Thailand (SEC)

333/3 Vibhavadi-Rangsit Road, Chomphon, Chatuchak

Bangkok 10900, Thailand

Tel. 1207 or 0 2033 9999

Fax. 0 2033 9660

### Regulator

The Stock Exchange of Thailand (SET)

93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel. 02 009 9999

Fax. 02 009 9991

### Securities Registrar

Thailand Securities Depository Company Limited (TSD)

93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel. 02 009 9999

Fax. 02 009 9991

### Auditor

EY Office Limited

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey,

Bangkok 10110

Tel. 02 264 9090

Fax 02 264 0789

### Legal Consultant

TBC Law Company Limited

87/489 Kanjanapisek Road, Bangbon Nuea,

Bangbon, Bangkok 10150

Tel. 02 415 1567

Fax 02 415 1461



## Policy and Overall Business Operations

Ekachai Medical Limited (the Company) (the “Company”) was incorporated on October 22, 2003 with initial registered capital for 150.00 million baht by a group of physicians with expertise and experience who are trusted by the people in Samut Sakorn province and neighboring provinces and business owners with foundations in Samut Sakorn province; which foresees the expansion of both the economy and society of Samut Sakhon and the demand for nursing homes is increasing; especially on Ekachai Road which the industrial and housing are increased a lot. It is also the area that has the potential to grow much more. To operate a nursing home of patients overnight type, in the General Hospital (General Hospital) for 100-bed under the name of Ekachai Hospital.( “Hospital”), which is located on 12 rai 1 ngan 80 square wah along Ekachai Road and open on March 29, 2006.

During the first period, the hospital providing medical services to general clients, counterparty, include joining the social security and insurance scheme. To provides medical services to users under the social security right. However, the hospital sees the competition for social security services that are highly competitive in the area of Samut Sakhon thus the hospital withdrew to join the social security scheme in 2011 and focuses on providing specialized services to general customers and parties-customers only. The hospital has changed the image of the hospital to be the leader of private hospital in the province and neighboring areas.

Currently, there are 300.00 million baht. There are 2 service buildings which are hospital building and pediatric center which started to open in November 2019. Total number of beds open in 2 buildings, 142 beds and there are 43 outpatient examination rooms which can support up to 739 outpatients per day. Along with doctors, medical staff special treatment room for children, modern medical equipment. The hospital can provide general medical services branch especially, the Obstetrics - Gynecology which has been accepted by the people in Samut Sakhon province. There is the Pediatric Center which has the pediatrician doctors available for 24 hours a day, Surgery Center, which has an orthopedic surgeon who specializes in the microscopic Surgery available to operate on organs, blood vessels, tendons and nerves. They also have the emergency of Trauma Center with ambulance that can transfers patients who has accidents from work or accidents on roads in the province and neighboring areas. And gain the trust from the Rescuers Foundation and other agencies to send the patients into the service. Moreover, the hospital also provides health services both in and out of place.

Ekachai Hospital Implementation of the Green Hospital, which cares about the environment. Thus, the hospital has designed and decorated the building in modern style, close to nature by the green space and a water park in the public areas of the hospital to create a beautiful landscape and a better environment for users and visitors. This makes the hospital awarded for Outstanding EIA (Environmental Impact Assessments) Monitoring Award from the Office of Natural Resources and Environmental Policy and Planning.

The hospital has also realized the importance of the services so it has implemented ISO 9001: 2015 to apply to the management of the hospital in order to build confidence and satisfaction to its clients. The hospital is currently developing another Joint Commission International (JCI) standard that is globally accepted. With a plan to request certification within 2020. It ensures that the hospital's control, monitoring and surveillance which has the staff who take responsible for all steps of the operation. There is the Quality Development Section to check the performance of every department in the hospital to improve work systems in the hospital according to international standards.



Under the motto of hospital “The touch from our hearts, concern and care about you.”, the hospital’s focus on service, which will be taken care of both physically and mentally holistic. In order to get the treatment that benefits for the recipient’s the most.

## Business Goals

The company is committed to be a leader of private hospital in Thailand with both personnel and medical equipment which can be highly complex medical diseases, serving healthcare professionals. Recognized and trusted by users. In order to be able to support the medical needs of the growing expansion in both economic and social development of Samut Sakhon province and neighboring areas, with the business goal as follows.

- It is a hospital for mother and child that provides integrated services and be the center to transferred from other hospitals in the Obstetrics - Gynecology Infertility center and the Pediatric center (Providing care by dividing the area of care to separate the service areas for sick children, healthy children in accordance with the standard of infection control and children that need developmental
- There is a center of accidents with specialized surgeons with expertise to treat complicated symptoms that the people in Samut Sakorn province and neighboring areas are trusted.
- There is the leading health check center which has the integrated services of Samut Sakorn province, includes the annual health check, health check before start working, health services outing.
- Ability to arrange cost management and expense effectively.
- Joint Commission International (JCI)

### Business Goals in 3-5 years

Since on July 27, 2016, which is the first day to take Ekachai Medical Public Company Limited (the Company) which operates under the name Ekachai Hospital, to register on the Stock Exchange of Thailand, the company aims to grow the business and to support the growth of the population in Samut Sakhon province and neighboring provinces, the company aims to expand its medical centers specializing in various services.

In 2019, Ekachai Hospital has opened a new pediatric center building and improved the skin. In 2020, Ekachai Hospital has also planned to renovate other departments such as the Eye Ear Nose Throat Center, Hemodialysis Center, Dental Center, Physical Therapy Center including renovating the remaining 25 inpatient rooms. The investment objective in the next 3 years, the company plans to invest in specialized centers such as Neurology Center Beauty and Plastic Surgery Center, Lasik Center and hospital development to be modern in both equipment and personnel develop more therapeutic potential to support the tertiary hospital to reduce referral etc.

In 2019, Ekachai Hospital has started building a new Pediatric Center which is expected to operate in Mid-year 2019. Ekachai Hospital has also planned to renovate other departments; Hemodialysis center, E.E.N.T Center, Aesthetic Center, Dental Center, Physical Therapy Center and Inpatient rooms. The investment objective in the next 3 years, the company plans to invest in specialized centers such as Children Development Center, Neuroscience Center, Plastic Surgery Center and Lasik Center.

### Organizational Culture

Teamwork	:	Work as a team to achieve the goal of the organization.
Result Oriented	:	The commitment to achieve the goal by maintaining a higher standard.
Continuous Improvement	:	Using Knowledge, creativity, integration and research to contribute a better future.
Effective Communication	:	Communicate information and ideas in every way to achieve a clear understanding.
Customer Focus	:	Customer care, focus on the customers service and value, both proactively and reactively.

In addition, the company has brought information technology to develop hospital services mainly emphasize on services quality and customer satisfaction. The purposes are to help customers reaching the hospital and retrieving information easily and conveniently.

### Changes and Major Developments

The major developments of company in the past are in details as follows

#### In 2003

- Company incorporated under the name of "Ekachai Medical Co., Ltd." with registered capital of 150 million baht to engage in the business of providing medical services.

#### In 2006

- Licensed to operate a nursing home for patients overnight type as general hospital for 100-bed on March 8, 2006.
- Start the medical services under the name "Ekachai Hospital" on March 29, 2006, to serve the general customers. The number of service beds is 50 beds and 19 examination rooms.
- Start the service of blood purify by using the kidney dialysis machine which certified by the subcommittee certification treated by dialysis with artificial kidneys.
- Increase the registered capital of 75 million baht from 150 million baht registered capital is 225 million baht by issuing 7,500,000 new ordinary shares with par value of 10 baht per share offer to existing shareholders. For the purchase of medical equipment and working capital.

#### In 2007

- Start service for the people who use the social security rights.
- Start contract parties system for patients with various insurance companies.
- Start the service for the sick people from work by being the parties with the Workmen's Compensation Fund.
- Start health check outings service.

#### In 2008

- Increase the registered capital of 60 million baht from 225 million baht to 285 million baht by issuing 6,000,000 of new ordinary shares with par value of 10 baht per share offer to existing shareholders for working capital
- Certified quality hospitals or Hospital Accreditation (HA), which is the first step to ensure quality nursing care facilities, particularly from institutional accreditation. (Public Organization)
- Join the emergency Medical Services (Sor Por Chor) with Samut Sakhon Provincial Health Office.

#### In 2009

- Won EIA Monitoring Award; the excellence award which is the project that selected and awarded to establishments that comply with the measures in the report of environmental impact assessment and outstanding environmental management from the Office of Natural Resources and Environmental Policy and Planning; this demonstrates about a commitment to be a Green Hospital.

#### In 2010

- Improvements the hospital such as (1) Open the service of the Division Health Promotion Center to provide health check One stop service (2) Open the service of the front check-ups before work to support the expansion of the industry (3) Improve the laboratory resuscitation (CPR) in the emergency room (4) Improving services for patients infected with the respiratory system Relative Negative Pressure, etc.
- Investment the instruments and medical equipment such as the x-ray computer for 16 slice (CT scan 16-Slice), Bone Densitometer.
- The laboratory of hospital has been certified by the Department of Medical Sciences. It is licensed by the Ministry of Labour to service the health checks for workers who are going to work in abroad.

#### In 2011

- Canceled Social Security and medical services to the general customers and counterparty only.
- Won EIA Monitoring Award of Excellence Award for the second consecutive season.
- Open Surgery and Orthopedics Department which separated from the Department of Medicine. By using the old check room of the customers who use the social security rights. To increase more facilitate service to the customers of specific diseases.

#### In 2012

- Certified ISO 9001: 2008 by Interlek Certification Limited in the process of providing medical care, rehabilitation, health promotion and prevention.
- Recruited as a master hospital and a study visit for the environmental of the environmental student from Mahidol University and the Ministry of Natural Resources and Environment

#### In 2013

- Won EIA Monitoring Award for Outstanding which is the third consecutive season.
- Open an office on Sukhumvit Road, Soi Nana to expand its services to foreign clients.

#### In 2014

- Improve the Department of Mother and Child by decorating the area especially for children. Also divided the area for sick children and healthy children to enhance the image of a children's hospital.
- Certified food safety standards, food service and nutrition from Intertek.
- Improve the office at Soi Nana Nua to be the Medical clinic. To increase more services to foreign clients.

#### In 2015

- Reduce registered capital of 68.40 million baht from 285.00 million baht to 216.60 million baht by reducing the number of shares of 6.84 million shares with a par value of 10.00 baht per share to offset deficit.
- It is one of three hospitals in Thailand that are certified to install the system, including data center for the import of foreign workers (Foreign Workers Centralized Management System: FWCMS) of Malaysia to check up the health of Thai workers before traveling to work in Malaysia, demonstrating the health check system quality and standard of the laboratory of the hospital.
- Closed the clinic in Soi Nana Nua and open as a coordination center at Sukhumvit Soi 5 instead to cut costs.

#### In 2016

- The Annual General Meeting of Shareholders for the year 2016 on March 16, 2016 has approved the Company to do as follows:
  - Change to a public limited company
  - Change the par value of 10 baht per share to 0.50 baht.
  - Increase the registered capital of 83.40 million baht from 216.60 million baht to 300.00 million baht by issuing new ordinary shares of 166.80 million shares with par value of 0.50 baht per share, with the details of the allocation are as follows.
    - (1) Ordinary shares of 156.80 million shares offered to the public.
    - (2) Ordinary shares of 10.00 million shares offered to directors and employees of the Company. In case there are shares remaining from the offering to directors, management and employees in accordance with (2) an offering of new ordinary shares at a discount to the public in accordance with Article (1).
- Renew a license to operate a hospital which is valid until December 31, 2025.
- Signed a cooperation agreement with Bumrungrad International Hospital to raise the quality of treatment Synchronization academic and referral to treatment
- Certified Standards Council of Medical Laboratories (LA).
- Certified as Best Practice in Management for The Cold Chain System of drugs that need to freeze, management of blood and blood components.

#### In 2017

- Won EIA Award of Excellence award for the fourth consecutive season.
- On 18 April 2017, the company had set up a subsidiary company named "Ekachai International Company" Limited of EKI for running of In Vitro Fertilization (IVF) business. The company is the major shareholder with the portion 57% of capital register amount Bath 30 million par value 5 baht.
- On 2 October 2017, the company signed MOU with GJ Steel Public Company Limited by providing an ambulance car services.
- In October 2017, Invitro Fertilization Center (EK-IVF) was licensed by the Ministry of Public Health.
- Participate in the Green and Clean Hospital Project in accordance with the Ministry of Public Health's Policy and the Provincial Health Office.



#### In 2018

- In January 2018, Ekachai International Company Limited which is sub-company of Ekachai Medical Care Public Company officially started operation for IVF treatment.
- In March 2018, the company bought common stocks from Ekachai International Company Limited for 1,200,000 shares which are Baht 6 million or 77 percent of authorized capital amount which is Baht 30 million.
- In November 2018, Ekachai International Company Limited which is sub-company of Ekachai Medical Care Public Company increased Bath 50 million for authorized capital to be Baht 80 million. Regarding to Board of Directors Meeting, agreed to raise capital in the sub-company.
- In November 2018, Ekachai International Company Limited which is sub-company of Ekachai Medical Care Public Company established Rama 9 Branch specialized on IVF treatment.
- Participate in the Food Safety Project, use 100% safety inspected raw materials and 100% foam-free hospital.
- Received the Green & Clean Hospital Award from the Provincial Health Office.

#### In 2019

- In July 2019 Approved the renewal of laboratory quality certification and certification for health careers seeking work abroad with a license to be a sanatorium that can conduct a job seeker overseas and can request another Taiwan examination, both from the Department of Employment and the Department of Medical Sciences Is the only hospital in Samut Sakhon province.
- In August 2019, the company sold the proportion of investment in Ekachai International Co., Ltd., a subsidiary company to Mr. Hong Yan Thang, existing shareholders in the amount of 3,160,000 shares, representing 9.29% of the paid-up capital.
- In August 2019, the company established a subsidiary, Ekachai Nursing Home Co., Ltd., to operate the Nursing Home business, in which the company holds 99.99 percent of the registered capital of 60 million baht, with a par value of 5 baht per share.
- In September 2019, made an MOU with the Social Security Office Is a network hospital that can provide annual health check for insured persons.
- In November 2019 was approved for the extension of laboratory quality certificate from the Medical Technology Council (LA).
- In November 2019, Ekachai International Company Limited, a subsidiary has increased the registered capital of 5,797,755 baht or equivalent to 1,159,551 shares, totaling 85,797,755 baht of paid-up capital and the company holds 66.78% of the registered capital.
- In November 2019, the company is licensed by the Department of Health Service Support Ministry of Public Health and Provincial Public Health Office to open a new pediatric building and approved to increase the number of beds in the hospital operations from 100 beds to 142 beds, so it has opened services for both outpatients and inpatients.

# Nature of Business

## Revenue Structure

The Revenue Structures of the Company in 2017 – 2019 are as follows.

Revenue	2017*		2018*		2019*	
	MB	MB	MB	%	MB	%
1. Medical Services Revenue	522.98	96.67	638.12	97.53	886.04	97.26
<u>OPD</u>	262.12	48.45	342.12	52.29	551.50	60.54
- Cash Payment Customers	147.61	27.28	191.34	29.24	183.10	20.10
- Corporate Contract Customers	114.51	21.17	150.78	23.05	368.40	40.44
<u>IPD</u>	260.86	48.22	296.00	45.24	334.54	36.72
- Cash Payment Customers	109.41	20.22	100.76	15.40	119.17	13.08
- Corporate Contract Customers	151.45	28.00	195.24	29.84	215.37	23.64
2. Other incomes	18.00	3.33	16.17	2.47	24.96	2.74
Total revenue	540.98	100.00	654.29	100.00	911.00	100

Remark \* Consolidated financial statements

\*\* Other incomes consist of interest income, canteen income, rental fee and gain from selling assets

## Details of Products or Services

The Hospital provides both diagnosis and treatment for common ailments and specialized in a variety fields by physicians with expertise and experience in healthcare with modern medical equipment which available to provide medical care to both inpatients and outpatients. The main clients of the company can be divided into two types which are the customer who pay for the service themselves and Counterparties customers, which include corporate insurance contracts and Corporate Parties. In addition, the hospital provides general health check-up services; Pre-employment Health Check-up includes the health check up by the mobile health center.

The Hospital's medical services can be divided into 18 medical centers as follows.

(1) Medicine Center	(11) Emergency Center
(2) Pediatric Center	(12) Health Promotion Center
(3) Well - Child Clinic	(13) Hemodialysis Center
(4) Child and Teen Development Center	(14) Dental Center
(5) Obstetrics and Gynecology Center	(15) Physical Therapy Center
(6) General Surgery Center	(16) Pre-employment Health Check-up Center
(7) Orthopedic Center	(17) Mobile Health Check-up Center
(8) Plastic Surgery Center	(18) Radiology Center
(9) Dermatology Center	(19) Infertility Center
(10) Eye, Ear, Throat, Nose Center	(20) Emergency Center

The Service type can separate as below.

## (1) Internal Medicine Department

The Medicine Center provides the service in various fields by the specialty and expertise doctors in each field which can provide as specialty clinics as the following:

- Internal Medicine: Provides general medical treatment both acute and chronic ailments such as fever, headache, allergy, abdominal pain, diarrhea, infections, etc., and will refer patients to internal medicine specialist for more complex illnesses.
- Cardiovascular Medicine: Provides services for the treatment of heart disease, high blood pressure and use Holter monitoring to continuous test to record the heart's rate and rhythm for 24 hours
- Nephrology: Provides treatment for kidney / kidney failure and urinary tract infections
- Neurology Service: Provides services for the treatment of cerebrovascular diseases, paralysis, movement disorder, balance disorder, spina bifida, Bell's Palsy, Epilepsy, Migraine, Dementia, Alzheimer, Parkinson Syndrome
- Gastroenterology Provides services to treat acute and chronic gastritis / reflux acids / Intestinal inflammation or abnormal squeezing, hepatitis, inflammatory diseases spleen includes upper GI endoscopy/ colonoscopy.
- Rheumatology: Provides services for acute and chronic inflammatory disease Systemic Lupus Erythematosus or SLE that results in swelling, degenerative joint disease; osteoarthritis, Back pain syndrome, stiff back and and soft tissue pain group.
- Thoracic Surgery: Provides services treatment for Pulmonary Tuberculosis/Pneumonia or Lung infection, Lung abscess, Drainage in the pleural wall, Lung biopsy, Pulmonary Emphysema / asthma / Bronchitis Respiratory diseases
- Endocrinology: Provides services related to endocrine diseases such as Diabetes, Thyroid disease and adrenal insufficiency.
- Allergy: Provides services for allergy treatment such as allergy treatment of Respiratory allergies, nasal congestion, frequent sneezing, has clear nasal discharge in the morning, rash, urticaria etc., and Skin Test.
- Psychiatric Medicine: Provides diagnosis and treatment of psychiatric symptoms among species such as depression, anxiety, hallucinations, auditory hallucination, insomnia and advice on how to solve behavioral problems in children and adolescents.
- Hematology: Services related to the diagnosis and treatment of blood disorders such as anemia and thalassemia coagulopathy, disorders affecting the blood components. Abnormalities in blood clotting.
- Otolaryngology: Consultation and surgery for otolaryngology, the majority of small and ENT examination, ENT surgery for middle ear, sinus surgery with camera The inner ear and nervous system, the endoscopic ENT examination and treatment of snoring, sensing a hearing with the computer, services include hearing aid, consulting service and suggestion about speaking practice
- Balance Center: Provides services for diagnosis of dizziness

## (2) Pediatric Center

It offers treatment for pediatric patients from birth to 14 years old with a specialist pediatrician at the 24-hours care since the development of the baby from the womb by a doctor specializing in premature babies. Providing pediatric treatment such as check-ups, nutrition, children's respiratory and lung diseases in children, gastrointestinal

diseases in children, allergies in pediatric ENT, pediatric kidney disease in children, brain and nervous system in children, blood disorders in children, endocrine system diseases in children, diabetes in children, care for low birth weight babies, care for premature babies, the hearing in infants, diagnosis of child development, the immunization, the vaccinations. Moreover, it can also provide child psychiatric services, such as child care development in each age group, cure for defective of child development, defects Diseases Autism / Attention Deficit Hyperactivity Disorders (ADHD), Learning Disabilities (LD) and IQ quotient test.

The Hospital Design and decorate the area especially for children. The atmosphere is clear and bright to create a warm and to relax while waiting to see the doctor including the area is divided for sick children and healthy children apart.

### (3) Well - Child Clinic

Providing treatment services for patients after childbirth. That has no sickness situation from birth Hearing screening in infants, diagnosis of child development. Immunization various vaccinations by the hospital designed and decorated a place specifically for children. Which has a bright atmosphere to create warmth and relax while waiting to see a doctor including the division of space for sick children and healthy children apart to prevent the spread of infection from sick children to good children. By providing equipment ready for children to enjoy, encouraging cooperation in vaccination and creating a positive experience for both children and parents.

### (4) Child and Teen Development Center

Providing treatment services for children until the age of 14 years, providing psychiatric services by a skilled child psychiatrist and behavioral therapist musician such as taking care of development in each age range treatment of developmental defects in children Autism/attention deficit disorder learning disability and IQ measurement for children with a room for organizing specific activities and modern equipment imported from abroad. In addition, hydrotherapy is also provided for children who want to stimulate development under operation by a physical therapist.

### (5) Obstetrics and Gynecology Center

Provide diagnosis, treatment, obstetrics and Gynecology counseling by specialists who available to service 24 hours a day.

- **Obstetrics** Provides services of diagnosis of pregnancy, pregnancy care, monitoring the heartbeat of the fetus, maternity care for mothers and babies after birth, training practices after childbirth, exercising after childbirth, Family planning, contraception, infertility treatment or cure infertility
- **Gynecological** provide the service for health care in women, check treat menstrual disorders, Check treat infections / reproductive tumors in women. Women's reproductive system cancer treatment. Surgery by laparoscopy / open abdominal surgery, counseling postmenopausal women.

The hospital has modern equipment to services of Obstetrics – Gynecology such as ultrasound 2D, ultrasound 4D machine; colposcope includes monitoring the fetal heart in the womb and 3 examination rooms, 4 waiting rooms, labor rooms, and the medical surgical team that is ready to serve.



**(6) General Surgery Center**

Providing general surgery and laparoscopic surgery by the medical specialists in each field such as an appendectomy, hernia surgery, gallstones in the gallbladder surgery, surgical tumor in the abdomen, surgery in urology, surgery in gastrointestinal / colon, gastric bypass surgery, vascular surgery, hemorrhoid surgery and etc.

**(7) Orthopedic Center**

Counseling and diagnosis of orthopedic services to clients who have disorders of bones, tendons, nerves, causing pain, neck pain, back pain and lumbar muscles all kinds by medical specialists who are available for 24 hours a day, consisting of three clinics as below:

- General orthopedic clinic: Services related to the treatment of diseases such as bone fractures and joint injuries, including muscle movement tendons and nerves from working or playing sports, the treatment and prevention of osteoporosis as well as surgical treatment of bone fractures from osteoporosis.
- Orthopedic and Spine Arthroplasty: Services related to the treatment of spinal disease and joint replacement surgery, such as disc herniation with nerve disease, the arthroplasty in patients with degenerative conditions such as osteoarthritis, the hip joint replacement surgery in patients who had an accident.
- Surgery and Hand Surgery and Microsurgery: offers treatment using Microsurgery as a cut finger/arm surgery (Replantation) cut the tendons nerves, surgical treatment for the disabled, the surgery to the tendon treatment and surgery for a torn ligament, treatment of Trigger Finger, Treatment of nerve membrane.

The services provided by this advanced tool include measurement of BMD (Bone Densitometer) high magnification camera operation (Microscope) and so on.

**(8) Plastic Surgery Center**

Provides all the beauty service such as cosmetic physicians specializing in cosmetic surgery, including breast augmentation surgery, breast reduction surgery, eyelid surgery, surgical face lift and neck liposuction, surgery of surgical skin tightening, like a flabby belly, nose surgery, surgery to reduce stomach size and surgery put a balloon in the stomach.

**(9) Dermatology Center**

Skin Center of Ekachai Hospital focused on skin care treatment by medical specialists such as dermatitis treatment, treatment of Skin infections, treatment of skin disorders, the rash of allergies themselves and treatment of diseases and disorders of the hair and nails. Diagnosis for encouraging intolerance hair removal treatments to get rid of varicose veins, moles, warts fleck polyps. In addition, the hospital provides promote service health care for good skin, by providing protection and skin along with how to provide better health care. To care for the health of the skin, the hospital provides medical specialty Dermatology, Medical Acupuncture to serve the service to all customers entirety.

**(10) Eye, Ear, Throat, Nose Center**

- The Ophthalmology center is provides comprehensive treatment for all eye problems such as eye examination and surgical eye diseases of all kinds, cataract surgery, laser treatment of the retina, retinal and vitrectomy surgery

and eye test by the ophthalmologists who experienced in the treatment as well as specialized tools ophthalmic modern and highly effective such as retinal camera 3D, laser eye treatment for retinopathy and IOP etc.

- Internal Medicine Otolaryngology consultation and surgery on ENT symptoms, large and small surgery of the ENT and ENT examination for children, middle ear surgery nasal cavity surgery examination of the inner ear and nervous system endoscope, Ear, Nose and Throat Examination and snoring computer hearing measurement hearing aid service consulting services and advice on speaking practice.

The hospital considers modernity and convenience. Therefore service areas have been improved with a new look, that is easy to access and facilitating the service recipients to be happy and friendly

#### (11) Emergency Center

Provide medical treatment service, including help and support for Trauma Patients in the form of emergency and trauma center for 24-hours which the hospital has the readiness of the place, tools and modern equipment, Emergency physicians and surgeons Nurses trained resuscitation advanced and professionals. This includes the forthcoming action plan and Coordination Center Rescuers Foundation for accidents among the neighborhood and provides emergency ambulance service, which is available for patients in Samut Sakorn province and nationwide

#### (12) Health Promotion Center

Health Promotion Center: Provides the service with a variety of health programs which are appropriate for each age range by practitioners with experience of the center. Along with an examination room that can serve a One Stop Service can be a laboratory. And precision along with tools for diagnosis, treatment facilities can accommodate up to 6,000 people per year, the operating rooms of hospitals certified by the Department of Medical Sciences, when it detects an abnormal condition or health problems the hospital has specialists devoted to providing appropriate treatment and counseling services. The Hospital has five basic health check program which has been designed to accommodate the arrival of all ages. In addition, the hospital's risk and provides specialized health programs such as health check liver function completely. Cancer screening program Heart Disease Screening Program Diabetes Screening Program Health Check postmenopausal And health check before marriage It also provides health services to obtain a doctor's certificate to apply for admission Work permit a driver's license or work abroad. Providing health services for seafarers and seafarers health certificate issued by the Marine Department. Health Check service for customers insuring insurance companies and providing health services for workers in Thailand before traveling to Malaysia.

#### (13) Hemodialysis Center

Providing dialysis services with hemodialysis in patients aged 15 years and over, both with acute renal failure and chronic renal failure patients 24 hours to get safety and effective without complications and a better quality of life. There are the capacity of 14 beds to accommodate the service and specialist doctors available to care for the service thoroughly including the medical experts and trained nursing of hemodialysis patients with dialysis from institutions that recognized by the Nursing and Midwifery Council and Nephrology Society of Thailand.

In addition, the dialysis center hemodialysis treatment has also been certified by the artificial kidney dialysis machine from the Royal College of Physicians of Thailand by the system infection control and sterilization standards, including the generator which is available for 24 hours a day to provide the continuously service in case the electric down.

#### (14) Dental Center

Provides dental services with a wide range of fields, including dental specialist as the following:

- General dentistry provides such as dental examination and consultation, teeth cleaning, scaling and polishing teeth whitening.
- Pediatric Dentistry such as a sealant, enamel with fluoride treatment, crowns, root deciduous teeth of children.
- Root canal treatment to treat root canal infections.
- Oral surgery such as tooth removal, impacted tooth removal, torectomy
- Embedded tooth surgery
- Dental Implants
- Gum disease treatment such as Treatment of gingivitis, root planning, gum surgery
- The dentures such as partial denture, dental crown and bridge
- Orthodontics

#### (15) Physical Therapy Center

Provides body care and rehabilitation services with therapy relieve illness with modern equipment under the supervision of a qualified physical therapist and medical specialists in rehabilitation medicine. The following physical therapy services are provided.

- Physical Therapy for Osteoarthritic Patients
- Root canal treatment to treat an infection around the implant.
- Broken bone , sprain
- Inflammation of the joints and ligaments
- Symptoms of arthritis
- Reconstruction of dismemberment
- Diseases of the musculoskeletal system and bone
- Injuries from sports.
- Therapy before and after surgery on joints and bones
- The treatment of acute and chronic pain
- The treatment of muscle injuries
- wearing fake limbs
- Restoration of postoperative knee surgery
- Physical therapy for people with neurological illness.
- Rehabilitation of hemiplegic
- Rehabilitation of patients with hemiplegia
- Pre and Post-Operative Neurological Therapy

- Rehabilitation of musculoskeletal and nerve diseases
- Blood clots and Vascular disorders
- Physical Therapy for Cardiac Patients
- Physical therapy for Physiotherapy for patients with lung and respiratory services.

The hospital has the tools and equipment for therapy such as Ultrasound, the Cervical and Lumbar Traction, Electrical stimulator etc.

#### (16) Pre-employment Health Check-up Center

The service available only for pre-employment health check with different items of each company to assess the employees' health and their readiness before work. The impact is directed to the company, mostly support a health check before the employee plant will be started to work with the industrial companies and other companies in Samut Sakhon and neighboring areas.

#### (17) Mobile Check-up Center

Hospital has Mobile Check up Center: MCU which consists of doctors, nurses along with a team of occupational health nurses with experience, providing health services outside the office or on the factory premises of the customer. The customers are both public and private. Also available across the country also offer other services such as training aid and Cardiopulmonary resuscitation (CPR) and so on.

#### (18) Radiology Center

Radiology Center is the center which provides diagnosis using PACS (Picture Archiving and Communication System) by using X-Ray or Sound Wave to take pictures of the body to reveal clearly details of internal organs and pointed the position of the disease more accurately. Especially diseases related to cancer and tumors which the PACS system will be stored and send the digital image and use tools and equipment such as Ultrasound, 16-Slice CT-Scan, Mammogram, Panoramic Dental X-Ray, X-ray imaging system (Fluoroscopy), etc., through the measurement and testing by the Department of Science Medicine and licensing the use of ionizing radiation by the Office of Atoms for Peace Ministry of Science and Technology.

#### (19) Infertility Center

Licensed by the Ministry of Public Health, in October 2560, and opened on January 1, 2018. Infertility centers include ICSI, which is the use of a sperm injection into the egg. To help fertilize when the embryo is transferred to the uterus, the PESA is the sperm from the sperm area to be mixed with eggs to make larvae by the way. In the case of male sperm, TESE is a small cut the testicles come to the sperm. The eggs are mixed with the larvae in the way. In the case of male sperm, PGD is a diagnostic technique. See the chromosome number or genetic abnormalities for the selection of embryos that appear from genetic abnormalities. For pregnancy and Embryo transfer (ET), the embryo transfer to the uterus. egg freezing frozen sperm freezing to keep in the future.

#### (20) Emergency Center

It is an ambulance unit with medical equipment and modern car care facilities. It is available nationwide with



doctors, nurses, staff who are knowledgeable in the care of patients.

The revenue proportion from the company's services can divide by each Medical Center of the year 2017-2019

Medical Center	2017		2018		2019	
	MB	%	MB	%	MB	%
Emergency Center	154.35	29.51	175.87	27.56	177.57	20.04
Medicine Center	108.27	20.70	130.09	20.39	138.78	15.66
Pediatric Center	71.83	13.73	84.84	13.30	96.50	10.90
Obstetrics and Gynaecology Center	36.64	7.01	36.41	5.71	41.14	4.64
Hemodialysis Center	26.52	5.07	24.90	3.90	21.64	2.44
IVF	-	-	69.16	10.83	248.24	28.02
Other Centers	125.37	23.98	186.01	29.14	162.17	18.30
Total revenues from hospital operations	522.98	100.00	638.12	100.00	886.04	100.00

In addition to the various centers of the medical services above, the hospital also has other departments which supporting medical providers below.

**(1) Medical records department**

Arrange the registration for the clients into the database of the hospital and keep all customers information for the purpose of medical treatment such as personal information, medical history in the past and at present, Medical history allergy, family history information for other indications. The Hospital keeps records in HIS system (Hospital Information System) to allow the doctors to get complete and fast information of service users and online patent examination with contractual insurance company for the accuracy of the benefits.

**(2) Pharmacy department**

The hospital has pharmacy department that serves the pharmaceutical and medical supply to patients under doctor's orders. Take care - medication and medical supplies, warehousing and storage of pharmaceutical and medical attention including procurement of drugs and medical supplies to provide adequate and appropriate to the needs of the hospital. Moreover, it also take responsible for review and present new medicines and substitutes to the drugs board before using in the hospital.

**(3) Nutrition department**

Responsible of providing food for patients by considering of the amount of energy and nutrients, according to nutritional and hygienic, to appropriate with the sick symptoms, age and health of the patient, including monitoring and evaluation of the patient's eating, providing education and counseling on nutrition and training to patients, their relatives, hospital personnel as well as other interested parties.

**(4) Laboratory**

The hospital has the laboratory which could detect the specimens, can perform diagnostics, medical aspects, fully integrated system by using Lab Information System to connect to the Hospital Information System to forward

the results of the examination to doctors quickly. Also has a system to verify the quality of the specimens which were made within the university or send to compare with Mahidol University and the Thai Red Cross which the services include, hematology, Biochemical examination, Immunological examination, Gastrointestinal examination By expert medical technicians and modern equipments such as Blood Chemistry, Hematocrit Centrifuge and Complete Blood Count, the laboratory will arrangements blood and compounds blood. The laboratory of the hospital has been certified by the Department of Medical Sciences and licensed by the Ministry of Labour health checks for workers who go to work abroad.

#### The services provided by the patient

##### (1) Out Patient Department :OPD

There are 38 of medical examination rooms at the hospital for all fields of medicine which can support 716 people a day to access the service.

Examine Room Type	No. of Rooms	Examine Room Type	No. of Rooms
Medicine Center	7	Pre-employment Health Check-up Center	1
Heart Center		Emergency Center	8
Obstetrics and Gynecology Center	7	Ophthalmology Center	3
Pediatric Center		Health Promotion Center	4
General Surgery Center	4	Dermatology Center	1
Plastic Surgery Center		Dental Center	3
Orthopedic Center		Total	38

#### Statistics of the Capacity in Outpatient Medical Service

The ability to provide services	2017	2018	2019
Total number of examination rooms (rooms) <sup>1)</sup>	38	38	38
Number of the day	365	365	365
The Maximum of capacity to service outpatient per day (time/day) <sup>2)</sup>	716	716	716
The Maximum of capacity to service outpatient per year (time/year) <sup>3)</sup>	261,340	261,340	261,340
Access times of outpatients who accessed to the service (times)	141,467	145,663	151,128
Access rate of outpatients who access the service (%)	54.13	55.74	57.83

#### Remark

<sup>1)</sup> From November 2019 onwards, additional outpatient examination rooms At the Pediatric Building, amount 4

<sup>2)</sup> The maximum of capacity in outpatient medical service calculated from (service hours\* examination room) / Average length of service per person in each department.

<sup>3)</sup> The maximum of capacity in outpatient medical service calculate from the maximum of capacity to service outpatient per day

From the data of the ability to service outpatient (OPD) as above, the hospital has totally 38 exam rooms and has the capacity to provide outpatient services but for responding to access to more specialized. In addition, at the end of the year 2019 the pediatric building was opened. Therefore improving the area for outpatient medical

treatment is a specialized center added in the end of 2019 and the beginning of 2020 is another 6 center including the Eye, Ear, Nose and Throat Center, Dermatology Center, Pediatric Center, Well - Child Clinic, Child and Teen Development Center Health Promotion Center, resulting in 43 outpatient examinations and the highest outpatient service increased from 716 to 739 times per day which is the sum of the capacity to service the OPD of each service center. This makes the hospital has the capacity to serve outpatients increased from 261,340 to 269,735 times per year. Regarding to the doctors' quality and standards of service this caused to the rate of accessing to the hospital is increased steadily from 54.13% in 2017, 55.74 in 2018 and 57.83% in 2019.

## (2) In Patient Department: IPD

The hospital provide rooms which available to service the patients in several categories, can accommodate the needs of patients in all forms, whether it is in Grand Suite Room, Suite Room, Delux Room, VIP Room, Single Room, Single room for for children, double rooms, ICU, etc. But due to the growth of pediatric patients that use the service continuously Ekachai Hospital therefore proceeded to construct the pediatric building is a specialized building for both pediatric and inpatient services for pediatric patients. For the patient beds in the pediatric building, there are 60 beds and the room was renovated in the same building added double rooms from 2 rooms to 4 rooms, resulting in the total number of rooms and beds from 74 rooms increased to 134 rooms and the number of beds increased from 80 beds increase to 142 beds. The room price is competitive with the Private hospital in neighboring area. The price includes meals, nursing fee and the hospital service fee, the details of hospital's patients rooms are as follows.

Room Type	No. of Room	No. of Bed	Bed Price (Baht/Night)
Old Hospital Building (Building A)			
Grand Suite Room	3	3	8,900
Suite Room	1	1	7,500
VIP Room	2	2	6,500
Deluxe Suprerior	1	1	5,800
Deluxe Room	1	1	5,300
Superior	12	12	4,500
Single Room	45	45	4,000
Twin Room	4	8	3,300
ICU Room	1	4	7,500
ICU Intermediate Room	3	3	4,700
Isolation Room	1	2	8,000
<b>Total patient rooms in the Old building</b>	<b>74</b>	<b>82</b>	

Room Type	No. of Room	No. of Bed	Bed Price (Baht/Night)
Pediatric Building (Building B)			
Premium Room	34	34	4900
Junior Suite Room	2	2	5900
Family Suite Room	4	4	9900
Premium Garden Room	17	17	5500
Junior Garden Room	1	1	6500
Family Garden Room	2	2	10500
Patient rooms in the pediatric Building	60	60	
Total all inpatient Room	134	142	

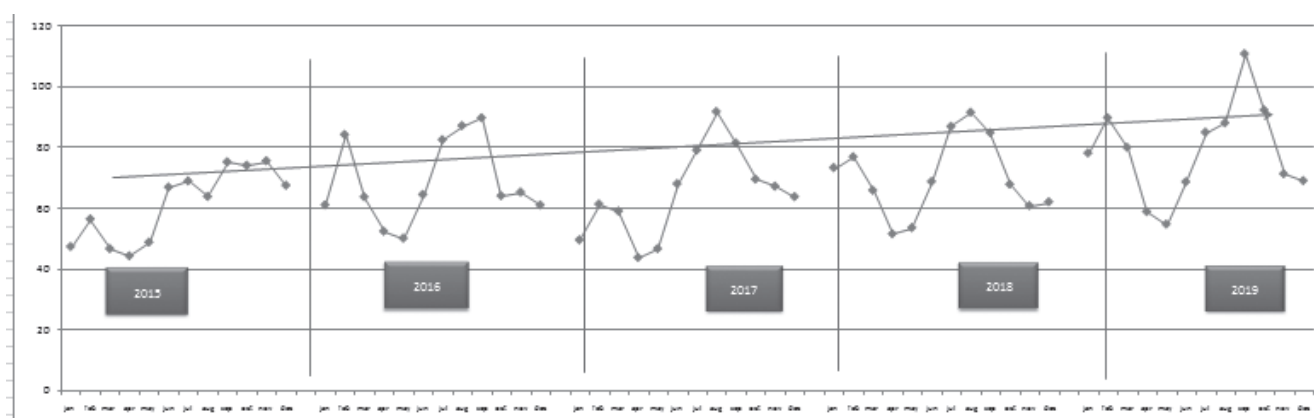
### Statistics of the Capacity in Inpatient Medical Service

Items	2017	2018	2019
Number of Bed for the service (bed/day) <sup>1)</sup>	82	80	80
Number of day	365	365	365
Access times of patients who accessed to the service (times)	8,237	8,638	9,212
The occupancy of inpatients bed (bed)	19,503	21,046	23,581
The maximum of capacity in inpatient medical service (bed) <sup>2)</sup>	29,930	29,200	29,200
Access rate of patients who access the service (%)	65.16	72.08	80.76

**Remark** <sup>1)</sup> From November 2019 onwards, increasing the number of inpatient beds At the pediatric building, 60 beds.

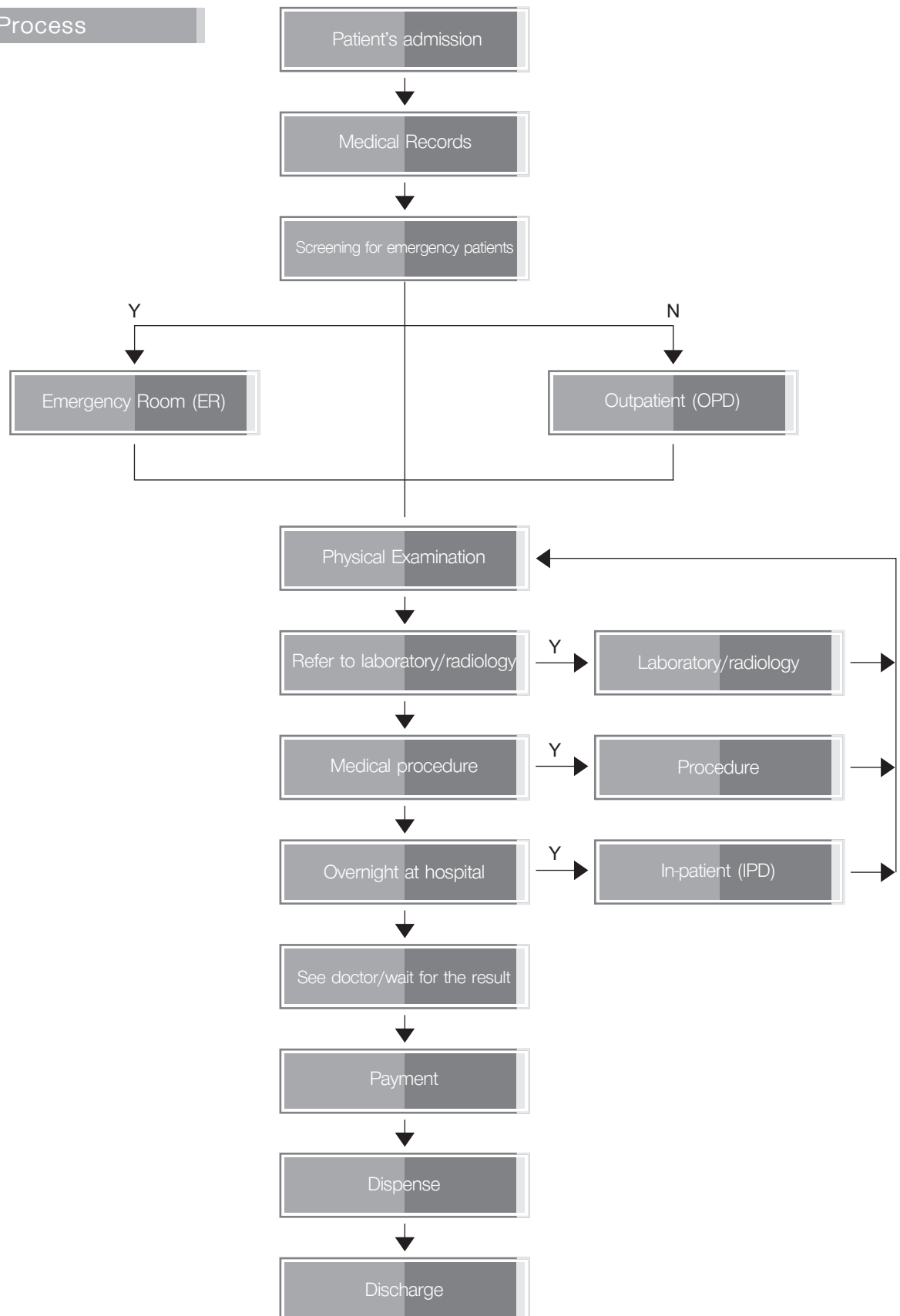
<sup>2)</sup> The maximum of capacity in inpatient medical service calculated from the service beds\* number of day

% of the occupancy of inpatients, The trend continues to increase.





## Service Process



### Medical Records Department

When the customers access to the service, the Medical Records Department will record their history, asking and inquiring for the symptoms or the basic need of the customers, screening patients to various clinics of the OPD (Out Patient Department: OPD) and if such patients are emergency patients who need treatment urgently, the hospital will be sent to the emergency room (Emergency Room: ER). Moreover, the department also responsible for the evaluation and authorization of primary care patients as well online system with insurance companies to increase the accuracy of authentication.

### The Treatment Process

When patients have been screened to the appropriate center or clinic, the doctor will ask for their symptoms and treatment of patients according to various examination rooms of hospital, if patients need to be examined further, the doctor will send the patient to the relevant departments such as the Department of Laboratory (Lab) or diagnostic centers, according to the patient's condition, if patients need to get the procedure, doctors and nurses will conduct the process to the patient, if the patient needs to be admitted to a hospital, they will refer the patients to the inpatient department (In Patient Department: IPD).

### The Payment Process

Upon completion of the treatment process, the Finance department will receive the expense bills from each department to recheck the validity of the right for the medical service of the customers, medical records and other miscellaneous expenses. Calculate the total cost of the service and payment or sign the bill if a user is from the partner companies.

### The process of dispensing medications and medical supplies

After payment if the clients need to get medicines or medical supplies, the doctor will write a prescription for the drug or withdrawing supplies from the pharmacy. When pharmacists received a prescription to verify the authenticity of the drug and reconfirm with the doctor for accuracy. Once it has been verified for accuracy, the pharmacists will provide the drugs follow as the prescription and dispense to the clients and explain how to use indications, cautions the user correctly.

### Marketing and Competition

#### Competitive strategy

1. Services provided by medical personnel who are proficient with the modern tools.

Hospital recognizes the importance of recruiting medical personnel with expertise both on the part of doctors, nurses and medical support. The doctors who are specialists in their respective fields whether Obstetrics - Gynecology physician, Dr. Amnaj Eur-Areemitr, the Hospital director and co-founder of the hospital is a doctor who has experience and expertise for over 35 years who is acceptance to the people in Samut Sakorn province. The hospital provides a Pediatric Center which has the pediatrician with expertise for 24 hours to serve the medical service to children as much as possible. In the same time, the hospital has orthopedic doctor who has experience and expertise, particularly in the field of micro-surgery and surgery that can cut fingers, arms, cut tendons, nerves. As the hospital also provide the ambulance to refer patients from the accident at work in industrial or road accidents that occurred in the province of Samut Sakhon and nearby areas this affect the hospital to be the emergency

center that has been trusted by the customers, rescuers agencies and foundations in referring the patients who suffer from accidents to admit at the hospital.

In addition, the hospital will also provide support for training in the medical and nursing staff of the hospital to develop their skills all the time, such as medical conferences every on Friday, the training by the nursing department to educate staff on matters relating to the profession, such as the care of patients of various diseases, resuscitation, etc., and also sending staff to conferences or training outside the needs of each department. For the medical equipment and supplies, the hospital has improved and continued in the investment to maximize the benefits of the service for customers. The Hospital has invested in equipment and various medical needs, including 4D ultrasound, cardiac monitoring with high frequency (Echocardiography), measurement of bone density (Bone Densitometer), Model Fabain Evolution Ventilator, Portable baby incubators (Transport Incubator) and so on.

## 2. Service Quality in a Competitive Price

The hospital offered the service to general customers; counterparties only, not provide the right to the customers who use the social security scheme, to become a leader hospital in the Samut Sakorn province and neighboring areas by focus on the quality of the treatment standard process to take into account of safety of service users. To assure that the customer will get the best medical treatment, proper medication and medical supplies and service satisfaction. The hospital has also featured on the customer side; survey of users regularly offers Hot Line 17 15 for Channel service inquiries 24 hours a day to improve services regularly. In addition, the hospital has also allocated public areas of the hospital into the green concept Green Hospital to provide services closer to nature, the relaxation during the service; this makes the hospital won the Outstanding EIA (Environmental Impact Assessments) Monitoring Award continuously from the Office of Natural Resources and Environmental Policy and Planning.

With quality service and modern, the hospital is also service with the reasonable price which consistent with the symptoms of the customers and available to competitive with other private hospitals in Samut Sakorn province and the neighboring area.

## 3. The Ability to Manage Costs of Operation.

The hospital recognizes the importance of managing the cost of operations. To make the most effective, the pharmaceutical inventory management, one of the major costs of the hospitals in order to reduce the cost of operations by using the Reorder Level Policy (ROL) in ordering the goods when the given level is lower to decrease the volume of orders at a time but ordering more often which can make it possible to reduce the cost of operations especially the storage cost.

In addition, the hospital has a system for the collection of medical images (Medical Images) or radiographic, by reception - transmission of video in digital formats or the system called PACS (Picture Archiving and Communication System) is used to manage data transmission via the computer network systems including HIS (Hospital Information System), a system of patient services linked online since the department's medical records, Hospital X-ray department, a drug room to the finance department by recording patient history and medical history on a computer system enhancing the efficiency of work and reduce the cost of operations as well as speed up customer service. The hospital also has set the goal of controlling costs (Cost Improvement Goal) in five

areas: human resources administrative costs, cost management infrastructure and energy efficiency, inventory management and 5S management tools and medical devices and debt management, to control costs and expenses in the most efficient ways.

#### 4. Public relations and social activities continually

To promote hospital to be more famous as well as to enhance the image of the hospital, so the hospital has arranged the advertisement to the public through, billboards, community radio, local cable TV and adding signs to community areas, the leaflet about health education and various events regularly as

- The event “Little Crawl” and the contest “Little Ekachai” to build a good relationship to the hospital as well as to create the expertise to care for children.
- The Health Check Treatment programs, beauty package program such as cosmetic breast surgery, surgery to reduce the fat and an invitation to do a membership card to receive discounts on medical care.
- Event for customers of the parties is a private company, such regular first aid training, the training provides knowledge about health.
- To cooperate with the agencies and organization in the province, with the first aid in the event, such as a Mackerel Fair at Tha Chalom, Seafood Festival, City Pillar Shrine, the festival parade.
- The issuance of the check-ups and treatment in remote locations.
- Improving the hospital's medicine cabinets, beds, medications and medical supplies to schools.

#### Target Customers and Service Channels

Regarding that the Hospital is located on Ekachai Road, Samut Sakorn Province, which has a lot of estates industrial and proximity to communities and villages so the density of population is high and the target customers of hospital are the residents, the private industry, educational, institutions and government agencies in the province and neighboring provinces within 50 kilometers radius of the hospital and also foreigners for expanding the company's market share. There are two types of customers which can be classified as follows.

##### 1. General Clients

It is a typical residential customer or work in the vicinity of the hospital. This is a moderate to fairly good in Samut Sakhon and nearby villages, which are Visetsuk Village, Sarin City Village, Preuksa Village, The Praw Village, the Grand Village, Porto Village, Mahachai Muang Thong Village and more than 20 village in the radius 50 Kilometers around the hospital. The Hospital advertises continuously in the area via various channels, such as billboards, radio, cable TV and local communities, the direction signs in the community, the leaflet provides about health education. The discounted about medical services to the village, awareness and prevention to schools, promotion campaign with credit card including cooperation with other agencies and organizations in Samut Sakorn province, with the aid of the events. So customers know the hospital very well organized for health check, treatment programs, beauty package program and an invitation to do a membership card to receive discounts on medical care. Moreover, the hospital also provides the service to foreign customers especially for IVF treatment and plastic surgery. The contribution from the general revenues from hospital operations of the Company in 2017 was 49.15% in 2018



was 45.78% and 34.11% in 2019.

The General Customer which is the Main Goal of the Hospital is as below:

- **The Mother and Child Group** The Hospital has Medical personnel who specialize in obstetric and pediatric doctors, especially Dr. Amnaj Eur-Areemitr, the gynecologist with more than 35 years experience, who renowned the Gynecology since its founder. For the pediatric the hospital has pediatric experts who can serve in all medical disciplines related to children from birth to 14 years and the doctor available for 24 hours a day to provide the best treatment. The hospital concludes that the services to mothers and children from birth can make customers aware of the standards and good service, familiar and confident with the medical staff of the hospital. This will enable the re-use of hospital services in the future by the hospital. There are activities for children about the ongoing activities such as “the Little Crawl” / “Little Ekachai” contest to enhance more image of a mother and child center.
- **Emergency Center:** As the Hospital located in Samut Sakorn province, which is the main area of a large number of industrial facilities. It is also the main route of travelling from Bangkok to the provinces in western and southern. It is likely to incidents of workplace accidents and quite a lot of traveling while Hospital has famous of the general surgery doctor and orthopedic medicine doctors. As well as a blood bank laboratory, radiology department, and diagnostic tools, modern equipment operating rooms with modern and standard system, ICU intensive care unit, include personnel with expertise in all departments. Make hospital ready to become a trauma center that has been trusted by the user. Rescuers agencies and foundations in patients who suffer accidents. In addition to medical treatment, the hospital has also organized futsal association with the rescuers Insurance company and foundations every year to build a good relationship.
- **Foreign clients** The government has promoted Thailand as a center of health (Medical Hub), so foreign customers have become another target of the hospital. The Hospital has been expanding foreign client market since 2013. The company's international customers are classified into customers who interested plastic surgery (Middle East) and customers who seeking for IVF treatment (Chinese) as the company operated IVF center in 2018. In addition, the hospital has also prepared leaflet and developed website in English and Chinese to communicate with foreign customers.

## 2. Parties

Customers are entitled to medical care at a hospital with a party which is responsible for the cost of medical treatment. These customers can be divided into three categories: Corporate insurance contracts, Corporate Parties Customers and counterparties government. The proportion of revenue from customer contracts to revenues from hospital operations of the Company. Increased steadily from, 50.85% in 2017, 54.22% in 2018 and 65.89% in 2019 details of the Company's counterparty's clients in each category are as follows:

### 1. The parties' insurers

It is a group of customers who use the service or agencies of the service that has made health insurance, the parties to the insurance company of the hospital. This segment has increased considerably due to the current national focus on health care, more. To protect and prevent the risks that will happen to their future health. The Hospital Assigned to the marketing staff in customer care insurers in particular.

To facilitate the insurance agents to send clients into treatment in hospital as well as the promotion of the insurance agent so that you can come to a booth selling insurance as well as a discount on the room. And provide assurance related to the meeting with insurance agents and the officer in charge of the insurance, the coordination between hospital and insurance agent in the customer care group insurance is going well and customer satisfaction. In 2019, revenue proportion from the parties' insurers is 82.15% of all parties. Customers' insurers Parties of the hospital such as AIA Ltd, Bangkok Insurance Public Company Limited (Thailand), Muang Thai Insurance Co.,Ltd. (Thailand) Krung Thai AXA Life Insurance Company Limited, Thai Insurance Co., Ltd. etc. The company offers the timing of payments to this group of customers for 30 days.

## 2. Corporate Parties

It is a private company factory or educational institutions who make the contract for medical services or health services to the hospital for its own employees. The main target group of hospital customers are the companies, factories, hospitals or other agencies in Samut Sakhon province or neighboring area which are convenience to come to the hospitals. There are two large industrial estates in Samut Sakorn province which are Sinsakhon and Samutsakorn Industrial Estate which has a large plant of the Charoen Pokphand Foods (CPF) and Thail Union Group Limited (PCL), which provides all health benefits to their employees, since pre-employment health checks, the annual health check, medical benefit welfare and health insurance to employees. The marketing department of the hospital serves to contact the agency directly to offer the mobile health monitoring services unit. This will provide annual health checks to employees as required by law; employees must receive annual health check once a year. The hospital also expanded its medical services as well as additional health services to employees and executives of such customers. Moreover, the hospital has also organized events to strengthen relationships with customers, counterparties, such as training aid, Safety Week activities Awareness training on health, etc., to create a good relationship between hospital and partner companies. In 2019, the proportion of revenue from customer contracts as 12.85% of the revenue from customer contracts by the Company with the repayment period for 30-day for this group of customers.

## 3. State Parties

The Hospital also provides medical services to the users of the other projects of the government compensation fund. Ministry of Labour, the artificial kidney dialysis machine to the Social Security Office and the National Health Security Office (NHSO). The project is disbursed directly to the Comptroller of surgical strikes in advance. The Hospital was attended the service of dialysis hemodialysis with the Social Security Office NHSO and the Comptroller because they will be responsible for the cost of dialysis to the hospital which covers the cost of dialysis in the hospital. While providing social security General Hospital will receive money paid by the insurer of insurance. This can sometimes be less than the cost of treating patients in this hospital issued a press release to the media, various government agencies in the neighborhood, such as municipal authorities in Samut Sakhon, agencies, local authorities, etc. to convince the government officers to access to the hospital more and revenue from customer contracts governmental percent 5.00 of revenue from customer contracts in 2019 by the Company are provided the timing of payments to this group of customers are for 60 days.

Revenues from the Company's services in 2017-2019 are as the followings.

Customer Type	2017		2018		2019	
	MB	%	MB	%	MB	%
General Customers	266.48	50.95	292.11	45.78	302.27	42.58
Corporate Contract Customers	256.56	49.05	346.02	54.22	407.63	57.42
Total Revenue from Hospital Operations	522.98	100.00	638.12	100.00	709.91	100.00

#### Price Policy

The hospital has a policy to set prices at a level that can compete with private hospitals in neighboring areas. In terms of medical expenses would be appropriate, consistent with the type and symptoms of the disease. It will focus on providing quality and standard of care. For the rooms rate are based on the market price which are in the same area and the facilities in the room.

#### Industry Conditions

##### Medical Services Business or Hospital business

At present, the public is pay more interested in health care and knowledge about the diseases as well as a medical examination in order to prevent the diseases more, including of medical advances which enabling the population to live longer. As a result, the cost of medical care is increasing as well. Meanwhile, the people are more interested in health insurance in order to cover the medical treatment that will occur in the future; these factors have affected to the growth of hospital business in Thailand in a high rate.

In addition to growing demand from medical treatment in the country; the hospital also has the potential to grow the medical needs of foreign patients. As a result of the policy to promote Thailand as a center for International Health (Medical Hub) government, which recognizes the strength of Thailand's medical services include medical care, quality and friendly service in lower rates than other countries which has the similar of quality treatment. As Thailand has a variety of attractions and be the central regions so this makes Thailand be a destination for medical tourism (Medical Tourism) of foreign patients

The factors that affect to the growth of the hospitals business are as follows.

##### Proportion of population structure by age

The estimates of the Office of National Economic and Social Development found that the population of Thailand will increase from 63.88 million people in 2010 to 66.37 million people in 2025 and will drop to 63.86 million people in 2040, which will be the result from low fertility rate.

	2010	2015	2563F	2568F	2573F	2578F	2040F
Population amount (Million)	63.88	65.10	66.00	66.37	66.18	65.35	63.86
Proportion of population by age (%)							
0-14 years-old	19.82	18.11	16.79	15.82	14.81	13.77	12.79
15-59 years-old	67.00	65.99	64.08	61.39	58.62	56.61	55.08
60 years-old up	13.18	15.90	19.12	22.79	26.56	29.63	32.13

Source: Office of the National Economic and Social Development Board

However, the proportion of the elderly population (aged 60 and over) is rising steadily from 13.18% in 2010, 32.13% in 2040 which increase from about 8.41 million people in 2010 to an estimated 20.52 million people in 2040. This makes Thailand entering to elderly society which is a consequence of medical advances that make the population to live longer.

In addition, life expectancy at birth of female population will increase from 77.5 years in 2010 to 81.9 years in 2040 for the male population. Life expectancy at birth increased from 70.4 years in 2010 to 75.3 years in 2040.

From a structural change such as age population as mentioned, it affected to the demand for medical services which are increased due to the elderly are a group of users who need medical care than other age groups and require ongoing medical treatment.

#### Foreign patients

Foreign patients who receive medical services from hospitals in Thailand can be divided into 2 types which are foreign patients who travel to receive medical services or Medical Tourism and a group of foreigners who work in Thailand (Expatriate). Factors that cause Thailand to be popular for Medical Tourism are quality medical treatment with lower costs, friendly services and various tourist attractions.

In addition, the medical services business is supported by the government to make Thailand as a medical hub with a primary focus on four sides such as healthcare, health promotion, health products and Thai herbal and increasing the productivity of traditional Thai medicine and alternative medicine. Including the development of hospitals and clinics in Thailand to international standards, as certified by Joint Commission International (JCI), and also allows foreigners with followers not more than four people from six countries in the Arabian Gulf (GCC: Gulf cooperation Council) include the Kingdom of Bahrain, state of Kuwait, Sultanate of Oman, state of Qatar, Kingdom of Saudi Arabia and the United Arab Emirates which are a country that has the potential to receive services which will be exempt from a visa and can stay in Thailand not over 90 days with a document dating from the hospital and are considering extending this measure to other countries, such as ASEAN countries, Scandinavia, Japan, Russia and China, etc.

For the opening of the AEC (ASEAN Economic Community: AEC) will cause investment and employment of foreigners more. As a result, the medical needs of the Expatriate and more subscribers. It is good for the growth of the hospitals in the country.

In addition, various factors nationally as mentioned above still have other factors in Samut Sakhon which is the province that the hospital is located that affect to the operation of the hospital.

#### The Number of Population in Samut Sakorn Province

(Unit: Million persons)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Thailand (Nationwide)	63.39	63.53	63.88	64.08	64.46	64.79	65.12	65.73	65.93	66.19	66.41	66.56
Bangkok	5.71	5.70	5.70	5.67	5.67	5.69	5.69	5.70	5.69	5.68	5.68	5.67
Samut Sakorn	0.48	0.48	0.49	0.50	0.51	0.52	0.53	0.55	0.56	0.57	0.58	0.58

Source: <http://statbbi.nso.go.th/staticreport/page/sector/th/01.aspx>



### The Number of Births in Samut Sakorn Province

(Persons)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Thailand (Nationwide)	797,356	787,739	766,370	796,093	818,901	782,129	776,370	736,352	704,058	702,755	666,109	618,193
Bangkok	106,779	104,935	99,728	100,331	105,570	101,008	99,618	95,551	92,030	90,904	84,477	77,312
Samut Sakorn	10,503	10,161	9,737	10,947	12,212	13,484	13,915	13,839	13,065	13,032	10,702	7,798

Source: <http://statbbi.nso.go.th/staticreport/page/sector/th/01.aspx>

In 2019, the number of births in Samut Sakhon province was 1.26% of the total births in the Thailand and 1.33% of the total population in Samut Sakhon Province

### The Population in Samut Sakorn Province

Statistic	Region	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of population (Million People)	Nationwide	63.53	63.88	64.08	64.46	64.79	65.12	65.73	65.93	66.19	66.41	66.56
	Samut Sakorn	0.48	0.49	0.50	0.51	0.52	0.53	0.55	0.56	0.57	0.58	0.58
The proportion of population in childhood (%)	Nationwide	20.23	19.77	19.30	18.88	18.55	18.29	18.86	18.55	18.28	17.98	16.45
	Samut Sakorn	20.91	20.29	19.73	19.27	18.94	18.69	18.67	18.19	17.84	17.51	16.09
The Proportion of the Elderly (%)	Nationwide	11.54	11.97	12.41	12.90	13.72	14.25	13.41	13.84	14.34	14.93	16.73
	Samut Sakorn	10.49	10.90	11.29	11.78	12.65	13.18	12.05	12.30	12.64	13.15	14.82

Source: [http://stat.dopa.go.th/stat/statnew/upstat\\_age.php](http://stat.dopa.go.th/stat/statnew/upstat_age.php)

As the birth rate of the population in Samut Sakhon province continually increases.. Thus, the population of the province of Samut Sakhon up from 484,606 people in 2009 to 584,703 people in 2019, representing an average growth rate per year (CAGR) of 1.90%, which is higher than the average growth rate of the population, in the same period at 0.47% and when considering on the proportion of the childhood population in Samutsakorn between 2009-2019 found that a proportion similar to the proportion of the childhood population of the country. And from smaller family size and fewer children per family make parents pay more attention to their children's health this demonstrated that the potential of the hospitals in the province to focus on providing services for pediatric healthcare in the future.

In addition, the proportion of seniors aged 60 and over in Samut Sakorn province increase of 10.49% in 2009 to 14.82% in 2019, which increased in the same direction of the proportion of elderly people in the country. The above information demonstrates the demand for healthcare continues to rise among the elderly in Samut Sakorn province which is in the same direction of the country.

### Competition

At present, hospitals and medical services business has higher competitive due to the fact that people live longer and pay more attention to their health. The hospitals both public and private hospitals are investing and adapting to meet the needs of healthcare or health check-up service. In public hospitals, many of the features have been added in the form of private healthcare while hospitals have merged to achieve economies of scale and expand the service to cover more

areas are also investing more in machinery and modern equipment to improve and develop the medical services.

Private hospitals also aim to improve service quality to meet international standards for the use of foreign health tourists group (Medical Tourism) and foreigners who come to work in Thailand (Expatriate) regarding to the policies of the government that needs Thailand to be the international of Medical hub.

In general, each hospital is different in size, location and specialization in healthcare regarding to the investment amount, the target customers and specialists of each hospital. The Ministry of Health has divided the level of medical services into three levels as below:

- Primary care is a small hospital that provides primary medical care which is not complicated and provide only for outpatient service only.
- Secondary Care is a hospital that can provide complex disease by the Specialist that can provide both outpatient and inpatient.
- Tertiary Care is a hospital that can provide high complex disease by the specialist (Sub-Specialty) that can provide both outpatient and inpatient.

From the level of service as above, the majority of Private hospitals include Ekachai Hospital which is a secondary care that can provide the service by a specialist to inpatient so mostly of private hospitals will make the difference to attract the customers by offering the outstanding of medical services of each hospital regarding to the expertise of their doctors to remind people to think of them firstly whenever they need to access the service.

For the competition of private hospitals in Samut Sakorn province and neighboring areas to the hospital. Focused on providing medical services to customers who do not use social security services, including Mahachai 1 Hospitals, NakornThon Hospital and Bangkok 9 International Hospital which the Ekachai Hospital and Mahachai 1 Hospital are located in Muang Samut Sakhon while NakornThon Hospitals and Bangkok 9 International Hospital are located on Rama 2 and far away from the hospital more than 20 kilometers. When considering to the medical service of each hospital offers specialized vary such as Medicine of Heart, Neurological Surgery, Internal medicine, gastroenterology, etc.

Considered from the number of patient's bed which are provided, Ekachai Hospital is a smallest hospital, however as the doctors of the hospital are expertise and be recognized by the people in the province, both in Obstetrics - Gynecology and Pediatrics and Microbiology and Surgery. The attentiveness to the services of the hospital, quality with competitive prices including public relations and social activities of the hospital, make hospital Revenue growth continuously and the ability to manage costs and expenses effectively, this is the result that make the hospital to gain net profit continuously over the last three years.

## Supply of Product and Service

### 1. Recruitment of Medical staff

The hospital has provided medical professionals through multiple channels, whether through the provision of medical directors of the famous hospital which could persuade physicians with the ability and expertise in various fields to join the hospital both part-time and full-time for medical doctor and the hospital has also announced for the recruitment of doctors via [www.thaclinic.com](http://www.thaclinic.com) which is a website about the medical person particularly.

For nursing staff, the hospital always gives scholarships to Faculty of Nurse, Christian University which has a good relationship with the hospital and the nurses sent graduates to join the hospital continuously. Furthermore, the hospital also provides care through, hospital billboard, Provincial Labor Office and educational institutions

As of December 31, 2019; the hospital has medical staff as the following amount:

Work Field	2018		2019	
	Full-time (person)	Part-time (person)	Full-time (person)	Part-time (person)
1. Department of Medicine	27	100	30	108
2. Division of Nursing				
2.1 Nurse	99	31	98	20
2.2 Nursing Assistant	101	-	111	-
2.3 Staff	23	-	30	-
3. Medical Support				
3.1 Pharmacy	19	5	10	9
3.2 Laboratory	10	2	10	2
3.3 Radiodiagnosis	10	2	3	2
3.4 Physical Therapy	9	5	5	5
<b>Total</b>	<b>298</b>	<b>145</b>	<b>297</b>	<b>146</b>

## 2 The supply of medicines and medical supplies

Drug use is a significant cost of doing business, hospitals priority will focus on the procurement of medicines and medical supplies. By purchasing with vendors on the roster vendors (Approved Vendor List: AVL), which selected the seller to the roster, the seller will take into account the prices of products and services also are available assessing vendors every year Based on product quality Speed of delivery And after-sales service Where to buy drugs or new drugs must be approved by the Board of Directors and drug substitutes before purchasing it. The Board of Directors of the hospital's Drug and substitutes (Consist of the director of the hospital, Deputy Director, Assistant director, Director of nursing, outpatient and inpatient, Head of laboratory, Head of Diagnostic Radiology, Head of Procurement Warehouse, Supervisor Hospital infection prevention and control, Nurses and Risk Management) is responsible for the policy and practices regarding drug, review and approval of the drug, medical supplies and eliminations and put the rules in question Drug-related most hospital, the procurement of medicines and medical supplies from vendors such famous company, Zuellig Pharma Ltd., DKSH (Thailand) Co., Ltd., etc., without dependence on any single supplier which the Hospital has payment term to the supplier for about 30 days.

For the management of medicines and medical supplies to the hospital's inventory to determine the amount advanced and a minimum of medicines and medical supplies each will consider from Statistical information of the consumption of the service and timing of orders. This helps the hospital to manage medications and supplies in inventory effectively. In addition, the hospital pharmacist is responsible for checking the expiry dates of medicines and medical supplies to be able to change with the seller on time.

### 3 Supply of Equipment and Medical Instruments

Medical devices and high-value equipment such as X-ray computer, detection of bone density, defibrillators must pass a test from the doctor or healthcare provider users and applications from manufacturers to compare at least three companies will consider the qualifications and quality products. After-sales service and the physician or medical personnel use to prepare the report and head of the order authorized to offer the next order. The first order must be considered together, the director of the hospital, deputy director of the hospital, Medical or healthcare users, head of Procurement and the Chief Accountant The preventive maintenance, calibration and storage of medical attention. The Hospital Term of payment to vendors for about 30-60 days, or can be deferred regarding to the negotiations with distributors.

#### Environmental Impact

From the concept of Green Hospital, the Hospital has established a Committee on Environment and Security (Environment of Care Committee), a committee responsible for monitoring the implementation of regulatory measures and projects, the management of safety, health and the environment within the hospital which has policies and practices related to the environment.

#### Environmental Policies and Security of Hospital

To provide service to the clients and hospital staff for the safety in life and property under good environment, this demonstrates accountability awareness of safety that is important and a requirement for all entities that all units will have to be analyzed and put into place a system into practice seriously and consistent, the hospital has set the policy of environment and safety as follows.

1. Safety Clinic Ensure patients can be identified correctly, effective communication between the patient care, safety in the use of high-risk medications including patients' safe use of medical devices and safe from infections in hospital (Patient Safety Goal).
2. Safety and health practitioners: The Hospital considered that all employees are important resource, so that all parties should follow.
  - 2.1. The hospital treats safety at work of all employees. All levels to work together to achieve compliance with the safety of themselves and others.
  - 2.2. Hospital care will continue to improve workplace hygiene and safe which probably not an accident or dangerous to patients and staff as well as supporting the use of proper protective equipment.
  - 2.3. Commanders at all levels must be responsible for security in the work of subordinates to follow the rules strictly defined.
  - 2.4. Hospital staff will promote and prevent illness due to work in all cases and to encourage employees to have good health.
3. Policy on the conservation of the environment, the hospital will prevent the business causing pollution to the environment. And to improve system performance is always to conserve the environment and minimize the use of materials, the device that caused the destruction of the environment and reduce wasteful use of resources.



4. The hospital has a plan to deal with emergency situations. Appropriate
5. The environmental impact assessment report. Monitoring and Reporting According to the law in its entirety,  
In addition, the hospital focused on the implementation of measures to prevent and mitigate environmental impacts and measures to monitor environmental quality. The cooperation of all parties in the hospital and Reporting and compliance measures two times per year, according to the Office of Natural Resources and Environmental Policy and Planning from continuing operations is provided. The report will include information corresponding measures to prevent and mitigate environmental impacts and measures to monitor the quality of the environment as the following:

#### Hydrology and water treatment

1. There are 364 cubic meters of water storage reserves are sufficient for emergency support for water supply at 1:33 on the maintenance of water pipes and water tank once a year in order to stay in good condition, clean and has sent water samples inoculated on a monthly basis.
2. A waste water treatment plant with a suitable amount of water leaving the hospital each day. A bio-microbial treatment Check the water quality every three months.
3. A waste water treatment for the Biochemical Oxygen Demand (BOD) is reduced to no more than 20 milligrams per liter, before discharge into public water conduit by PCD Ministry of Natural Resources and Environment

#### Energy Conservation

1. Set the policy of energy efficiency and reduce all unnecessary energy loss down as much as possible.
2. Targeting the energy not over 700,000 baht per month and designated as part of the operation of the hospital.
3. Improving the use of energy in the organization efficiency and continuously.
4. Ser the energy saving measures into practice of an organization.
5. There will obey the laws related to energy conservation and energy management standards. But it must not result in performance. Services provided by hospitals decreased.

The Hospital set energy-saving measures such as turning off the power to all units operating in a luminous sun, switch off whenever not in use, walk up - down 1-2 stairs instead of the elevator floor, set the temperature at 25 degrees Celsius, air conditioning, lighting off Air and computer during lunch break, turn off air-condition before off work for 15-30 minutes and so on.

#### Solid Waste Management

The hospital's cleaning staff to collect solid waste and changing bags for solid waste every day, two times, and then bring the collected waste into the garbage room, which is behind the project and waiting for the store to unload the material. The Hospital has solid waste management system since the origin of the waste sorting garbage, waste divided into four categories including general waste and recycling waste, infectious waste, toxic waste and garbage are supported adequately to standard. The waste will be disposed of as waste by garbage and toxic waste to be disposed of by organizations Khok Kham, every on Monday, Wednesday and Friday of infectious waste. Be eliminated by an outside firm every Tuesday, Thursday and Saturday and recycling will be collected and sold scrap

two times a month which the Hospital always has the training and reviewing annually.

### Fire Protection

1. Provide 24-Hours guards to monitors the security of the clients.
2. Provide a label showing the fire escape route and location of fire extinguishers includes the way to use the equipment clearly.
3. Provide systems include Fire Detection and Smoke Detector Heat Detector and switches of fire alert.
4. Provide the Alarm Bell Detector to inform the fire.
5. Provide Fire Hose System and mobile tanks chemical extinguishers (Fire Extinguisher) in all hospital's floors.
6. Provide automatic sprinkler systems, covering a total area of all floors in the building.

### Security Management

To secure the clients and hospital's staff in life and property under a good environment and demonstrate the responsibility, realized to the important of the safety of the organization and a requirement for all entities that need to be analyzed and put into seriously practice system and consistent enterprise-wide hospital's policy as follows.

1. Safety Clinic: ensure that the patients can be identified correctly, effective communication between the patient care, Safety in the use of high-risk medications, including patients safe use of medical devices and safe from infections in the hospital. Define security policies of the patient (Patient Safety Goal).
2. Safety and health of practitioners: As the hospital treated all staff as an important resource, so that all parties should follow:
  - 2.1. The hospital considers that the security at work is responsible by all employees and all levels to work together to achieve compliance with the safety of themselves and others.
  - 2.2. The hospital will always improve; take care of workplace in hygienic and safe, try not to have any accident or dangerous to both patients and staff as well as supporting the use of proper protective equipment.
  - 2.3. Commanders at all levels must be responsible for security in the work of subordinates to follow the rules strictly defined.
  - 2.4. The hospital will promote and prevent illness of their staff due to working in all cases and to encourage employees to have good health.

In addition, the hospital has also been certified by the Ministry of Natural Resources and Environment. The Awards of establishments that comply with the environmental impact assessment report and the outstanding of excellence management of the environmental (EIA Monitoring Award), the outstanding award for fourth consecutive time in 2009 , 2011, 2013 and 2017, which will be reported every six months and is scheduled for operation and monitoring of the 11 areas which are (1) climate, dust, vibration, the volume and heat (2) hydrology and water quality, (3) plumbing / water (4) land use (5) solid waste management (6) drainage and flood protection (7) removal, waste water and sewage (8) Transportation (9) the use of electricity and energy (10) Public Health, Occupational Health and Safety (11) scenery and nature that should be reserved.

# Risk Factor

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## The Risk of Reliance on Executive

As Dr.Amnaj Eur-Areemitr is the Director of the hospital who experienced in the hospital management for a long time and is also licensed to operate a medical facility of the hospital and be an obstetrician who experienced, expert and well known in Samut Sakorn province and neighboring areas. This attracts the client to use the service of into treatment in the mother and child which is the center of a second income of the hospital. As well as the company aimed to be a hospital for mother and child to provide comprehensive services in the future while Dr.Amnaj has the proportion of share only for 0.77% in the company, so there is the risk of reliance on executive as mentioned.

However, as Dr.Amnaj Eur-Areemitr is a co-founder Liberality and one of the company shareholders this ensure that Dr. Amnaj will be still a full-time medical doctor of hospital and be a director in the administration of the hospital for further growth and such a good reputation, the hospital can persuade doctors who has experience and expertise in mother and child to work with the hospital continuously. This result is caused the center of mother and child to gain more trusty. Besides, the Company provides a management system and provides sub-committees in various fields which the administration does not depend on the executive too much, including the professional management, the employee improvement to support the good system of an expansion.

## The Risk in Competition

Nowadays, the people pay more attention in health; this can make people live longer and needs more medical treatment or medical check-up. Hospitals has been adapted to cater for such needs, for example; public hospitals have been providing health care in the form of additional private such as the private hospitals have been consolidated to achieve economies of scale and expand the service to cover more areas, including the investments in equipment and medical devices, the services improvement and development, publicize of various hospitals to attract more client to use the service. As a result, competitions in the provision of healthcare services of private hospitals are increased.

For areas of Samut Sakhon province and neighboring area of the hospital, there are private hospitals which are focused on providing services to client as well as the Ekachai Hospital such as Mahachai Hospital1, Vichaivej Hospital Vibharam Samutsakhon Hospital NakornThon Hospital and Bangpakok 9 International Hospital. However, each hospital specializes in the different treatment such as Internal Medicine, Cardiopathy, Neurological Surgery and Gastroenterology Surgery and etc. Ekachai Hospital specializes in Obstetrics-Gynecology, Pediatrics and a pediatrician for 24 hours including emergency trauma center that has been trusted by the authorities and rescuers equipped with a hospital foundation has also surveyed the medical services of the hospital adjacent regularly. To ensure that the services fee of the hospital is competitive and provide the marketing activities to promote the client to enhance the image of the hospital continuously such as the events “The Little Crawl”, the contest of “The Little Ekachai”, provide the First Aid service in the event of agencies and organizations. Awareness and training on health of counterparty customers who also provides a health check, treatment programs Beauty program that covers various needs of client of all ages, This ensure that the hospital able to competitive with other competitor efficiently.

### The Risk of a Shortage of Medical Personnel

The most important resource to provide the medical healthcare services are physicians, nurses and pharmacists and etc., especially the medical staff with specialized expertise. Nowadays, there are the competitions intensified in a private hospital thus the demand for healthcare professionals with expertise and knowledge are increased. The persuasion of the medical staff who are specialized and expertise between hospital are occurred and this could be a risk to loss the personnel who has such ability as mentioned.

However, the medical staffs of the hospital are increased all along by the growth of the hospital, in addition, the medical specialty that are a well known physician, skillful and be a full-time doctor of the hospital more than five years. The hospital has paid the remuneration and other appropriate benefits included the agreement of the time of medical check to meet the needs of the physician, this makes the resignation of the doctors are on low rates. The hospital has hired part-time physicians to support the needs of hospital clients which are increased. The hospital is also recruiting more doctors and promotes the physicians in the field of education in specialized subjects at all times in order to keep pace with the advancement of science and medicine.

For nurses, the hospital has supported the scholarship to Faculty of Nurse in many institutions such as Christian University, Bangkokthonburi University and also cooperated with the nurse training agency. Therefore, the nurse has been joining the hospital continuously and hospital provides a competitive compensation and benefits policies. Making a turnover rate of nurse resignation are considerably low. The average turnover rate of full-time nurse resignation of the hospital was 0.28% per month in 2019. Moreover, the Company has also signed a memorandum of cooperation with the College of Nursing to accommodate future expansion.

The Company also organizes the conferences of Medical training in various fields, including sending medical staff to external training seminars to develop capability and keep pace with the advancement of science and medicine and motivate the medical personnel to keep working with the hospital.

### The Risk of Payment for Medical Care

According to the ethics of medical treatment to continue the medical treatment provided to the client prior to charging medical expenses, thus the company risky for not available to collect the expenses from the clients after the treatment.

The Company has hedges to receive medical treatment for all types of customers. For non-emergency services such as the hospital inpatient department will assess the costs for medical treatment in advance. To make customers aware of the budget and to identify the costs incurred for the service on a regular basis every three days or every 20,000 baht expenses and pay gradually amount. In case the customers who use the rights of treatments by the hospital contract, the hospital will check the right for their medical treatment cost. The Company also provides credit customer contracts by considering the financial position of the parties to reduce the risk of unpaid bills and the expenses collection. In addition, the Company has strictly dunning which can be the indicators of collection staff to have more efficient.



### The Risk of Prosecution

The clients who use the medical service or related person able to prosecute the medical personnel who provide medical care includes the hospital if any error occurs, or resentment to heal. This makes the hospital to face the risk of the prosecution which might affect to the performance of the hospital.

To avoid such risks, the hospital has focus on quality and standards regarding to the correctly process of medical treatment by specialists with experience and advanced equipment and standard to prevent the errors that can occur during the treatment.

In addition, the hospital will also evaluate the quality of services and satisfaction of both outpatient and inpatient. The evaluation box will be opened daily to represent in the executives daily meeting to response to the complaints immediately. Therefore, there is the Committee of Service Development (Service with a Heart) which uses the data to plan and develop the services annually to improve the service and the establishment of Risk Management Committee to conduct surveillance issues and healthcare includes handling complaints of violence at various levels in order to respond quickly and appropriately resolved and summarize the problems report to the executive monthly.

As at December 31, 2019 the Company has no litigation regarding medical services.

### The risk of disease outbreaks

From the environment, weather change, Combined with the occurrence of severe epidemic such as the Covid-19 virus Causing spreading in many areas around the world Affect the travel or service of those who need to use medical services. Due to concerns about receiving germs from other.

However, the company has set up a screening point to check the history and provide temperature measurement service. Before entering the hospital building As well as providing alcohol hand washing gel at various points and focusing on cleaning the area Disinfectant spray Every point in the hospital Especially those with constant

### Risk from economic recession

Due to the economic downturn. Affecting the business operations of many entrepreneurs. In which some businesses were closed down, resulting in the dismissal of many employees. Most people are worried with less spending, including health spending which if the illness occurs and is not severe will find a drug to buy by yourself.

However, the customers at the hospital emphasize on the contractual customer group or those who have health insurance with the insurance company, with medical expertise and most users are in the middle level or higher with sufficient purchasing power. Therefore resulting in trust in medical services which may not have much impact.

# Capital Structure and Shareholders

## Registered capital and paid-in capital

As of January 21, 2020, the Company had registered capital of THB 300,000,000 and had paid-up capital of THB 300,000,000 divided into 600,000,000 as common stock at par value of THB 0.50

## Shareholders

Top ten major shareholders of the Company as of January 21, 2020, the latest closing date of share registration book is as following.

No.	Shareholder Name	Number of share	Percentage
1	<b>Eur-Areemitr/Oerareemitr Group</b>	<b>121,829,500</b>	<b>20.30%</b>
	Mr.Amnuay Oerareemitr	26,502,900	4.42%
	Mrs.Kanchana Oerareemitr	21,636,600	3.61%
	Mr.Kittipat Oerareemitr	19,960,000	3.33%
	Ms.Nittha Oerareemitr	19,760,000	3.29%
	Mr.Worawut Oerareemitr	19,760,000	3.29%
	Dr.Amnaj Eur-Areemitr	4,600,000	0.77%
	Mrs.Pichamonch Patanapoonyapirom	3,036,000	0.51%
	Ms.Anusara Eur-Areemitr	2,516,000	0.42%
	Mr.Saktad Patanapoonyapirom	1,917,800	0.32%
	Mr.Nath Eur-Areemitr	1,532,200	0.26%
	Mrs.Orachon Kunapinan	608,000	0.10%
2	<b>Tangsajjapoj Group</b>	<b>113,379,580</b>	<b>18.90%</b>
	Mrs.Orasa Tangsajjapoj	37,760,480	6.29%
	Mr.Chanchai Tangsajjapoj	18,520,000	3.09%
	Mr.Suttipong Tangsajjapoj	14,230,000	2.37%
	Ms.Natthaporn Tangsajjapoj	9,880,000	1.65%
	Mr.Thawatpong Tangsajjapoj	9,880,000	1.65%
	Mr.Monsit Tangsajjapoj	4,565,100	0.76%
	Mr.Thanarat Tangsajjapoj	4,560,000	0.76%
	Ms.Monthatip Tangsajjapoj	4,560,000	0.76%
	Mrs.Nattawan Tangsajjapoj	3,040,000	0.51%
	Mrs.Anongporn Tangsajjapoj	3,040,000	0.51%
	Ms.Suvimol Tangsajjapoj	1,824,000	0.30%
	Mrs.Srisakul Tangsajjapoj	1,520,000	0.25%
3	<b>Mr. Sathaporn Ngamruengpong</b>	<b>25,409,400</b>	<b>4.23%</b>

No.	Shareholder Name	Number of share	Percentage
4	<b>Lekviriyakul Group</b>	<b>18,491,700</b>	<b>3.08%</b>
	Mr.Thanakrit Lekviriyakul	9,120,000	1.52%
	Ms.Nachcha Lekviriyakul	8,816,700	1.47%
	Mrs. Tanyapat Lekviriyakul	400,000	0.07%
	Mrs. Thida Lekviriyakul	155,000	0.03%
5	<b>Popianthong Group</b>	<b>17,248,240</b>	<b>2.87%</b>
	Mr.Wanlop Popianthong	5,068,600	0.84%
	Mr.Permkiat Popianthong	4,059,880	0.68%
	Ms.Ploypailin Popianthong	4,059,880	0.68%
	Mr.Somchai Popianthong	4,059,880	0.68%
6	<b>Wanadilok Group</b>	<b>15,140,480</b>	<b>2.52%</b>
	Mr. Metha Wanadilok	10,555,480	1.76%
	Mr. Pravit Wanadilok	1,540,000	0.26%
	Ms. Paweena Wanadilok	1,530,000	0.26%
	Mrs. Samorn Wanadilok	1,500,000	0.25%
	Ms. Pornthip Wanadilok	15,000	0.00%
7	Mr. Krissada Janjuemas	12,500,000	2.08%
8	Mr.Kaweechai Lertassawarat	11,277,300	1.88%
9	Ms.Alisa Sinpattanasakul	11,080,000	1.85%
10	Mr.Somphop Tingthanatikul	11,000,000	1.83%
	Include the top 10 shareholders.	357,356,200	59.56%
	Other shareholders	242,643,800	40.44%
	Total	600,000,000	100.00%

## Others

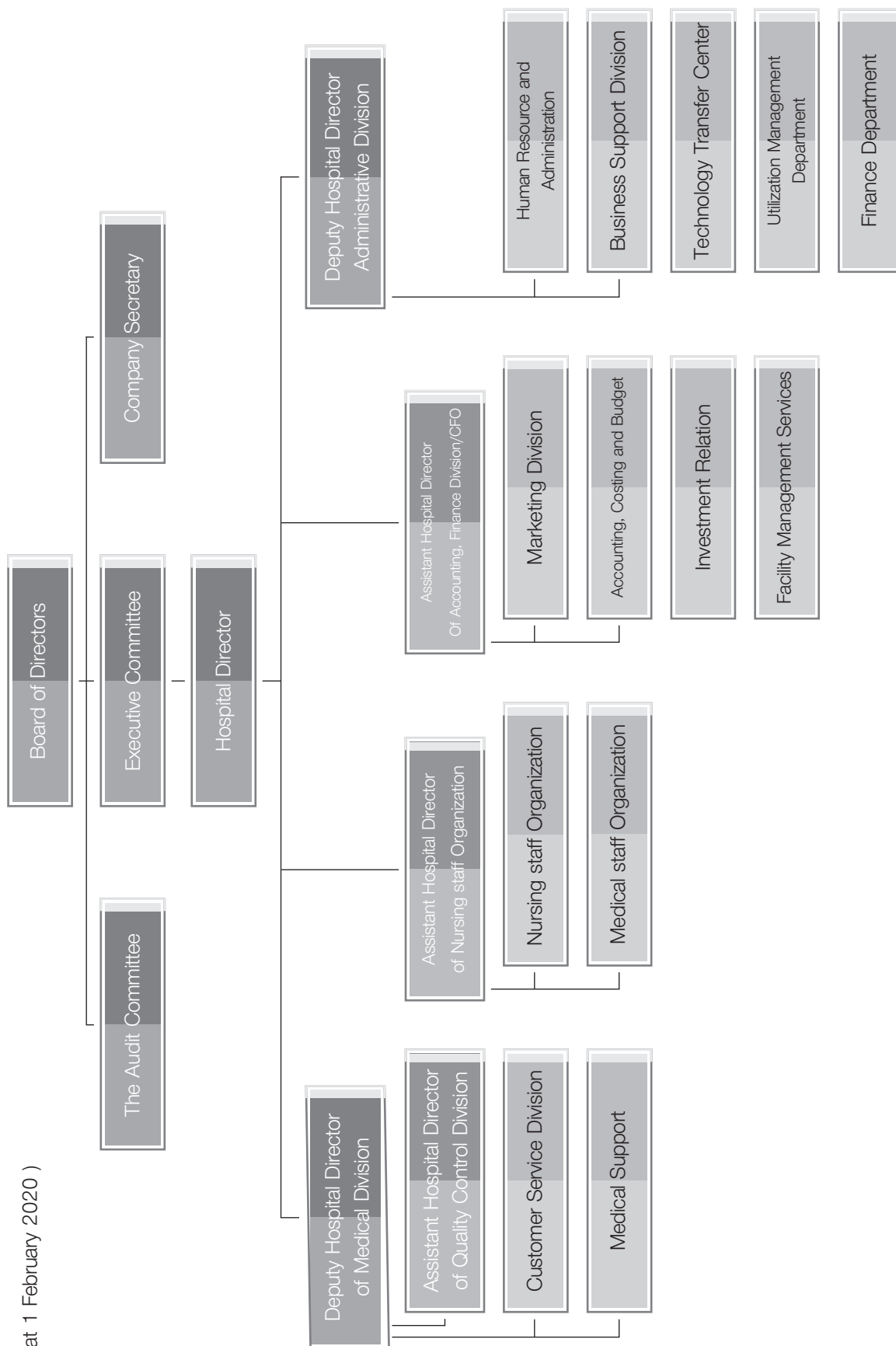
-None-

## Dividend Payment Policy

The Company has dividend payout ratio of at least 40% of net profit of the Company only in which net profit is after deducting corporate tax, legal reserve and other reserves. However, the Company may pay dividend less than mentioned above if necessity i.e. more working capital required, aggressive expansion plan, or else. The board resolution on dividend payment is needed to propose to shareholders' meeting for approval, except interim dividend in which board can go ahead and report to shareholders later.

# Management Structure

( at 1 February 2020 )





## Board of Directors

As at December 31, 2019 the Board of Directors is composed of 11 persons as follows.

Name	Position
1. Admiral Surasak Rounroengrom	Chairman and Independent Director
2. Dr. Surin Koocharoenprasit	Director / Independent director / Chairman of Audit Committee
3. Mr. Worapol Wiriyakulapong <sup>1)</sup>	Director / Independent director / Audit committee
4. Mr. Vuthichai Tumasaroj	Director / Independent director / Audit committee
5. Mr. Amnuay Oerareemitr	Director / Chief Executive Officer
6. Mr. Suthipong Tangsajjapoj	Director / Executive Vice President
7. Mrs. Orasa Tangsajjapoj	Director / Executive Director
8. Mrs. Kanchana Oerareemitr	Director / Executive Director
9. Mr. Suporn Panyasakorn	Director / Executive Director
10. Mr. Wanlop Popiantong	Director / Executive Director
11. Dr. Amnaj Eur-Areemitr	Director / Executive Director

<sup>1)</sup> Graduate in Accounting

Miss Nichanun Lertpunyaphol is the Company Secretary, who was appointed by the Company Board of Directors No. 1/2017 held on February 27, 2017.

### Director and authorized signatory of the company

Mrs. Orasa tangsajjapoj or Mr. Amnuay Oerareemitr, one of them can sign with Mr. Suthipong Tangsajjapoj or Mrs. Kanchana Oerareemitr or Mr. Wanlop Popientong or Mr. Amnuay Oerareemitr in total of two person and with the company seal.

### Limit and Scope of the Company Board Committee

1. The Board of Committee is response to manage and operation of the Company to comply with the laws and regulations of the company and the resolutions of the shareholders' meeting with honesty and protect of the company benefits.
2. Provide balance sheet and income statement of the Company as at the end of the accounting period of the company which the auditor is verified and presented to the shareholders for consideration and approval.
3. Set the targeted, strategy, policy, action plan and the company's budget, including the administration and management of the management section or any person who assigned to carry out such work in accordance with the policy.
4. Reconsider, review and approve policy directions, strategies, operation plans of the company which proposed by management team.
5. Determine the management structure; authorize to appoint the board of directors, Director of the hospital and other committees as appropriate including the scope of authority of the executive committee, Director of the hospital and Committees that are appointed.

The delegation of authority to impose duties, it must not be delegated to the Executive Committee, Director of the hospital and those Committees can approve transactions that may conflict with the interests or conflicts of any other benefit to the company or its subsidiaries (if any) except for the approval of the policies and rules that the committee already approved.

6. The Board of Directors may authorize one or more persons or any other person to operate one of the board is under the control of the Board of Directors may authorize such person so authorized by the Board of Directors appropriately and within the period agreement by the Board of Directors. The Board of Directors may revoke or modify the mandate that has been agreed upon.

The authorization must not be authorized to make such a person can be considered and approved the transaction, or any person who may have conflicts of interest, stakeholders or there may be a conflict of interest in any other way to make up the company or its subsidiaries (if any) as defined in the Notification of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or any of its related entities, unless the approval is based on policies and guidelines approved by the board.

### The Executives

As at December 31, 2019 there are a total of six members of the executives which consist of:

Name	Position
1. Dr. Amnaj Eur-Areemitr	Hospital Director
2. Dr. Kaweechai Lertussawarat	Deputy Hospital Director of Medical Division
3. Mrs. Pichamonch Patanapoonyapirom	Deputy Hospital Director of Administrative Division
4. Mrs. Penrung Laohasom	Assistant Hospital Director of Quality Control Division
5. Dr. Nittha Oerareemitr	Assistant Hospital Director of Nursing Staff Organization
6. Mr. Suttipong Tangsajapoj	Assistant Hospital Director of Accounting and Finance Division/CFO

### Scope of Duties and Responsibilities of Hospital Director

1. Supervise the operation and / or daily administration of the Company.
2. Prepare and present policies, strategic, direction, business plan, budget, investment, management structure of the Company and guidelines to conduct business in accordance with economic conditions. To be presented to Executive Committee, the Board of Directors of the Company for approval.
3. Overseeing the operation or performance of the Company according to the policies, plans and budgets which approved by the Company Board of Directors as well as to monitor and evaluate the performance of the Company according to the policy and reporting the performance management, including the progress in the implementation of the Executive Committee, the Audit Committee and the Board of Directors
4. Approval of the transaction, which is typical of the company according to the budget or the budget approved by the Board of Directors. The amount for each item is defined in the power grid approved by the Board of Directors but no later than the annual budget approved by the Board of Directors including entering into contracts relating to such matters.

5. To approve the cost of doing the normal course of business according to the budget approved by the Board of Directors and according to the authorization approved by the Board of Directors.
6. Set the organizational structure including the appointment, hiring, assignment, transfer, wages, bonuses, compensation and termination of employees.
7. Authorized to order, announcing to work according to the policies and benefits of the Company and to maintain the discipline of work within the organization.
8. Authorized to delegate and / or assigning others to perform specific tasks instead. The delegate and / or delegate it to fall within the scope of its mandate under the power of attorney and / or to comply with regulations or orders issued by the Board of Directors of the Company and / or the Company has specified.
9. Operate other duties as assigned by the Board of Directors or various committees from time to time.

In the process, the Director of the hospital or any person authorized by the Director of the hospital or the person who may have conflicts of interest (as defined by the Capital Market Commission and / or the Stock Exchange of Thailand and / or its related entities defined) interests or conflicts of interest with the Company and / or its subsidiaries and / or affiliated companies. Director of the hospital has no authority to take action in the matter, the matter will be presented to the Board of Directors and / or shareholders (depends on each case) to approve the exemption which is approved as a normal business and normal trading conditions, pursuant to the Notification of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or its related entities designated.

#### Limits and Scopes of Financial Amount Approval

The Company has set a spending limit for the approval of the regular transaction by the Company and the financial transactions as the following details.

	Hospital's Director	Executive Committee	Board of Directors
Over payment of the approved investment budget	$\leq 1,000,000$ Baht	$> 1,000,000$ บาท <u>not over</u> 30,000,000 Baht	$> 30,000,000$ Baht
The request of increasing in new capital expenditures during the fiscal year.	$\leq 1,000,000$ Baht	$> 1,000,000$ บาท <u>not over</u> 30,000,000 Baht	$> 30,000,000$ Baht
The request of exceeds budget which is approved.	$\leq 1,000,000$ Baht	$> 1,000,000$ บาท <u>not over</u> 30,000,000 Baht	$> 30,000,000$ Baht
The request of increasing in new expenses during the fiscal year	$\leq 500,000$ Baht	$> 500,000$ บาท <u>not over</u> 10,000,000 Baht	$> 10,000,000$ Baht
The purchase of assets	$\leq 3,000,000$ Baht	$> 3,000,000$ <u>not over</u> 30,000,000 Baht	$> 30,000,000$ Baht
Approval of Marketing Activities which are unplanned	$\leq 1,000,000$ Baht	$> 1,000,000$ <u>not over</u> 10,000,000 Baht	$> 10,000,000$ Baht

Approved by the Board of Directors Meeting No. 6/2017 on December 22, 2017.

## Company Secretary

The Board of Directors Meeting No. 1/2017 which held on February 27, 2017, the Board of Directors has appointed Miss Nichanun Lertpunyaphol is in the position of the Company Secretary, who has attended the training course (CSP) Batch No. 48/2012 and “Effective Minute Taking (EMT)” course Batch No. 24/2012 organized by Thai Institute of Directors (IOD.) and other programs to support the work of the Board of Directors, the duties and responsibilities of the Company Secretary are as follows.

1. Preparation and storage of the documents below
  - (A) Registration Committee
  - (B) Notice of Directors Meeting, Minutes of Board of Directors and the Annual Report of the Company.
  - (C) Notice of Meeting of Shareholders and Minutes of Shareholders
2. Keep the stakeholders report which reported by the directors and the executives
3. Take other actions according to the notification of the Capital Market Commission

## Remuneration of Directors and Executives

### Compensation in Cash

#### Meeting Allowance

Position	Board of Directors *	Audit Committee *	Executive Committee
Chairman of the board	35,000	20,000	15,000
Vice-president	-	-	15,000
Committee	15,000	15,000	10,000
Secretary		-	-



In 2019, the Company has to pay the remuneration to the Board of Directors amount 2,120,000 baht as the following details.

No.	Name	Compensation / Attendance													
		Board of Director				Audit Committee				Executive Director					
		2018		2019		2018		2019		2018		2019		Total 2018	Total 2019
		(Baht)	(4 Times)	(Baht)	(5 Times)	(Baht)	(4 Times)	(Baht)	(4 Times)	(Baht)	(12 Times)	(Baht)	(12 Times)		
1	Admiral Surasak Rounroengrom	100,000	4/4	165,000	5/5								160,000	165,000	
2	Dr.Surin Koocharoenprasit	40,000	4/4	70,000	5/5	60,000	4/4	75,000	4/4				80,000	145,000	
3	Mr. Worapol Wiriyakulapong	30,000	3/4	70,000	5/5	40,000	4/4	55,000	4/4				70,000	125,000	
4	Mr.Vuthichai Tumasaroj	40,000	4/4	55,000	4/5	40,000	4/4	55,000	4/4				40,000	110,000	
5	Mr. Amnuay Oerareemitr	40,000	4/4	70,000	5/5					120,000	12/12	170,000	160,000	240,000	
6	Mr. Suthipong Tangsajlapoj	40,000	4/4	70,000	5/5					120,000	12/12	170,000	160,000	240,000	
7	Mrs. Orasa Tangsajlapoj	40,000	4/4	70,000	5/5					60,000	12/12	110,000	100,000	180,000	
8	Mr. Suporn Panyasakorn <sup>1)</sup>	30,000	4/4	10,000	1/5					50,000	10/12	20,000	80,000	30,000	
9	Mrs. Kanchana Oerareemitr	40,000	4/4	70,000	5/5					60,000	12/12	110,000	100,000	180,000	
10	Mr. Wanlop Popiantong	40,000	4/4	70,000	5/5					60,000	12/12	110,000	100,000	180,000	
11	Mr. Metha Wanadiok <sup>2)</sup>			60,000	4/5							80,000	0	140,000	
12	Dr. Amnaj Eur-Areemitr	40,000	4/4	55,000	4/5					60,000	12/12	110,000	100,000	165,000	
13	Dr. Kaweechai Lertussawarat									60,000	12/12	110,000	60,000	110,000	
14	Mrs. Pichamonch Patanapoonyapirom									60,000	12/12	110,000	200,000	110,000	
	Total	480,000		835,000		140,000		185,000		650,000		1,100,000	1,270,000	2,120,000	

<sup>1)</sup> ลาออกจากกรรมการ มีผลตั้งแต่วันที่ 21 มีนาคม 2562

<sup>2)</sup> ได้รับแต่งตั้งจากที่ประชุมคณะกรรมการบริษัท ครั้งที่ 2/2562 เมื่อวันที่ 13 พฤษภาคม 2562

### Executives' Remuneration

In 2019, the Company paid to the executives for 31.34 million baht which all revenue can be divided into salaries, bonuses and medical fees.

Executives' Remuneration	2018		2019	
	No. of Executive (person)	Remuneration (Baht)	No. of Executive (Baht)	Remuneration (Baht)
Salary Bonus	6	18,100,770	6	16,447,300
Medical fees	3	11,155,276	3	14,894,212

### Compensation in Cash

-None-

## Employees

### Number of Employees

In 2018, the company employs a total of 648 employees (exclude six executives) as detailed below.

Division	2018		2019	
	Full-time	Part-time / Temporary	Full-time	Part-time / Temporary
1. Corporate Medical	26	100	30	108
2. Division of Nursing	223	30	239	31
3. Medical Support	49	15	28	18
4. Support Services				
4.1 Quality Development	27	1	29	5
4.2 Customer Service	24	-	26	-
4.3 General Support	46	-	51	-
4.4 Marketing	38	3	35	-
4.5 Accounting, Finance and Budget	30	-	32	-
4.6 Technology Center	5	-	6	-
4.7 HR and Training	5	-	5	2
4.8 Office Administrator	17	-	3	-
<b>Total</b>	<b>490</b>	<b>149</b>	<b>484</b>	<b>164</b>

## The Employee Remuneration

### Compensation in Cash

In 2019, the company paid to employees (excluding Directors) of 163.13 million baht as the remuneration in the form of salaries, bonuses, overtime and other benefits as the following details.

Revenue (Baht)	2018	2019
Salary	95,730,662	115,903,676
Overtime	31,047,171	36,066,208
Bonus	6,838,418	10,046,362
Provident Fund *	1,304,519	1,114,126
Total	134,920,770	163,130,372

\* Provident Fund starts in 2016

### Other Revenue

-None-

### Labor disputes

-None-

## Personnel Development Policy

The Company recognizes the importance of personnel within the organization so the Company is scheduled of training and improves the personnel of the Company continuously. The objective is to increase the knowledge, skills and expertise, including efficiency in the performance of employees at all levels. As well as inviting speakers from external institutions to lecture and educate more employees, the Company will review and update training courses which are always up to date and appropriate.

The training and development is direct responsibility of the commander who plan and follow up closely, the Company will take care of the progress of employees' work thoroughly and fairly. Determined in accordance with the level of knowledge, skills and abilities of its employees, the Company will consider managing employees and executives in various operations, attending workshops and seminars on matters relating to the performance of each department more consistently.

# Information of the Committee and Executive

## Details of the Committee, the Executive and the Controller.

Name / Position (Date of appointment as a director)	Age (Yea)	Education Qualifications	Company Stake (21/1/2020)	Relationship between Family and the Executive	Work Experience in the past 5 years		
					Duration	Position	Business Type
1. Admiral Surasak Rounroengrom (27 Feb 2016) • Director (Non-executive directors) • Independent Director • Chairman of the board	67	Bachelor of Science Naval Academy  Directors Accreditation Program (DAP) Course Batch No.124/2016	0.07	-	2016 - Present 2019 - Present  2014 - 2019 2011 - 2013	Chairman of the board Director  Member of the National Assembly Chief of Naval Operations	Private Hospital Agricultural Product  Government Government
2. Dr. Surin Koocharoenprasit (27 Feb 2016) • Director (Non-executive directors) • Independent Director • Chairman of Audit Committee	64	Master of Medicine Chiang Mai University <u>Bachelor of Science</u> Chiang Mai University  Directors Accreditation Program (DAP) Batch No.123/2016	0.07	-	2016 - Present 2015 - 2016 2009 - 2015	Chairman of Audit Committee Director of Medical Deputy Director of the Department of Medicine	Private Hospital Government Government
3. Mr.Worapol Winiyakulapong (27 Feb 2016) • Director (Non-executive directors) • Independent Director • Audit Committee	57	Master of Management Information Systems University of Colorado at Denver, U.S.A. Master of Business Administration Chulalongkorn University <u>Bachelor of Accounting</u> Thammasat University  Directors Accreditation Program (DAP) Batch No.124/2016	0.07	-	2016 - Present 2007 - Present 2017 - 2019 2007 - 2019 2017 - 2019 2019 - 2019	Audit Committee Director Director Chief Financial Officer Director Consultant	Private Hospital Hotels and Restaurants Food and Beverage Food and Beverage Hodling Food and Beverage

4. Mr. Vuthichai Tumasaroj (27 Feb 2016) <ul style="list-style-type: none"><li>• Director (Non-executive directors)</li><li>• Independent Director</li><li>• Audit Committee</li></ul>	44	<u>Master of Business Administration</u> Sasin Graduate Institute Of Business Administration <u>Master of Science</u> Digital Signal processing Rochester Institute of Technology, USA <u>Bachelor of Engineering</u> King Mongkut's Institute of Technology Ladkrabang Directors Accreditation Program (DAP) Batch No.123/2016	0.07	-	2016 – Present 2017 - Present 2015 - Present 2015 - Present 2013 - Present 2014 - Present 2010 - Present 2006 - Present 2004 - Present  2014 2010 - 2015	Director Director Director Director Director Director Director Director Director  Director Director	Ekachai Medical Care PCL Investment Banking Club Hag Tag (Thailand) Co.,Ltd. PHM International Co.,Ltd. Discover Management Co., Solaris Funds Co.,Ltd. Pacific Assets PCL Winham and Washington Co.,Ltd. Verisoft Co.,Ltd.  Seamico PCL E.C.O.P (Thailand) Co.,Ltd.	Private Hospital Association of Thai Securities Companies Information Technology Real Estate Financial Advisor Funds Real Estate General Counsel  Information Technology Securities System Safety Information
	5. Mr. Amnuay Oerareemit (27 Feb 2016) <ul style="list-style-type: none"><li>• Authorized Director</li><li>• Chief Executive Officer</li></ul>	65	<u>Master of Public Administration</u> Tong Sook College <u>Bachelor's degree in Public Administration</u> Tong Sook College Directors Accreditation Program (DAP) Batch No.SEC/2015	4.42	Younger Brother Of Mrs. Orasa Tangsajjapoj  Brother Of Dr. Ammaj Eur-Areemit and Mrs.Pichamon Pattanapunyapirom  Husband Of Mrs. Kanchana Oerareemit	2016 - Present 2017 – Present 2019 – Present 2013 - Present 2013 - Present 2011 - Present 2011 - Present 2011 - Present 2003 - Present 1999 - Present 1995 - Present 1995 - Present 1994 - Present 1994 – Present 1992 – Present 2011 - 2018	Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director	Ekachai Medical Care PCL Ekachai International Co.,Ltd. Ekachai Nursing Home Co.,Ltd. Khwan Pattana Co.,Ltd. Smile Plus Co.,Ltd. Panya Land Co.,Ltd. Thai Feather Meal Factory Co.,Ltd. Sri Racha Crocodile Farm and Product Co.,Ltd. Pro Biotech Feed Co.,Ltd. Fishmeal Marketing Development Co.,Ltd. Serm Sin Ocean Farming Company Co.,Ltd. Serm Sin Marine Feedmill Co.,Ltd. Ban Rai Co.,Ltd. Nupro Co.,Ltd. Siam Agri Supply Co.,Ltd Kao Klao Co.,Ltd.



Name / Position (Date of appointment as a director)	Age (Yea)	Education Qualifications	Company Stake (21/1/2020)	Relationship between Family and the Executive	Work Experience in the past 5 years			
					Duration	Position	Company Name	Business Type
6. Mr.Suthipong Tangsajajapoj (27 Feb 2016) <ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Executive Vice President</li> <li>• Assistant of Hospital Director – Accounting and Finance</li> <li>• The most responsible person in accounting and finance</li> </ul>	42	Master of Economics Chulalongkorn University Master of Business Administration University of San Francisco, U.S.A. Bachelor of Economics Chulalongkorn University - Directors Accreditation Program (DAP) Batch No.SEC/2015 - Strategic CFO in Capital Markets Program” No. 4/2017, Stock Exchange of Thailand - Technical Analysis and Risk Management Techniques for Sustainable Value-Added Investment, Stock Exchange of Thailand - Certificate of Course Completion MBA in One Day, Multiply Training Plus, 2561 - Insight Financial Management, Stock Exchange of Thailand, 2019 - Beyond Treasury Management 2/2019, Federation of accounting professions	2.37	Son Of Mrs. Orasa Tangsajajapoj	2016 - Present	Director	Ekachai Medical Care PCL.	Private Hospital
					2017 - Present	Assistant of Hospital	Ekachai Medical Care PCL.	Private Hospital
					2017 - Present	Director – Accounting and Finance	Ekachai International Co.,Ltd.	IVF
					2019 - Present	Director	Ekachai Nursing Home Co.,Ltd.	Nursing Home
					2017 - Present	Director	Yaowawong Holding Co.,Ltd.	Holding
					2016 - Present	Director	Meka Realestate	Real Estate
					2016- Present	Director	M2 Fitness Co.,Ltd.	Fitness Center
					2015 - Present	Director	Villa 33 Co.,Ltd.	Hotels and Restaurants
					2014 - Present	Director	M Fitness Co.,Ltd.	Fitness Center
					2013 - Present	Director	Jim 33 Co.,Ltd.	Fitness Center
					2010 - Present	Director	Fishmeal Marketing Development Co.,Ltd.	Animal Food Product
					2010 - Present	Director	Serm Sin Ocean Farming Co.,Ltd.	Property Rental
					2010 - Present	Director	Serm Sin Marine Feedmill Co.,Ltd.	Property Rental
					2003 - Present	Director	Petchkorn Co.,Ltd.	Real Estate
					2003 - Present	Director	Sujajapoj Co.,Ltd.	Real Estate
					2002 - Present	Director	Best P. Co.,Ltd.	Real Estate
					2002 - Present	Director	Por Pan Co.,Ltd.	Real Estate
					2002 - Present	Director	Rung Sin Sap Co.,Ltd.	Real Estate
					2002 - Present	Director	Siam Sam Pee Co.,Ltd.	Real Estate
					2002 - Present	Director	Blue China Co.,Ltd.	Real Estate
						Director		Real Estate

7. Mrs.Orasa Tangsajjapoj (27 Feb 2016) • Authorized Director • Executive Director	68	First Class Diploma in Business Administration St. Godric's College, United Kingdom  Directors Accreditation Program (DAP) Batch No.122/2015	6.29	Sister Of Mr. Amnuay Oerareemitr Dr. Annaj Eur-Areemitr and MisPichamon Pattanapunyapirom  Mother Of Mr. Suthipong Tangsajjapoj	2016 - Present 2002 - Present 2002 - Present 2002 - Present 1994 - Present 1991 - Present 1989 - Present	Director Director Director Director Director Director Director	Ekachai Medical Care PCL. Best P. Co.,Ltd. Por Pan Co.,Ltd. Siam Sam Pee Co.,Ltd. Sujapoj Co.,Ltd. Rung Sin Sap Co.,Ltd. Petchkomen Co.,Ltd.	Private Hospital Real Estate Real Estate Real Estate Real Estate Real Estate Real Estate
8. Mrs.Kanchana Oerareemitr (27 Feb 2016) • Authorized Director • Executive Director	62	Bachelor in Humanities Ramkhamhaeng University  Directors Accreditation Program (DAP) Batch No.122/2015	3.61	Wife Of Mr. Amnuay Oerareemitr	2016 - Present 2013 - Present 2010 - Present 2010 - Present 2010 - Present	Director Director Director Director Director	Ekachai Medical Care PCL. Khwan Pattana Co.,Ltd. Serm Sin Marine Feedmill Co.,Ltd. Serm Sin Ocean Farming Co.,Ltd. Fishmeal Marketing Development Co.,Ltd.	Private Hospital Real Estate Property Rental Property Rental Animal Food Product
9. Mr.Wanlop Popientong (27 Feb 2016) • Authorized Director • Executive Director	58	Master of Political Science Ramkhamhaeng University Bachelor in Political Science Ramkhamhaeng University  Directors Accreditation Program (DAP) Batch No.123/2016	0.84	-	2016 - Present 2013 - Present  2012 - Present 2009 - Present 2009 - Present 2008 - Present 2007 - Present 2005 - Present 2005 - Present  2003 - Present 2003 - Present 2000 - Present 1991 - Present 1989 - Present  1988 - Present	Director Director  Director Director Director Director Director Director Director  Director Director Director Director Director  Director	Ekachai Medical Care PCL. D-Land Precast Co.,Ltd.  Punnasiri Homeplace Co.,Ltd. D-Land Group Co.,Ltd. D-Land Property Co.,Ltd. Chalong Hill Co.,Ltd. D-Land Plus Co.,Ltd. Chalong Chai Property Co.,Ltd Chok Mahachai Development Co.,Ltd. Single Line Travel Co.,Ltd. Taweewong Ice Industry Co.,Ltd. Chok Mahachai Marine Co.,Ltd. Sakorn Thanasap Co.,Ltd. Pacific Marine Food Products Co.,Ltd. Chok Mahachai Co.,Ltd.	Private Hospital Manufacturing prefabricated concrete Property Development Property Development Property Development Property Development Property Development Property Development Property Development Property Development Tourism and Services Ice Production and Sell Refrigerated Warehouses for rent Loan Servicing Motorcycles Frozen Seafood Product Gas Station

Name / Position (Date of appointment as a director)	Age (Yea)	Education Qualifications	Company Stake (21/1/2020)	Relationship between Family and the Executive	Work Experience in the past 5 years			
					Duration	Position	Company Name	Business Type
10. Mr.Suporn Panyasakorn <sup>1)</sup> (27 Feb 2016) • Authorized Director • Executive Director	57	<u>Bachelor in Political Science</u> Ramkhamhaeng University  Directors Accreditation Program (DAP) Batch No.123/2016	0.03	-	2016 - Present	Director	Ekachai Medical Care PCL.	Private Hospital
					2013 - Present	Director	D-Land Precast Co.,Ltd.	Manufactures and sells precast concrete
					2013 - Present	Director	Panya Estase Co.,Ltd.	Land and House
					2010 - Present	Director	Panya House Co.,Ltd.	Land and House
					2009 - Present	Director	D-Land Property Co.,Ltd.	Property Development
					2009 - Present	Director	Panya Land Co.,Ltd.	Property Development
					2009 - Present	Director	Sri Racha Crocodile Farm and Product Co.,Ltd.	Crocodile breeding and selling
					2009 - Present	Director	PanyaMunkong Property Co.,Ltd.	Land and House
					2007 - Present	Director	D-Land Plus Co.,Ltd.	Property Development
					2007 - Present	Director	Panya Munkong Concrete	Concrete
					2003 - Present	Director	Probiotech Feed Co.,Ltd.	Production of Meal Animal Food
					2003 - Present	Director	Thai Feather Meal Factory Co.,Ltd.	Animal Food
					2003 - Present	Director	Sirichai Feather Industrial Co.,Ltd.	Animal feed from chicken feathers
					2003 - Present	Director	Ekachai Building & Service Co.,Ltd.	Warehouse Rental
					2002 - Present	Director	D-Land Group Co.,Ltd.	Property Development
					2000 - Present	Director	Sri Racha Farm (Asia) Co.,Ltd.	Tannery Animals
					1999 - Present	Director	Ekachai Ice Co.,Ltd.	Ice Production and Sell
					1995 - Present	Director	Mahachai P.S. Concrete Co.,Ltd.	Ready-mix concrete plant
					1995 - Present	Director	A.S.T. Electric Co.,Ltd.	Electric Equipment
					1994 - Present	Director	Ban Rai Resort Co.,Ltd.	Palm Plantation and
1994 - Present	Director	Sinsamut Coldstorage lndustry Co.,Ltd.	Crocodile Breeding					
1992 - Present	Director	Panya Munkong Co.,Ltd.	Refrigerated Warehousing					
1990 - Present	Director	Nu Pro Co.,Ltd.	Mocycles Leasing					
1985 - Present	Director	Sirichai Industry Co.,Ltd.	Animal Food Production					
11. Mr. Metha Wanadilok 2) (13 May 2019) • Authorized Director • Executive Director	75	<u>Bachelor of Economics</u> Finance, Thammasat University <u>Bachelor of Laws</u> Thammasat University  Directors Accreditation Program (DAP) Batch No.164/2019	1.76	-	2019 – Present	Director	Ekachai Medical Care PCL.	Private Hospital
					1963 – Present	Consultant	Charoen Pokphand Group	Agro-industrial and food business
					2007 - Present	Consultant	Thailand Freight and Logistics Association	Logistics
					2007 – 2013	Honorary Advisor	Commission on Civil Rights, freedom and consumer protection, Senate	Government

12. Dr. Amnaj Eur-Areemitr (27 Feb 2016) • Authorized Director • Executive Director • Hospital Director	63	Bachelor of Medicine Siriraj Hospital Mahidol University Directors Accreditation Program (DAP) Batch No.128/2016	0.77	Younger Brother Of Mrs. Orasa Tangsajapoj & Mr. Amnuay Oerareemitr Brother Of Mrs. Pichamon Pattana- punyapirom	2016 – Present 2007 - Present 2017 - Present 2019 - Present	Director Hospital Director Director Director	Ekachai Medical Care PCL. Ekachai Medical Care PCL.. Ekachai International Co.,Ltd. Ekachai Nursing Home Co.,Ltd.	Private Hospital Private Hospital IVF Nursing Home
13. Dr. Kaweechai Lertussavarat • Executive Director & • Deputy Hospital Director of Medicine Division	60	Bachelor of Medicine Siriraj Hospital Mahidol University	1.88	-	2006 - Present 1989 - Present	Deputy director of the hospital - the Department of Medicine. Director	Ekachai Medical Care PCL. Bangkru Poly Clinic Co.,Ltd.	Private Hospital X-ray facility
14. Mrs. Pichamon Pattanapunyapirom • Executive Director • Deputy Hospital Director of Administrative Division	58	Master of Business Administration King Mongkut's Institute of Technology Ladkrabang Bachelor of Business Administration Bangkok University	0.51	Younger Sister Of Mrs. Orasa Tangsajapoj & Mr. Amnuay Oerareemitr & Dr. Amnaj Eur-Areemitr	2006 - Present 2003 - Present	Deputy Hospital Director - Accounting, Finance and Administration. Director	Ekachai Medical Care PCL. Sajjapoj Co.,Ltd.	Private Hospital Real Estate
15. Mrs. Penrung Laohasom • Assistant Hospital Director of Quality Control Division	58	Bachelor of Science Nursing and midwifery Mahidol University Specialized courses in Management Nursing Administration, Faculty of Nurse Mahidol University Guests explore the outside University Hospital Accreditation	0.03	-	2013 - Present 2006 - 2013	Assistant Hospital Director of Quality Control Division The Manager of Qual- ity Development Sec- tion	Ekachai Medical Care PCL. Ekachai Medical Care PCL.	Private Hospital Private Hospital

Name / Position (Date of appointment as a director)	Age (Yea)	Education Qualifications	Company Stake (21/1/2020)	Relationship between Family and the Executive	Work Experience in the past 5 years		
					Duration	Position	Company Name Business Type
16. Dr. Nitta Oerareemitr • Assistant Hospital Director of Medical & Nursing staff Organization	39	Bachelor of Medicine Srinakharinwirot University  Diploma of the Thai Board of Internal Medicine, Phramongkutklo Hospital  Diploma of the Thai Board of Internal Medicine, Pulmonary Medicine And Pulmonary Critical Care, Phramongkutklo Hospital  Diploma of the Thai Board of Internal Medicine, Critical Care Medicine, Phramongkutklo Hospital	3.29	Daughter of Mr. Amnuay Oerareemitr and Mrs. Kanchana Oerareemitr	2019 - Present	Assistant Hospital Director of Medical & Nursing staff	Ekachai Medical Care PCL. Private Hospital
					2013 - Present	Organization	Phramongkutklo Hospital Real Estate
					2015 - 2019	Director Medical professor	Khwan Pattana Co., Ltd. Real Estate
17. Ms. Luksana Chaivate Supervisor of Accounting Division and Accounting Supervisor	38	Bachelor of Business administration (Accounting) Thaksin University	-	-	2016 - Present	Supervisor of Accounting Division	Ekachai Medical Care Co., Ltd. Hospital
					2013 - 2016	Assistant auditor	K.P.A. Audit Co., Ltd. Audit Service
					2008 - 2013	Accountant	K.P.A. Audit Co., Ltd. Audit Service

1) Resign from the Board of Director Effective from 21 March 2019

2) Appointed from the meeting of the Board of Directors No. 2/2019 on 13 May 2019



## Details of Company Secretary

Name / Position	Age (Yea)	Education Qualifications	Compa- ny Stake (31/12/59)	Relationship between Family and the Executive	Work Experience in the past 5 years			
					Duration	Position	Company Name	Business Type
Ms. Nichanun Lertpunyaphol Company Secretary & Manager of Investor Relations	45	Master of Finance Siam University Bachelor in General Management <u>Sukhothai Thammathirat Open University</u>  - Company Secretary Program Batch No. 48/2012 Thai Institute of Directors (IOD) - “Effective Minute Taking (EMT)” Program Batch No. 24/2012 Thai Institute of Directors (IOD)	-	-	2017- Present	Company Secretary and Manager of Investor Relations	Ekachai Medical Care Co.,Ltd.	Private Hospital
					2011-2016	Assistant Manager, Investor Relations	Gunkul Engineering Co.,Ltd.	Renewable Energy

## The Responsibility of the Company Secretary

- Supervise and advise the Board and the executives on compliance with legal requirements, rules and regulations of the company and monitor the implementation properly and consistently.
- Responsible of the board and the share holders meeting includes coordinating the implementation of the resolutions of the resolutions of the conference
- Take care of the disclosure and reporting information on the responsibility to follow the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission includes related laws.
- Prepare and maintain document as below.
  - Registration Committee
  - Notice of the Meeting and Report of the Minutes
  - Notice of Meeting of Shareholders and report of the Minutes.
  - Annual Report of the Company
  - The stakeholders report of directors and management.

## Details of the tenure of the management and controller of the Company. In Subsidiary and related companies on December 31, 2017

Name	Company	Subsidiary		Related Company																										
		1	2	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Adm. Surasak Rounroengrom	C	Ekachai International Co.,Ltd.	Ekachai Nursing Home Co.,Ltd.	Fishmeal Marketing Development Co.,Ltd	Serm Sin Ocean Farming Co.,Ltd.	Serm Sin Marine Feedmill Co.,Ltd	Khwan Pattana Co.,Ltd	D-land Group Co.,Ltd.	D-land Property Co.,Ltd.	D-land Precast Co.,Ltd.	D-land Plus Co.,Ltd.	Nupro Co.,Ltd.	Ban Rai Resort Co.,Ltd.	Best P. Co.,Ltd.	Por Pan Co.,Ltd.	Panya Land Co.,Ltd.	Pro Biotech Feed Co.,Ltd.	Thai Feather Meal Factory Co.,Ltd.	Petchkorn Co.,Ltd.	Rung Sin Sap Co.,Ltd.	Sri Racha Crocodile Farm and Product Co.,Ltd.	Siam Sam Pee Co.,Ltd.	Sajjapoj Co.,Ltd.	Euro Dee Co.,Ltd.	Jim 33 Co.,Ltd.	Chalong Chai Property Co.,Ltd.	Chalong Hill Co.,Ltd.	Chok Mahachai Co.,Ltd.		
Dr. Surin Koocharoenprasit	AC																													
Mr. Worapol Wiriakulapong	AC																													
Mr. Vuthichai Tumasaroj	AC																													
Mr. Amnuay Oerareemitr	/,/,/,/	/	/	/	/	/	/					/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	
Mr. Suthipong Tangsajajapoj	/,/,/,/,M	/	/	/	/	/								/	/				/	/				/	/					
Mrs. Orasa Tangsajajapoj	/,/,/,/,/																		/	/										
Mrs. Kanchana Oerareemitr	/,/,/,/,/			/	/	/	/																							
Mr. Suporn Panyasakorn	/,/,/,/,/							/	/	/	/	/	/											/	/	/	/	/	/	
Mr. Wanlop Popientong	/,/,/,/,/							/	/	/	/	/	/																	
Mr. Metha Wanadilok	/,/,/,/,/																													
Dr. Annaj Eur-Areemitr	/,/,/,/,/,M	/	/																											
Dr.Kaweechai Lert-Ussavarat	////,M																													
Mrs.Pichamon Pattanapunyapirom	////,M																													
Mrs.Penrung Laohasom	M																													
Dr. Nitta Oerareemitr	M						/																							
Remark	C	= Chairman of the board		AC	= Audit Committee		/	= Committee		//	= Director of Hospital																			
	///	= Executive Director		////	= Executive Director		M	= Executive																						

	Name	Company	Subsidiary		Related Company																											
			1	2	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50			
			Ekachai International Co.,Ltd.	Ekachai Nursing Home Co.,Ltd.	Chok Mahachai Development Co.,Ltd.	Chok Mahachai Marine Co.,Ltd.	Single Line Travel Co.,Ltd.	Discover Management Co.,Ltd.	Ekachai Ice Co.,Ltd.	Blue China Co.,Ltd.	Panya Munkong Co.,Ltd.	Panya Munkong Concrete Co.,Ltd.	Panya Munkong Property Co.,Ltd.	Panya Estate Co.,Ltd.	Panya House Co.,Ltd.	Punnasiri Homelplace Co.,Ltd.	Pacific Marine Food Products Co.,Ltd.	Pacific Assets Public Company Limited	PHM International Co.,Ltd.	Prime Freight Forwarder Co.,Ltd.	Mahachai P.S. Concrete Co.,Ltd.	Winham and Washington Co.,Ltd.	Villa 33 Co.,Ltd.	Verissoft Co.,Ltd.	Siracha Farm (Asia) Co.,Ltd.	Sirichai Feather Industrial Co.,Ltd.	Sirichai Industry Co.,Ltd.	Smile Plus Co.,Ltd.	Sakorn Tanasap Co.,Ltd.			
Adm. Surasak Rounroengrom		C																	✓													
Dr. Surin Koocharoenprasit		AC																														
Mr. Worapol Wiriyakulapong		AC																														
Mr. Vuthichai Tumasaroj		AC					/											/				/										
Mr. Amnuay Oerareemitr		/,/,/,/	/	/																			/									
Mr. Suthipong Tangsaijapoj		/,/,/,/,M	/	/					/														/									
Mrs. Orasa Tangsaijapoj		/,/,/,/,/																														
Mrs. Kanchana Oerareemitr		/,/,/,/,/																														
Mr. Suporn Panyasakorn		/,/,/,/,/							/		/	/	/	/	/						/				/	/	/					
Mr. Wanlop Popientong		/,/,/,/,/			/	/	/									/																
Mr. Metha Wanadilok		/,/,/,/,/																														
Dr. Annaj Eur-Areemitr		/,/,/,/,/,M	/	/																												
Dr.Kaweechai Lert-Ussavarat		/,/,/,/,M																														
Mrs.Pichamon Pattanapunyapirom		/,/,/,/,M																														
Mrs.Penrnung Laohasom		M																														
Dr. Nitita Oerareemitr		M																														
Remark	C	= Chairman of the board		AC		= Audit Committee		/		= Committee																						
	/			///		= Executive Director																										//// = Executive Director M = Executive

Name	Company	Subsidiary		Related Company																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Remark      C      = Chairman of the board      AC      = Audit Committee      /      = Committee      //      = Director of Hospital  
                  ///      = Executive Director      ///      = Executive      = Executive

# Corporate Governance

## Governance Policy

The Company recognizes the importance of good corporate governance regarding it considers as an important component towards a management system that is efficient, transparent and verifiable. This will help to build trust and confidence of shareholders, investors, stakeholders and related parties by having good corporate governance is a tool to increase more value, create competitiveness as well as promote sustainable growth of the company in the long run. Therefore, the Company has established a policy of good governance as required by the Stock Exchange of Thailand. The Meeting of the Company Board Directors No. 1/2016 held on February 27, 2016, which covers five categories, as detailed below.

### Section 1: The Rights of Shareholders

The company realizes to the importance of fundamental rights of the shareholders equity for example; the right to sell or transfer the shares, the right to receive a share of company profits, the right to receive adequate information of the Company, the right to attend the meeting to vote in the shareholders' meeting to appoint or remove directors, appointment of Auditor and issues that affect the company such as a dividend management, defining or modifying regulations and memorandum and Articles of Association, reduction or increase its capital and so on.

Besides, the fundamental rights as above, the Company is also engaged in various issue to encourage and facilitate the exercise of shareholders.

1. Notice of Meeting sent to shareholders at least 7 days prior to the meeting by stating the date, time, place and agenda as well as information relating to the matter to be decided at the meeting in its entirety.
2. In the event that a shareholder cannot attend the meeting, the Company invites shareholders to appoint an independent director or any person to attend the meeting on their behalf which the Proxy has attached with the notice of meeting.
3. Opportunity for shareholders to ask questions, comments and suggestions with fully independent.
4. After meeting, the Company will prepare a report showing the data correctly, so that shareholders can be checked.

After the company was transformed into a public company and was registered as a listed company, the Company will need to provide the Board of Directors opinion in the notice calling the shareholders' meeting. And send a prior notice of the meeting to the shareholders within the specified duration from SEC to provide shareholders with the information before the meeting. Moreover, shareholders will also receive information through electronic media of exchange, Company website and the news from newspaper under the Public Company policy is to provide the Board of Directors attending shareholders simultaneously especially, the President of each section such as Chairman of the audit committees, etc., in order to clarify or answer questions of shareholders at the meeting.

### Section 2: The Equitable Treatment of Shareholders

The Company has a policy to treat and protect the rights of all shareholders equally and fairly. All shareholders are directors and shareholders who are not executives, Shareholders who are Thai or foreigners, major shareholder or shareholders. After the sale of shares in this company and is listed on the SET, the Company's policy is to increase the choice of meeting to shareholders who cannot attend the meeting in person to appoint an independent director or other



person to attend and vote on behalf of shareholders. As well as provide an opportunity for shareholders to nominate persons to be appointed as Director in a reasonable time.

The conference proceedings will be in accordance with the regulations of the company. The agenda will be in details on each item in its entirety clearly consideration and it will not be added to the agenda without notifying shareholders in advance unnecessarily. The Agenda is vital that shareholders need time to study the information before making a decision.

Board of Directors has taken measures to prevent wrongful use of insider trading of the individuals involved, including directors, executives and employees, including spouses and underage children of such persons with the relevant information including sanctions on the disclosure of the Company or more of the Company to use them for their own benefit, according to internal data protection policies to take advantage as well as to educate the directors and executive officers of the Company about the obligation to report their shareholdings in the company of their spouses and underage children as well as reporting of the holding changes to the Securities and Exchange Commission under Sections 59 and penalty provisions under the Securities Exchange Act of 1992.

### Section 3 :The Role of Stakeholders

The Company has a policy of giving priority to the rights of all stakeholders with fairness and transparency which satisfied all parties as details follows

Shareholder	:	The Company is committed to conducting business with the knowledge and skills in management with the best in all cases, with integrity and fairness to major and minor shareholders to the best interests of the shareholders as a whole.
Employee	:	The company treats all employees equally and fairly including a reasonable profit. Give priority to the development of potential employees thoroughly and regularly by providing training Develop competent employees continued to develop the skills to work to maximum efficiency. The Company compliance with laws and regulations which related to staff strictly. There are the establishment of a fund for their employees, bonuses and other benefits such as health insurance, accident insurance etc.
Partners	:	The company is committed to complying with the terms of trade. Including compliance with contract partners sincerely. Not taking advantage and not to take any action which is the corruption in the trade partners.
Creditor	:	The Company is committed to compliance with the terms and conditions strictly in financial objective; to use the money to repay the care quality collateral and any other matters to be agreed with creditors to achieve mutual benefits.
Client	:	The Company pay attention and responsible to the client by providing good service quality with standardize, keep the confidentiality of patient, has the center to receive the complaints from the client and resolved the problem faster, including the assessment of user satisfaction by conducting research for more satisfaction and needs of customers on a regular basis.
Competitor	:	The company is committed to obey the rules of competition. Maintain norms of conduct in the match and avoid dishonest practices to destroy competitors.
Community and Society	:	The Company recognizes the importance of environmental responsibility in community and society. In particular, the impact on the environment, the hospital provides a process to protect the environment such as destroying waste infections, sewage disposal, removal of toxic waste efficiency and standards prescribed by law. In addition, in each year the company has cooperated with the Government in providing the general health care service in the community festivals in Samut Sakhon province without any charge.

#### Section 4: Disclosure and Transparency

Board of Directors realized to the importance of information disclosure is accurate, complete and transparent and reasonable. The reporting of financial data and other information maintained by the Securities and Exchange Commission as well as important information that affects the price of securities of the Company which affects the decision-making process of investors and stakeholders of the Company to those related to the Company all information equally. After the IPO at this time, and the Company entered into a listed company, the Company will publish the information of the Company to shareholders and the public through the media and disclosure and the Company's website

Board of Directors Realizing the responsibility for the financial statements are complete and accurate information is true and reasonable. The financial statements of the Company Prepared in accordance with generally accepted accounting principles. The accounting policies are appropriate and consistently. And use careful judgment including adequate disclosure in the notes to the financial statements. In addition, the Commission has provided the maintenance of an effective internal control system. To ensure that there is no reason that the recording of accounting information is accurate, complete and sufficient to maintain the property. And to identify weaknesses in order to prevent fraud or irregular operation significantly including the appointment of the Audit Committee which consist of non-executive directors to serve on the audit of financial reports, Transactions and internal control; The Audit Committee will directly report to the Board of Directors.

In terms of investor relations, the company as assigned Ms. Nichanun Lertpunyaphol, Investor Relations Manager to contact and give information to the shareholders, analyst and related organization. Such information must be complete and accurate information on the real and thorough.

#### Section 5: Responsibilities of the Board of Directors

##### 1. Board Structure

The Company Board of Directors consists of experts with knowledge and experience in management level from each organization. Thus they can use their experiences to develop policy and business direction of the Company effectively and the benefit of its company and shareholders, the Board of Directors Will play a significant role in the policy and image of the organization as well as play a key role in overseeing, monitoring the performance of the management and evaluation of the implementation of the Company according to the plan.

The Company currently has a total of 11 board members consist of 4 Independent Directors, which more than one third of the total number of the Board of Directors. Also the Directors appointed Committees to assist in the governance of the Company as follows:

- 1.1 Company Board of Directors: There are 9 company boards of directors who determine the direction and strategy of the business according to the goals set by the Board of Directors and so the administration is seamless.
- 1.2 Audit Committee: There are totally 3 audit committees of the company to perform specific and submitted to the Board of Directors to consider and acknowledge. The Audit Committee has rights and duties as set out in the authority of the Audit Committee, at least one person must have knowledge and experience in accounting, sufficient to serve on the review reliability of the financial statements of the Company.

Board of Directors has a policy that the Chairman and the Director of the hospital should not be

the same person to achieve clarity on the responsibilities between policy, governance and management. The Company has clearly separated the roles and responsibilities between the Board of Directors and the administration; The Board of Directors responsible for policy and oversight of the executive while the executive management of the Company manages other work follows the company policy. In order to prevent the authoritarian, Company has clearly defined duties in the implementation of the company (Authority Table).

The Board of Directors appointed the company secretary for duties and responsibilities under the Act. Securities and Exchange Act Details are set out in Article 14

## 2. Roles and Responsibilities of the Board

The Company has given that the Directors should follow best practices for listed companies (Code of Best Practices) guidelines of the Stock Exchange of Thailand. The board must understand and be aware of their roles and responsibilities and must act according to the law and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with integrity and taking into account the interests of the Company and a major shareholder. The Board of Directors is set the policy, business goals, business plans and budgets of the Company and supervises the management to perform according to defined policies, plans and budgets effectively and efficiently for the best interests of the Company and its shareholders as a whole.

## 3. Policy on conflicts of Interest

The Company's measures to prevent conflicts of interest that may arise from the transaction of the Company and persons who may have a conflict that stakeholders in the matter will not be able to take part in the approval of such transactions. The Board of Directors must ensure that the Company Compliance with laws and regulations of the Securities and Exchange Commission announced the order or the requirements of the Capital Market Commission and the Stock Exchange of Thailand as well as compliance to the requirements on disclosure of related party transactions and the acquisition or disposal of major assets of the company including compliance with accounting standards set by the Association of Accountants strictly.

In addition, the Company will provide the Board of Directors or auditor or consider the case of independent experts to review and comment on the appropriateness of the price and reasonableness of the transaction. And to disclose the transactions mentioned in the notes to the financial statements which have been audited or reviewed by the auditors of the Company, Annual Report Form (Form 56-1) and Annual Report (Form 56-2).

## 4. Internal Control System

The Company recognizes the importance of internal controls for both the executive and operational levels. It has the power to determine the scope and clearly written. There is a control to use the property to gain most benefit and divide the responsibility of approval, the accounting records and information and storage assets apart to achieve a balance and check each other appropriately. It also has internal controls on financial systems, the company provided financial reports presented to the administrative lines of responsibility. The Internal Audit Department is responsible for monitoring the internal control system and reports directly to the Audit Committee.

The company is targeting the business a clear and measurable operation. The executive and management

will have to compare actual performance against targets set out on a monthly basis. There will be an assessment of the risks that come from both outside and inside found in the operation. Analysis of the causal factors and measures are established to track an event that causes the risk factors including measures to reduce risk, assigned to the relevant authorities, including the risks that follow continuous and report the progress reports to the Committee.

#### 5. The Meeting of the Board

The Company has policy that the Company Board of Directors need to attend the meeting at least once on every three months and there may be additional meetings as necessary. In each meeting has set the agenda for the meeting clearly and sending notice of the meeting with a detailed for 7 days in advance thus the Board of Directors have enough time to study the information before the meeting. As well as a note written on the report form and store the minutes of meetings which have been approved by the Board of Directors and ready for the Board of Directors and the relevant to check.

#### 6. Remuneration of Directors and Executives

The Company has a remuneration for the Committee and the executive at an appropriate level and the rate is sufficient for the treatment and management of quality without paying more than they should and at a level comparable to other companies in the same industry. Factors to be considered include obligations to experience, extent of their roles and responsibilities. The remuneration of the directors must be considered by a meeting of shareholders of the Company. In terms of remuneration of executives, to adhere to the principles and policies set by the Board of Directors, which is determined by obligations and responsibilities, the performance of each executive including the results of operations of the Company.

#### 7. Development of Directors and Executives

Board of Directors is dedicated to promoting and facilitating the training and educating people about involved in the governance of the Company, including the committee, the audit committee, the Directors and the company secretary to provide continuous operational improvements such as the course of Thai Institute of Directors Association: IOD.

#### 8. Directors' Report

Board of directors is responsible for reporting of the Company and financial information in annual report. That report is based on Thailand's general accounting standard by selecting the proper one and use it consistently. The auditor will assess the appropriateness of the accounting policies used by the management and the reasonableness of the accounting estimates and the disclosure of relevant information that the management has prepared. And the preparation of financial reports. Board of directors emphasizes persons who do report to have cautious judgment and to disclose sufficient information on financial notes.

Board of directors assigns audit committee to respond for quality of financial report and internal control. Comments from audit committee on this subject are shown in audit committee report and in annual report too.

Board of directors comments that financial report of the Company as of December 31, 2019, is right, sufficient and reliable.

## 9. Board of Directors Self-Assessment

The boards of directors have self-assessment on their own performance on a regular basis with on the purpose of reviewing their performance and addressing their issues together to further improvement. The self-assessment form recommended by the Stock Exchange of Thailand has been agreed to be used for the individual self-assessment in year 2019 by the board of directors. The form will be added or modified its questions to cover roles and responsibilities of the boards of directors in all aspects and it should comply with the company's nature of business.

Apart from the board of directors self-assessment, all subcommittee are requested to do the individuals self-assessment on a yearly basis.

## 10. President and Hospital Director Performances Evaluation

The board of directors response to evaluate the president and Hospital Director performances. This performance evaluation is to compare their achievements with their goals in corporate level and ability in individual level. The key factors to help make a sound decision for the evaluation consist of qualitative indicators including leadership, strategy formulation and implementation, financial planning and performance, relationship with board members, relationship with external organizations, staff administration and relationship with staffs, succession management, knowledge of products and services, and personal characteristics.

### Sub-Committee

The management structure of the Company consists of the Board of Directors, the Sub-Committees for two sets which are the Audit Committee and Executive Committee. The director, audit directors and executive officers of the Company are qualified under Section 68 of the Companies Act 1992 and the Regulation of the Capital Market Authority of the relevant committees of the Company are as follows.

### 1. The Audit Committee

As of December 31, 2019, the Audit Committee comprised of the Company is consist of three persons of the independent non-executive directors

Name	Position
1. Dr.Surin Koocharoenprasit	Chairman of Audit Committee
2. Mr. Worapol Wiriyakulapong <sup>1)</sup>	Audit Committee
3. Mr. Vuthichai Tumasaraj	Audit Committee

<sup>1)</sup> Audit Committee who has knowledge and experience in auditing on the Company's financial statements.

Ms. Nichanun Lertpannaphol, The Secretary of the Audit Committee which was appointed by the Board of Directors No. 1/2017 held on February 27, 2017.

### The Authority Scope of the Audit Committee

- Review the Company financial reporting to be accurate and adequate.
- Review the Company's internal control and internal audit that are appropriate and effective. Consider the independence of internal audit as well as to approve the appointment, transfer and dismissal of the head of



internal audit or any other agency responsible for internal audit.

3. Review the Company's compliance with the law on Securities and Exchange Commission, terms of the Stock Exchange and laws relating to the Company's business.
4. Nominate a person to serve as independent auditors of the Company and remuneration of such persons including a meeting with the auditor without management in attendance at least one time per year.
5. Consider the transaction or items that may have conflicts of interest according to the laws and regulations of the Stock Exchange in order to ensure that such transactions are reasonable and in the best interests of the Company.
6. Prepare a report of the Audit Committee to be disclosed in the annual report of the company which the report must be signed by the Chairman of the Audit Committee and must contain at least the following information.
  - (A) Opinion of the accuracy, completeness and reliability of the financial statements of the Company.
  - (B) Opinion on the adequacy of the internal control of the company.
  - (C) Opinion on the lawfulness of the Securities and Exchange Commission, terms of the Stock Exchange or the laws relating to the Company's business.
  - (D) Opinion on the suitability of an auditor.
  - (E) Opinion on the transactions that may have conflicts of interest.
  - (F) The number of meetings of the Audit Committee and attendance of each member of the Audit Committee.
  - (G) Overall opinion or observation that the Audit Committee has the duty under the Charter
  - (H) Other matters that Shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee.

## 2. Executive Committee

As of December 31, 2019, the Executive Committee comprised of 9 persons as follow;

Name	Position
1. Mr. Amnuay Oerareemitr	Chief Executive Officer
2. Mr. Suttipong Tangsajjapoj	Executive Vice President
3. Mrs. Orasa Tangsajjapoj	Executive Director
4. Mrs. Kanchana Oerareemitr	Executive Director
5. Mr. Suporn Panyasakorn <sup>1)</sup>	Executive Director
6. Mr. Wanlop Popianthong	Executive Director
7. Dr. Amnaj Eur-Areemitr	Executive Director
8. Dr. Kaweechai Lertassawarat	Executive Director
9. Mrs. Pichamonch Patanapoonyapirom	Executive Director
10. Mr. Metha Wanadilok <sup>2)</sup>	Executive Director

<sup>1)</sup> Mr. Suporn Panyasakorn, Resigned from the Executive Committee, effective from March 21, 2019

<sup>2)</sup> Mr. Metha Wanadilok, Appointed to be an executive director, effect from May 13, 2019

Ms. Nichanun Lertpannaphol, The Secretary of the Audit Committee which was appointed by the Executive of directors No. 1/2017 held on January 18, 2017.

#### The Authority Scope of the Executive of directors

1. Consider and propose policy goals, business plans and annual budgets. The Board of Directors is approval.
2. Supervise the business operations of the Company according to the policies, plans and budgets approved by the Board of Directors.
3. Approval Operations are normal business transactions of the Company. According to the budget or the budget approved by the Board of Directors. The limit for each item according to the power grid operation which approved by the Board of Directors.
4. Present the organizational structure corporate and executive power to consider and approve by the Committee.
5. Appoint or hiring a consultant involved in the management of the organization. To achieve maximum efficiency
6. Profits and loss of The proposed interim dividend Or annual dividends to the Board of Directors approval.
7. Give the power to authorize any other person to one person or several people. Operating one It is under the control of the Executive Committee or may delegate to such persons. Authorized by the Board of Directors deems appropriate. And within the Board of Directors deems appropriate. The Board of Directors may revoke or modify the authorized person. Or authorize others he saw fit
8. Take duties according to the Board of Directors from time to time.

The assignment of duties and responsibilities of the executive committee is not creating a power of attorney delegate or a person authorized by the board of directors to approve their entry or a person who may have conflicts of interest as defined in the Securities and Exchange Commission of Thailand and / or its related entities designated) stakeholders. Or there may be a conflict of interest with any other company. Or its subsidiaries And / or related company. The Executive Committee has no authority to proceed in the matter. The matter will be presented to the Board of Directors and / or shareholders. (D) for approval. Unless the approval is based on policies and normal trading conditions. This was announced by the Capital Market Commission. And / or the Stock Exchange of Thailand And / or its related entities designated.

#### Nomination and Appointment of Directors and top management.

The selection of persons to be appointed as directors of the Company will be appointed when the shareholder meeting. The Board of Directors will be considered by the experience, knowledge and qualifications required by law. Regard that the Company still not have the nominate committee to select candidates for such positions; then, at the meeting of shareholders to elect directors in accordance with the rules and procedures set forth in the Articles of Association of the Company.

In addition, the Board of Directors are responsible for recruitment and appoint a qualified person to be the hospital director, the criteria are

1. Considering of the general qualification, expertise and experience according to the Board of Directors shall determine.
2. Director of the hospital is not the same person as the Chairman of the Board of Directors.
3. Defined roles, powers and duties of the director of the hospital separately and clearly from Chairman. To

create a balance between management and governance.

4. Board of Directors is framed authority and performance goals of the hospital and to evaluate on an annual basis.
5. Director of the hospital is responsible for evaluating the performance of senior management down the order. The goals and criteria for evaluation are linked to strategic plans and annual plans to determine the appropriate remuneration and incentives.

#### The Composition and Appointment of the Board of Directors

The composition of nomination, appointment and dismissal of directors of the Company is defined in the Articles of Association of the Company. This can be summarized as follows.

1. The Board of Directors shall consist of not less than five directors and not less than one-half of the directors who has resident in the Kingdom and must qualify under the law.
2. The shareholders must elect directors according to the rules and procedures below.
  - (1) Each shareholder has one vote for each share held.
  - (2) Each shareholder can vote one or more directors in the same time but if elect many directors they cannot divide the votes more or less to anyone.
  - (3) A person who receives the highest votes in descending order are elected as a Director of the Board of Directors shall have a casting vote at that meeting. If the person elected in descending order of votes equal to the number of directors appointed or elected on that occasion, the chairperson has the final vote.
3. In every annual general meeting of shareholders, there are one-third of the directors to retire at the time. If the number cannot divide into three parts then retire should be the nearest number to one third. The directors to retire in the first year and second year after company registration need to do the draw lots. In the next years, the directors who have the longest year in this position shall retire from office. Directors to retire by rotation may be selected to get a new one.
4. Any director will resign need to submit his resignation letter to the company. The resignation is effective from the date that the company had received the resignation letter.
5. In cases where the position is vacant due to reasons other than the expiration of the term; the Board may choose someone who is qualified and there is no prohibition under the law on public companies and / or regulation of the Securities and Exchange Commission to be represented at the next meeting. If the term of directors is less than two months, an exception is the Board of Directors will hold office only for the remaining term of the director he replaces the resolution of the Board of Directors shall consist of not less than three-fourths of the remaining directors.
6. At the meeting, shareholders may vote for any director from office before the expiration of the term by a vote of not less than three-fourths of the shareholders present at the meeting and entitled to vote and holding shares amounting not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

#### The Composition and appointment of Independent Directors

Board of Directors will consider the introduction of a common property of the person to be appointed as

independent directors based on qualifications and disqualification of directors under the Public Law on the Securities and Exchange Commission Notification of the Capital Market Commission, including relevant rules, regulations and / or regulations. In addition, the Board of Directors is considered an independent panel of experts, experience and the suitability of each other and then to propose to the shareholders' meeting to appoint a director to the company's policy of appointing independent directors, at least one third of the total membership and shall consist of not less than three persons.

#### The Qualifications of Independent Directors

1. Shareholders does not exceed one percent of the shares with voting rights of the company, its subsidiaries, affiliates or juristic persons that may have conflicts of interest. Including the shares held by related persons.
2. Never or used to be a director, an employee, a consultant who receive a monthly salary or controlling shareholders of the Company, its subsidiaries, affiliates, subsidiaries, parent company, the same order or legal entities that have conflicts. Unless it is clear from the foregoing relationship not less than two years before the date of submission of the application to the SEC
3. Not a person who has blood ties or by legal registration as father, mother, spouse, siblings, spouses and children, including spouses and the children of executives, major shareholders, controlling shareholders or the person who will be nominated as executive or controlling persons of the Company or its subsidiaries.
4. Never or ever had a business relationship with the company, its subsidiaries, affiliates or entities that have conflicts in a manner that may impede their independent judgment including being or having been a major shareholder, Directors who are not Independent Directors or executive of those that have a business relationship with the company, parent company, subsidiaries, affiliates or entities that have conflicts. Unless it is clear from the foregoing relationship not less than two years before the date of submission of the application to the SEC.
5. Not being or having been an auditor of the company, its subsidiaries, affiliates or entities that have conflicts and is the majority shareholder, the independent non-executive, director or managing partner of the audit firm, the auditor of the company, its subsidiaries, affiliates or entities affiliated with conflict. Unless it is clear from the foregoing relationship not less than two years before the date of submission of the application to the office.
6. Not being or having been a professional service at all, this includes serving as a legal advisor or financial advisor which has been gained over two million baht per year from the company, its subsidiaries, affiliates or entities that have conflicts. In the case of professional services as a corporate entity, the offer includes a major shareholder, a member who is not a director, executive or managing partner, providers of professional services, unless exempted by the looks of it for not less than two years before the date of submission of the application to the office.
7. Not being a director appointed as a representative of the Company's directors, major shareholders or shareholders who are related to the major shareholders of the Company.
8. Do not operate the same nature and in competition with the business of the Company or partnerships that were in partnership or a director, an employee, a consultant who receive a monthly salary or holding more than 1 per cent of the shares with voting rights of the company which has the same business nature and in competition with the business of the Company.
9. There is no any other way that makes it impossible to provide an independent opinion about the company.

### The Composition and appointment of the Audit Committee

Board of Directors will appoint the Audit Committee, which the Audit Committee consists of at least three members appointed by the independent directors of the Company who are qualifying securities law and stock exchange including regulations and / or regulations of the Stock Exchange of Thailand. In addition, the independent directors who appointed the Audit Committee must have the following additional features.

1. Not being a director appointed by the Board of Directors to decide on the operation of the company, its subsidiaries, affiliated companies, subsidiaries of the same or legal entities that have conflicts.
2. Not being a director of the parent company or subsidiaries of the same, only the listed companies.
3. Knowledgeable and experienced enough to be able to act as Audit Committee shall have at least one person who is knowledgeable and experienced enough to be able to serve on the review of the reliability of financial statements.

Therefore, each audit committee shall have a term of office of three years.

### Report of securities holding of directors and senior executives of the company for the year 2019

No.	Name	Relationship	Number of shares held at the beginning of the year ( XO 30 Jan 62 )		Number of shares held at the beginning of the year ( XO 21 Jan 63 )	
			Number of shares	% Of pail-up capital	Number of shares	% Of pail-up capital
1.	Admiral Surasak Rounroengrom	Chairman of the Board	400000	0.067%	400000	0.067%
2.	Dr. Surin Koocharoenprasit	Chairman of Audit Committee / Independent Director	400000	0.067%	400000	0.067%
3.	Mr. Worapol Wiryakulapong	Independent Director / Audit Committee	400000	0.067%	400000	0.067%
4.	Mr. Vuthichai Tumasaroj	Independent Director / Audit Committee	400000	0.067%	400000	0.067%
5.	Mrs. Orasa Tangsajjapoj	Director	34,310,480	5.718%	37,760,480	6.293%
	Mrs. Orasa Tangsajjapoj	Spouse	20,520,000	3.420%	18,520,000	3.087%
6.	Mr. Amnuay Oerareemit	Director	26,402,900	4.400%	26,502,900	4.417%
7.	Mrs.Kanchana Oerareemit	Director	18,236,600	3.039%	21,636,600	3.606%
8.	Dr. Amnaj Eur-Areemit	Director	4,550,000	0.758%	4,600,000	0.767%
9.	Mr. Suttipong Tangsajjapoj	Director / Senior Management	12,271,000	2.045%	14,230,000	2.372%
	Mr. Suttipong Tangsajjapoj	Spouse	3,040,000	0.507%	3,040,000	0.507%
10.	Mr.Suporn Panyasakom <sup>1)</sup>	Director	21,172,640	3.529%	200,000	0.033%
11.	Mr. Wanlop Popianthong	Director	4,568,600	0.761%	5,068,600	0.845%
12.	Mr. Metha Wanadilok	Senior Management	9,943,800	1.657%	11,277,300	1.880%
13.	Dr. Kaweechai Lertassawarat	Senior Management	3,026,000	0.504%	3,036,000	0.506%
14.	Mrs. Pichamonch Patanapoonyapirom <sup>2)</sup>	Senior Management	3,693,600	0.616%	3693600	0.616%
15.	Mrs. Penrung Laohasom	Senior Management	170,000	0.028%	170,000	0.028%
16.	Dr. Nitta Oerareemit	Senior Management	19,760,000	3.293%	19,760,000	3.293%



## The Regulatory Operations of Subsidiaries and Affiliates

The company aims to invest in companies that engage in business as the core business of the Company or a similar entity or acquisitions that support the company's business. This will enable the Company Turnover or profit increase or invest in businesses that benefit (Synergy) to the company. You can support the core business of the Company for a more comprehensive to increase the competitiveness of the company.

In the supervision of subsidiaries and associates, the company will send a director or executive with qualifications and experience appropriate to the business to be represented in the management of subsidiaries and affiliates; to set policy and control the operations of its subsidiaries and / or affiliates. Thereof, the directors which are representative of the company must act in corporate subsidiaries and / or associates to manage. Or implementation of various policies including the Company's discretion must be used in accordance with the resolutions of the Board of Directors and / or the shareholders' meeting to approve the company's key subsidiaries, and / or its affiliates to cause the maximum benefit to the sustained growth of the company. In addition, the Company has determined that the directors representing the Company must ensure that its subsidiaries in the transaction, the acquisition or disposition of assets or any other major transaction of the Company shall be completely correct. The rules relating to the disclosure of information in the same manner as the rules of the company and the company has a system of internal control and internal audit are appropriate and effective. The review of the operations of its subsidiaries to comply with the law, the Securities and Exchange Commission SET regulations and laws including a regulatory filing, the accounting of the subsidiaries of the Company which can check and garnered the consolidation deadline.

## Control of the use of inside information

1. Prohibits directors, executive officers and employees of the Company to reveal the confidential and / or insider information of the Company to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly and whether they receive remuneration or not.
2. Prohibits directors, executive, officers and employees of the Company including spouses and underage children of such persons use the company information which may have an impact on the price of securities of the Company which is not yet publicly available to buy, sell, offer to sell or persuade others to buy, sell or offer for sale of securities of the Company whether directly or indirectly prior to the information will be disclosed to the public whether such actions will act to benefit themselves or others or to enable others to do so by its benefits in return. Any violation will be punished by the disciplinary measures of the Company.
3. The company had informed the executives understand and acknowledge about an obligation of the report of their own shareholdings in the company, their spouses and underage children as well as reporting about changing of the holding to the Securities and Exchange Commission under Sections 59 and penalty provisions under the Securities Exchange Act of 1992.
4. The Company has determined not to directors, executives and employees of the Company including spouses and underage children of such persons trading securities of the Company during one month period prior to the disclosure of financial statements and other information which significant to the company to the public.

The Company will notify its executive directors and employees of the Company on the above terms.

## Audit Fee

### 1. Audit Fee

In the year 2015-2019 the remuneration for the auditor of the company Consists of annual audit fees and the review fee for the 3 quarterly financial statements, with the following details

Year	Amount (Baht)
2015	1,200,000
2016	1,250,000
2017	1,375,000
2018	1,500,000
2019	1,600,000

### 2. Non-Audit Fee

- None -

## The Practice of Good Governance on the Other

The Company has policy and guidelines for the remuneration of directors and senior management, including the sub-commission which comparison with the industry experience, scope of duties and responsibilities includes the benefits expected to be received by each director. And to adhere to the principles of good corporate governance, the company has prepared a summary of attendance of Directors sets and various allowances provided in the management structure.

The Company Board of Directors has determined that the Company needs to prepare purchase - sale of shares / securities holding company, reporting to the Board of Directors for every meeting, the agenda to be informed by the chairman of a committee, the report on the work progress of the committee to the Board of Directors for every meeting. In order to effectively manage the organization for sustained growth and continues along the path of good governance.

In addition, in the year 2018, the company has prepared a plan to be in accordance with the good corporate governance principles for Thai listed companies (Corporate Code for Listed Companies "CG Code") in accordance with the guidelines recommended by the Securities and Exchange Commission by importing to the Board of Directors meeting to review and formulate a concrete practice and continue to develop.

# Internal Controls and Risk Management

## The Comments on Company Internal Control System

In the meeting of Company Board of Directors No. 1/2019 held on February 25, 2019, there are three Audit Committee members attended the meeting. Company Board of Directors has assessed the adequacy of the internal control of the Company by requesting information from the management which can concludes that the assessment of internal controls of the company consists of five parts as follows.

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Company Board concludes that the system of internal controls is adequate and reasonable, the Company has provided sufficient personnel to implement such systems efficiently which available to make the operations of the Company run follow as a good corporate governance and transparent. In addition, the company also provides a system for monitoring the operations of the Company to ensure that it can protect the assets of the Company from the directors or executives used wrongfully or without power including an adequate system of internal control over transactions with persons who may have conflicts of interest or related person.

## The Action on the Internal Controls of the Company

The Company has the Audit Committee to be responsible for reviewing the Company to have an appropriate and effective system of internal control and internal audit as well as the review of the performance of the Company according to the Law on the Securities and Exchange Commission, SET regulations and laws related to the Company's business. The Audit Committee will be meeting together at least once every quarter to consider and take action to correct financial reporting and disclosure of comprehensive and adequate including the related transaction or transactions that may have conflicts of interest in accordance with the laws and regulations of the Capital Market Commission and Stock Market which in the meeting the auditors will be attended to make observations of the audit of the Company.

To process the internal control of the Company effectively, the Company has engaged P & L Internal Audit Co., Ltd., to audit internal controls of the Company since 2014; the internal auditors have done the result of the assessment and monitoring internal controls of the Company and report directly to the Audit Committee continuously. The Company always amends the system operational in various departments upon the recommendation of the internal auditors. Additionally, the Company has implemented KPI (Key Performance Indicator) to control and evaluate the performance of various departments and guiding principles of risk management guidelines of the COSO (The Committee of Sponsoring Organizations of the Tread way Commission) to assess risk and plan for risk management and internal controls of the Company.

## Commenting on the Internal Control System of the Internal Auditor

In the year 2014 to the year 2019, the Company has appointed P&L Internal Audit Company Limited (“P&L”) which is the Office of Internal Audit Independence (Outsource) to monitor and follow the administration systems which consist of revenue cycle, expense cycle, integrated management of fixed assets and Integrated inventory management of drugs and medical supplies and HR integrated which given the suggestion to improve, increase checks and balances in all operational systems, thus improving the quality of internal control systems and will continue to lead the company to have a good system of governance that the Company has completely amended various issues regarding to the recommendation of the P&L.

## Head of Internal Audit

The company has hired an outside agency which is P&L Internal Audit Limited to monitor the internal controls of the Company since 2014 and P & L Internal Audit limited has assigned Ms. Monpat Bhumiratanajarin as chief of internal audit. The qualifications of the head of internal audit are as follows.

Internal Auditor	:	P & L Internal Audit Limited Miss Monpat Bhumiratanajarin (Senior Manager)
Education Qualifications	:	Master of Accounting Chulalongkorn University
Work Experience	:	2008 – Present P & L Internal Audit Limited
Related Training	:	Certification of Internal Auditors of Thailand (CPIAT) Batch No. 46

However, the consideration and approval of the appointment, removal, transfer the head of internal audit of the company must be approved (Or approved) by the Audit Committee.

# Related Transaction

## Relationship

The Company has related transactions with related companies, which means the subsidiary the companies that have the person who may have conflict of interest of company, has relationship with the management and shareholders of those companies. The relationship can be summarized as follows.

Related parties who may have conflict of interest	Relationship				
Ekachai International Co.,Ltd. (EKI) Business Type: IVF	- Joint directors are Mr. Amnuay Oerareemitr, Mr. Amnaj Eur-Areemitr and Mr. Suttipong - Co-Shareholder				
	Shareholder	EKH		EKI	
		No. of Shares	%	No. of Shares	%
	Mr. Amnaj Eur-Areemitr	4,600,000	0.77	179,999	1.05
D-Land Group Co., Ltd.(DLG) Business Type: Property Development	- Joint directors are Mr. Suporn Panyasakorn & Mr. Wanlop Popientong - Co-Shareholder				
	Shareholder	EKH		DLG	
		No. of Shares	%	No. of Shares	%
	1. Mr. Suporn Panyasakorn	200,000	0.03	332,500	4.75
	2. Mr. Wanlop Popientong	5,068,600	0.84	495,600	7.08
	3. Mr. Permkiat Popientong	4,059,880	0.68	396,200	5.66
	4. Mr. Somchai Popientong	4,059,880	0.68	396,200	5.66
D-Land Property Co.,Ltd. (DLP) Business Type: Property Development	- Joint directors are Mr. Suporn Panyasakorn & Mr. Wanlop Popientong - Co-Shareholder				
	Shareholder	EKH		DLP	
		No. of Shares	%	No. of Shares	%
	1. Mr. Suporn Panyasakorn	200,000	0.03	237,500	4.75
	2. Mr. Wanlop Popientong	5,068,600	0.84	353,835	7.08
	3. Mr. Permkiat Popientong	4,059,880	0.68	283,067	5.66
	4. Mr. Somchai Popientong	4,059,880	0.68	283,067	5.66
Sirichai Feather Industrial Co.,Ltd.(SFI) Business Type: Animal feed from chicken feathers	- Joint director is Mr. Suporn Panyasakorn - Co-Shareholder				
	Shareholder	EKH		SFI	
		No. of Shares	%	No. of Shares	%
	1. Mr. Suporn Panyasakorn	200,000	0.03	3,600	18.00
	2. Mrs. Wanpen Panyasakorn	4,593,000	0.77	6,000	30.00

Related parties who may have conflict of interest	Relationship				
Ekachai Ice Co.,Ltd.(EKICE) Business Type: Ice Production and Sell for fishery	<ul style="list-style-type: none"> <li>- Joint director is Mr. Suporn Panyasakorn</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		EKICE	
		No. of Shares	%	No. of Shares	%
	Mr. Suporn Panyasakorn	200,000	0.03	2,000	20.00
Panya House Co.,Ltd. (PH) Business Type: Land Allocation, Housing Construction	<ul style="list-style-type: none"> <li>- Joint director is Mr. Suporn Panyasakorn</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		PH	
		No. of Shares	%	No. of Shares	%
	Mr. Suporn Panyasakorn	200,000	0.03	10,000	20.00
Panya Estase Co.,Ltd.(PA) Business Type: Land Allocation, Housing Construction	<ul style="list-style-type: none"> <li>- Joint director is Mr. Suporn Panyasakorn</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		PA	
		No. of Shares	%	No. of Shares	%
	Mr. Suporn Panyasakorn	200,000	0.03	20,000	10.00
Pacific Marine Food Products Co., Ltd.(PMF) Business Type: Manufacture and Export Frozen Seafood	<ul style="list-style-type: none"> <li>- Joint director is Mr. Wanlop Popientong</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		PMF	
		No. of Shares	%	No. of Shares	%
	1. Mr. Wanlop Popientong	5,068,600	0.84	50,000	1.47
	2. Miss Ploypailin Popientong	4,059,880	0.68	85,000	2.50
	3. Mr. Permkiat Popientong	4,059,880	0.68	85,000	2.50
Chok Mahachai Marine Co.,Ltd. (CMM) Business Type: Cold Storage Service	<ul style="list-style-type: none"> <li>- Joint director is Mr. Wanlop Popientong</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		CMM	
		No. of Shares	%	No. of Shares	%
	1. Mr. Wanlop Popientong	5,068,600	0.84	160,000	20.00
	2. Mr. Permkiat Popientong	4,059,880	0.68	120,000	15.00
	3. Mr. Somchai Popientong	4,059,880	0.68	120,000	15.00
Chok Mahachai Co.,Ltd.(CM) Business Type: Gas Station	<ul style="list-style-type: none"> <li>- Joint director is Mr. Wanlop Popientong</li> <li>- Co-Shareholder</li> </ul>				
	Shareholder	EKH		CM	
		No. of Shares	%	No. of Shares	%
	1. Mr. Wanlop Popientong	5,068,600	0.84	1,500	0.83
	2. Mr. Permkiat Popientong	4,059,880	0.68	171,000	95.00
	3. Mr. Somchai Popientong	4,059,880	0.68	1,000	0.56



Related parties who may have conflict of interest	Relationship				
Thai Feather Meal Factory Co., Ltd. (TFM)  Business Type: Feed stuff production from feather	- Joint directors are Mr. Suporn Panyasakorn & Mr. Amnuay Oerareemitr - Co-Shareholder				
	Shareholder	EKH		TFM	
		No. of Shares	%	No. of Shares	%
	1. Mr. Amnuay Oerareemitr*	48,139,500	8.02	1,750	17.50
	2. Mr. Suporn Panyasakorn	200,000	0.03	1,500	15.00
Remark : * Total shareholding of related person					
Fishmeal Marketing Development Co.,Ltd. (FMD)  Business Type: Fishmeal Producer	- Joint director are Mr. Amnuay Oerareemitr, Mrs. Kanjana Oerareemitr & Mr. Suthipong Tangsajjapoj - Co-Shareholder				
	Shareholder	EKH		FMD	
		No. of Shares	%	No. of Shares	%
	1. Mrs. Orasa tangsajjapoj*	56,280,480	9.38	300,000	1.67
	2. Mr. Amnuay Oerareemitr	26,502,900	4.42	5,040,000	28.00
	3. Miss Kaniittha Oerareemitr	19,760,000	3.29	1,300,000	7.22
	4. Mr. Worrawut Oerareemitr	19,760,000	3.29	1,300,000	7.22
	5. Mr.Kittipat Oerareemitr	19,960,000	3.33	1,300,000	7.22
	6. Mrs. Kanjana Oerareemitr	21,636,600	3.61	4,100,000	22.78
	7. Mr. Suthipong Tangsajjapoj*	17,270,000	2.88	920,000	5.11
Remark : * Total shareholding of related person					
Bangkru Poly Clinic Co.,Ltd. (BPC)  Business Type: Mobile X-ray Service and no business service that conflict to the Company	- The Executive of the Company is the committee of BPC which is Mr. Kaweechai Lert - Ussawarat - Co-Shareholder				
	Shareholder	EKH		BPC	
		No. of Shares	%	No. of Shares	%
	Mr. Kaweechai Lert-Ussavarat	11,277,300	1.88	5,600	56.00
Pro Biotech Feed Co.,Ltd. (PBF)  Business Type: Production of Animal Food	- Joint director is Mr. Suporn Panyasakorn & Mr. Amnuay Oerareemitr - Co-Shareholder				
	Shareholder	EKH		PBF	
		No. of Shares	%	No. of Shares	%
	1. Mr. Amnuay Oerareemitr*	48,139,500	8.02	77,144	19.29
	2. Mr. Suporn Panyasakorn	200,000	0.03	17,140	8.57
Remark : * Total shareholding of related person					
Mr. Amnuay Oerareemitr	- Director and Executive Chairman of the Company.				
Mr. Suthipong Tangsajjapoj	- Director, Vice President of the Company and Assistant of Hospital Director – Accounting and Finance				
Mrs. Orasa tangsajjapoj	- Director and Executive Director of the Company				
Mrs. Kanchana Oerareemitr	- Director and Executive Director of the Company				

Related parties who may have conflict of interest	Relationship
Mr. Suporn Panyasakorn	- Director and Executive Director of the Company (Resigned from the director on 21 March 2019)
Mr. Wanlop Popientong	- Director and Executive Director of the Company
Mr. Amnaji Eur-Areemitr	- Director, Executive Director of the Company and Hospital Director

## Transactions Details

In 2018 and 2019, the Company has the related transactions with related to the person who may have conflict of interest as the details below:

### (1) Hospital Operation Revenue

Person/Juristic Person that may have conflict	Type of transaction	Transaction Value/ Outstanding Amount (MB)		Necessary and Rationale of transaction
		2018	2019	
Ekachai International Co.,Ltd. (EKI)	Management fee/Rent Accounts Receivable	- 3.14 0.78	17.60 25.19 0.42	The company sales medicine and supplies with cost plus margin price, provides management services, renting space and renting signage with contract price to EKI which is a transaction in accordance with the normal trade practices.
D-Land Group Co.,Ltd.(DLG)	Medical Service Revenue Accounts Receivable	0.07 -	0.07 -	The Company provides health check-up service and pre-employment health check-up to DLG's employees, which is a normal trade item. The price is consistent with the market price.
D-Land Property (DLP)	Medical Service Revenue Accounts Receivable	0.01 -	0.02 -	The Company provides health check-up service and pre-employment health check-up to DLP's employees, which is a normal trade item. The price is consistent with the market price.
Sirichai Feather Industrial Co.,Ltd. (SFI)	Medical Service Revenue Accounts Receivable	0.10 0.07	0.09 -	The Company provides health check-up service to SFI's employees, which is a normal trade item. The price is consistent with the market price.
Pacific Marine Food Products Co.,Ltd.(PMF)	Medical Service Revenue Accounts Receivable	0.03 -	0.15 -	The Company provides annual health check-up service to PMF's employees, which is a normal trade item. The price is consistent with the market price.
Ekachai Ice Co.,Ltd. (EKICE)	Medical Service Revenue Accounts Receivable	0.02 -	0.01 -	The Company provides annual health check-up service to EKICE's employees, which is a normal trade item. The price is consistent with the market price.
Thai Feather Meal Factory Co.,Ltd. (TFM)	Medical Service Revenue Accounts Receivable	0.10 0.10	- -	The Company provides annual health check-up service to TFM's employees, which is a normal trade item. The price is consistent with the market price.

Person/Juristic Person that may have conflict	Type of transaction	Transaction Value/ Outstanding Amount (MB)		Necessary and Rationale of transaction
		2018	2019	
Panya House Co.,Ltd. (PH)	Medical Service Revenue Accounts Receivable	0.03 -	0.03 -	The Company provides annual health check-up service to PH's employees, which is a normal trade item. The price is consistent with the market price.
Fishmeal Marketing Development Co.,Ltd. (FMD)	Medical Service Revenue Accounts Receivable	0.17 -	0.13 -	The Company provides annual health check-up service to FMD's employees, which is a normal trade item. The price is consistent with the market price.
Pro Biotech Feed Co.,Ltd. (PBF)	Medical Service Revenue Accounts Receivable	- -	0.05 -	The Company provides annual health check-up service to PBF's employees, which is a normal trade item. The price is consistent with the market price.

Audit Committee considered and commented that the service lists as above are normal trade items which the price is consistent with the market price and reasonable.

## (2) Expenses

Person/Juristic Person that may have conflict	Type of transaction	Transaction Value/ Outstanding Amount (MB)		Necessary and Rationale of transaction
		2018	2019	
Ekachai International Co.,Ltd. (EKI)	Asset	-	13.00	The company purchased asset with book value plus margin price, purchased medical supplies with cost plus margin price and used the Lab service to collect and stimulate eggs with contract price. <u>Audit Committee</u> considered and commented that transactions are beneficial to the and price term is reasonable.
	Medical supplies and bags	-	0.59	
	Lab fees for collecting and stimulating eggs	14.80	3.11	
	Account payable	15.61	-	
Bangkru Poly Clinic Co.,Ltd. (BPC)	Mobile Service for breast x-ray	0.27	-	The Company has hired BPC to provide mobile breast x-ray services in case of out-of-site health services. This is a normal trade item which has the consistent price with the market price. <u>Audit Committee</u> considered and commented that the service is beneficial to the Company due to the company has only one mobile x-ray car, if there is any necessary to service a lot of customers in one day so need to use additional services which is better than the company buy a new one and in terms of price corresponds to the market price.
	Account payable	0.10	-	

Person/Juristic Person that may have conflict	Type of transaction	Transaction Value/ Outstanding Amount (MB)		Necessary and Rationale of transaction
		2018	2019	
Chok Mahachai Marine Co.,Ltd. (CMM)	Electricity charge Account payable	- -	0.21 -	It is the electricity charges for illuminates the hospital billboard which located in the CMM area at night time, CMM does not charge for placement of billboards; only charge for electricity with the same rate that the Company charges other suppliers who lease the premises of the company. <u>The Audit Committee</u> considered and commented that the transaction is beneficial to the Company. The price is consistent with the market price and reasonable
Chok Mahachai Development Co.,Ltd.(CMD)	Billboard rental Account payable	0.63 -	- -	It is the renting a billboard to promote the hospital which is the same rate that the company charge other partners. <u>The Audit Committee</u> considered and commented that the transaction is beneficial to the Company. The price is consistent with the market price and reasonable.
Chok Mahachai Co.,Ltd.(CM)	Fuel fee Account payable	- -	0.04 -	It is the diesel fee for maintenance of hospital generators. This is a normal trade item. In terms of price is the same rate as the price of gas announced in Bangkok and its vicinity on the date of disposal. <u>The Audit Committee</u> considered and commented that the transaction is beneficial to the Company. The price is consistent with the market price and reasonable.

## Measures or Procedures for Approval the Related Transactions

The Company has taken measures in the transactions of the Company, the subsidiary a person who may have conflicts of interest. The Audit Committee shall provide an opinion about the necessity of the transaction regarding to the rationale and appropriate of price of that item by consideration from the conditions in accordance to the nature of the normal market price which can be compared with the cost incurred with third parties. In case the committee does not have the expertise to consider a potential of related transaction, the Company will provide the person who is expertise such as auditors, appraisers, law office and etc. which are independent from the Company and persons who may have a conflict of interest to give opinion on such transactions in order to implement the decision of the Board of Directors and for the Audit Committee to present to the Board of Directors or shareholders as the case.

In addition, the Company has established the measures for not allow the directors or stakeholders can be involved in the approval of their stakeholders, both directly and indirectly. And the Board of Directors must ensure that the Company Compliance with laws and regulations of the Securities and Exchange Commission and regulations, announcement, command or the regulations of the Capital Market Commission and the Stock Exchange of Thailand as well as compliance with the disclosure of related party transactions and the acquisition or disposal of major assets of the company including compliance with accounting standards as defined by the Federation of Accounting Professions and CPA Thailand and to disclose the transactions in the notes to the financial statements which have been audited or reviewed by the auditors of the Company.

## The Tendency of Future Related Transaction

The Company may be subject to future transactions continuously which will be based on the nature of the trades and clearly set the policy of transactions. The price and terms will follow the normal course of business, as well as requiring the person and / or companies unrelated such as a purchase or receive a service, the transactions which will occur refer to the necessary of the business operation of the Company and to the benefit of the Company's.

Audit Committee will review the compliance criteria and give opinions on the reasonability of the transactions of each quarter.

For transactions that are not normal business potential which will occur in the future, the Company will provide the audit committee to review the compliance and rationale of the transaction prior to the company will review those transactions by giving the necessity of the transaction, rationale and reasonable price of the items by considering from the conditions according to the nature of the normal market price, which can be compared with the cost incurred with third parties. In case the committee does not have the expertise to consider a potential of related transaction, the Company will provide the person who is expertise such as auditors, appraisers, law office and etc. which are independent from the Company and persons who may have a conflict of interest to give opinion on such transactions in order to implement the decision of the Board of Directors and for the Audit Committee to present to the Board of Directors or shareholders as the case.

The Company will proceed the implementation of the measures and procedures for approval of the transaction as specified above, however, the transactions that could pose conflicts of interest that may arise in the future. The Board of Directors must ensure that the Company Compliance with laws and regulations of the Securities and Exchange Commission and regulations, announcement, command or the regulations of the Capital Market Commission and the Stock Exchange of Thailand as well as compliance with the disclosure of related party transactions and the acquisition or disposal of assets of the company including compliance with accounting standards as defined by the Federation of Accounting Professions and CPA Thailand.



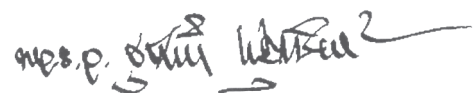
## Board of Directors' Responsibility for Financial Reporting

According to the Public Company Act B.E. 2535 (1992), Accounting Act, B.E. 2000) 2543) Securities, the Exchange Act BE 1992) 2535) and the Notification of Capital Market by the subject of criteria, conditions, and procedures for disclosing information in financial status and performance of a securities issuing company stated that the board of directors should prepare the financial statement to present their financial status, operational performance, the change of shareholder's equity, and statement of cash flows of the previous fiscal year which is true and reasonable.

Since the board of directors becomes aware of obligations and responsibilities of overseeing the financial reports preparation to ensure efficient operational processes, the audit committee has been appointed to response for auditing the accounting policy and quality of the financial report, reviewing the internal control system, internal auditing to an organization's overall risk management framework, developing appropriate and efficiency internal controls ensuring accurate, complete, reasonably and consistent accounting data and must be sufficient to maintain the property and to significantly prevent fraud or unusual operations, disclosure transparent information related to all transactions between each other and financial information contained in the annual report. The financial statements prepared in accordance with a generally accepted accounting standard by selecting the most appropriate policy, practice consistently, very careful in the judgments, preparing a good estimate, and adequate disclosure of important information in notes to the financial statement for benefit of shareholders and general investors with transparency.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries for the year ended December 31, 2019 have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to the financial statements of the Company and the consolidated financial statements of company for the year ended December 31, 2019. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principle and related regulations.



(Admiral Surasak Rounroengrom)

Chairman of the Board

February 27, 2020

## Financial Position and Results of Operations

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### The Audit Report

- (A) Fiscal year 2017 audited by Ms. Sumalee Reewarabandith, Auditor License No. 3970 from the Office of E.Y. Limited.

Auditors has audited the financial statements of the Company and subsidiary and concluded that the financial statements of financial position of the consolidated and separate as at December 31, 2017 results of operations and cash flows for the year ended which is the same day of the Company accordance to generally accepted accounting principles of International Financial Reporting Standards.

- (B) Fiscal year 2018 audited by Ms. Sumalee Reewarabandith, Auditor License No. 3970 from the Office of E.Y. Limited.

Auditors has audited the financial statements of the Company and subsidiary and concluded that the financial statements of financial position of the consolidated and separate as at December 31, 2018 results of operations and cash flows for the year ended which is the same day of the Company accordance to generally accepted accounting principles of International Financial Reporting Standards.

- (C) Fiscal year 2019 audited by Ms. Sumalee Reewarabandith, Auditor License No. 3970 from the Office of E.Y. Limited.

Auditors has audited the financial statements of the Company and subsidiary and concluded that the financial statements of financial position of the consolidated and separate as at December 31, 2019 results of operations and cash flows for the year ended which is the same day of the Company accordance to generally accepted accounting principles of International Financial Reporting Standards.

## Summary of Financial Position and Results of Operations

Statements of Financial Position (Million Baht)	Consolidated			Separate financial statements		
	2017	2018	2019	2017	2018	2019
<b>Asset</b>						
Current Assets						
Cash and cash equivalents	70.16	76.29	197.09	55.70	58.89	111.38
Current investments	211.85	294.11	123.95	211.85	294.11	114.05
Trade and other receivables	52.58	69.27	55.15	52.58	69.44	45.26
Inventories	12.06	16.44	23.99	11.76	15.71	17.96
Other Current Assets	1.21	2.10	1.91	1.16	1.98	1.86
<b>Total current assets</b>	<b>347.86</b>	<b>458.21</b>	<b>402.09</b>	<b>333.05</b>	<b>440.13</b>	<b>290.51</b>
<b>Non-current Assets</b>						
Investment in a subsidiary	-	-	-	17.10	35.60	72.30
Other long-term investments	227.17	80.95	85.27	227.17	80.95	75.27
Investment properties	3.63	3.44	3.26	3.63	3.44	3.26
Property, plant and equipment	316.47	418.42	593.62	302.08	398.13	545.88
Intangible assets	2.43	1.46	2.15	2.43	1.46	1.16
Deferred tax assets	1.44	2.15	2.75	1.44	2.15	2.63
Other non-current assets	1.31	3.67	4.32	1.31	1.06	1.76
<b>Total non-current assets</b>	<b>552.45</b>	<b>510.09</b>	<b>691.37</b>	<b>555.16</b>	<b>522.80</b>	<b>702.25</b>
<b>Total assets</b>	<b>900.31</b>	<b>968.30</b>	<b>1,093.46</b>	<b>888.21</b>	<b>962.92</b>	<b>992.76</b>
<b>Liabilities and shareholders' equity</b>						
Current liabilities						
Trade and other payables	51.69	70.79	79.16	51.00	73.08	57.53
Accrued Physicians' fees	10.95	11.47	14.10	10.95	11.47	12.39
Income tax payable	6.07	10.11	18.86	6.07	10.11	15.54
Deferred revenues	1.06	2.17	13.45	1.06	2.17	3.08
Provisions for discounts coupons	0.42	0.41	1.06	0.42	0.41	0.54
Other current liabilities	0.64	1.89	1.34	0.64	1.51	1.13
<b>Total current liabilities</b>	<b>70.83</b>	<b>96.84</b>	<b>127.97</b>	<b>70.13</b>	<b>98.75</b>	<b>90.21</b>
Non-current liabilities						
Provision for long-term employee benefits	5.30	6.49	8.54	5.30	6.49	8.53
Other non-current liabilities	1.04	2.98	3.01	1.04	2.98	2.29
<b>Total non-current liabilities</b>	<b>6.34</b>	<b>9.47</b>	<b>11.54</b>	<b>6.34</b>	<b>9.47</b>	<b>10.81</b>
<b>Total liabilities</b>	<b>77.17</b>	<b>106.31</b>	<b>139.52</b>	<b>76.47</b>	<b>108.22</b>	<b>101.02</b>
<b>Shareholders' equity</b>						
Share capital						
Registered share capital	300.00	300.00	300.00	300.00	300.00	300.00
Issued and paid-up	300.00	300.00	300.00	300.00	300.00	300.00

Statements of Financial Position (Million Baht)	Consolidated			Separate financial statements		
	2017	2018	2019	2017	2018	2019
Premium on ordinary shares	411.42	411.42	411.42	411.42	411.42	411.42
Surplus on investment over book value of a subsidiary	-	(0.44)	(6.39)	-	-	-
Profit (loss) cumulative						
Appropriated - statutory reserve	8.64	14.42	21.19	8.64	14.42	21.19
Unappropriated	90.23	129.67	184.66	91.09	128.86	158.95
Other components of shareholders' equity	0.59	-	0.18	0.59	-	0.18
Equity attributable of shareholders' equity	810.88	855.08	911.06	811.74	854.71	891.74
Non-controlling interests of subsidiary	12.26	6.92	42.88	-	-	-
Total of Shareholders' equity	823.14	862.00	953.94	811.74	854.71	891.74
Total liabilities and shareholders' equity	900.31	968.30	1,093.46	888.21	962.92	992.76

Statements of Financial Position (Million Baht)	Consolidated			Separate financial statements		
	2017	2018	2019	2017	2018	2019
<b>Revenues</b>						
Revenues from hospital operations	522.98	638.12	886.04	522.98	638.12	709.91
Other income <sup>1)</sup>	18.00	16.17	24.96	17.93	18.88	25.13
Total Revenues	540.98	654.29	911.00	540.91	657.00	735.04
<b>Expenses</b>						
Cost of hospital operations	339.01	382.14	509.33	339.01	391.16	439.45
Administrative expense	99.88	128.42	195.04	98.31	124.12	127.65
Total expenses	438.89	510.57	704.38	437.32	515.28	567.10
Profit before finance costs and income tax expenses	102.09	143.72	206.62	103.59	141.72	167.93
Finance Cost	-	-	-	-	-	-
Profit before income tax expenses	102.09	143.72	206.62	103.59	141.72	167.93
Income tax expenses	(18.91)	(26.28)	(40.54)	(18.90)	(26.18)	(32.54)
Profit for the year	83.18	117.44	166.08	84.69	115.54	135.40
Profit attributable to equity holders of the Company (Baht/share)	0.14	0.19	0.27	0.14	0.19	0.23
Par Value (Baht)	0.50	0.50	0.50	0.50	0.50	0.50

Cash Flow Statement (Unit: Million Baht)	Consolidated			Separate financial statements		
	2017	2018	2019	2017	2018	2019
<b>Cash flows from operating activities</b>						
Profit before tax	102.09	143.72	206.62	103.59	141.72	167.93
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities.						
Depreciation and amortization	29.73	35.74	47.11	29.07	33.28	41.57
Bad debts and allowance for doubtful debts (reversal)	(2.07)	0.49	(0.55)	(2.07)	0.49	(0.55)
Reduction of cost of inventories to net realisable value	(0.02)	0.15	0.14	(0.01)	0.15	0.14
Loss on sales and write-off of equipment	1.11	0.22	0.55	1.11	0.22	0.55
Gain on sales of investment in a subsidiary	-	-	-	-	-	(0.32)
Provision for discount coupons (reversal)	0.12	(0.01)	0.66	0.12	(0.01)	0.14
Provision for long-term employee benefits	1.90	1.39	2.63	1.90	1.39	2.62
Gain from change in value of current investments	(2.06)	(0.67)	(0.35)	(2.06)	(0.67)	(0.35)
Interest income	(7.82)	(6.81)	(5.57)	(7.76)	(6.70)	(5.15)
Interest expense	-	-	-	-	-	-
Profit from operating activities before changes in operating assets and liabilities	122.98	174.22	251.25	123.89	169.86	206.58
Decrease (increase) in operating assets						
Trade and other receivables	(1.04)	(18.15)	13.15	(1.04)	(18.33)	23.21
Inventories	(0.13)	(4.52)	(7.69)	0.17	(4.09)	(2.39)
Other current assets	0.77	(0.89)	0.19	0.82	(0.82)	0.12
Other non-current assets	4.21	(2.36)	(0.66)	4.21	0.24	(0.70)
Increase (decrease) in operating liabilities						
Trade and other payables	(3.89)	16.38	7.67	(4.35)	22.00	(11.39)
Accrued physicians' fees	1.41	0.52	2.62	1.41	0.52	0.91
	0.32	1.11	11.28	0.32	1.11	0.91
Other current liabilities	0.78	0.19	(0.55)	0.78	(0.19)	(0.38)
Other non-current liabilities	0.35	1.93	0.03	0.35	1.93	(0.69)
Cash paid for long-term employee benefits	(2.05)	(0.20)	-	(2.05)	(0.20)	-
<b>Cash flows from operating activities</b>	<b>123.71</b>	<b>168.22</b>	<b>277.31</b>	<b>124.51</b>	<b>172.03</b>	<b>216.18</b>
Cash paid for interest expense	-	-	-	-	-	-
Cash paid for income tax	(16.14)	(22.81)	(32.54)	(16.14)	(22.70)	(27.74)
<b>Net Cash flows from operating activities</b>	<b>107.57</b>	<b>145.41</b>	<b>244.76</b>	<b>108.37</b>	<b>149.33</b>	<b>188.44</b>

Cash Flow Statement (Unit: Million Baht)	Consolidated			Separate financial statements		
	2017	2018	2019	2017	2018	2019
<b>Cash flow from investing activities</b>						
Interest received	6.76	6.69	7.08	6.70	6.58	6.67
Acquisition of investment properties	(3.77)	-	-	(3.77)	-	-
Acquisitions of building and equipment	(106.64)	(133.06)	(221.02)	(91.83)	(127.31)	(192.98)
Acquisitions of intangible assets	(0.51)	(0.24)	(1.65)	(0.51)	(0.24)	(0.56)
Proceeds from sales of equipment	-	1.42	-	-	1.42	-
Decrease in current investments	16.33	38.41	170.50	16.33	38.41	180.40
Decrease in other long-term investments	(50.00)	40.50	40.94	(50.00)	40.50	40.94
Increase in other long-term investments	7.84	(15.00)	(45.03)	7.84	(15.00)	(35.03)
Cash payment for purchase of investments in subsidiaries	-	-	-	(17.10)	(18.50)	(40.65)
Cash received for sales of investment in a subsidiary	-	-	-	-	-	4.27
<b>Net cash flows used in investing activities</b>	<b>(129.99)</b>	<b>(61.28)</b>	<b>(49.19)</b>	<b>(132.35)</b>	<b>(74.14)</b>	<b>(36.94)</b>
<b>Cash flows from financing activities</b>						
Dividend payment	(60.00)	(72.00)	(99.00)	(60.00)	(72.00)	(99.00)
Cash received from non-controlling interest of a subsidiary	12.90	-	4.27	-	-	-
Cash received from increase in share capital of a subsidiary	-	-	19.95	-	-	-
Acquisitions of non-controlling interests of a subsidiary	-	(6.00)	-	-	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(47.10)</b>	<b>(78.00)</b>	<b>(74.78)</b>	<b>(60.00)</b>	<b>(72.00)</b>	<b>(99.00)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(69.52)</b>	<b>6.13</b>	<b>120.80</b>	<b>(83.98)</b>	<b>3.19</b>	<b>52.49</b>
Cash and cash equivalents at beginning of year	139.68	70.16	76.29	139.68	55.70	58.89
Cash and cash equivalents at end of year	70.16	76.29	197.09	55.70	58.89	111.38



## Summary of Key Financial Ratios

Key Financial Ratios		Consolidated			Separate financial statements		
		2017	2018	2019	2017	2018	2019
<u>Liquidity Ratio</u>							
Current ratio	(Times)	4.91	4.73	3.14	4.75	4.46	3.22
Quick ratio	(Times)	4.72	4.54	2.95	4.58	4.30	3.02
Cash Flow Ratio	(Times)	1.37	1.74	2.18	1.39	1.77	1.99
Accounts receivable turnover ratio	(Times)	12.11	12.20	15.48	12.11	12.20	13.60
The average collection period	(Day)	30.14	29.93	23.58	30.14	29.93	26.84
Inventory Turnover	(Times)	27.99	26.47	24.79	28.35	28.10	25.61
The average sale period	(Day)	13.04	13.79	14.72	12.88	12.99	14.25
Trade payables turnover ratio	(Times)	16.16	19.23	21.28	16.30	18.02	19.00
Repayment period	(Day)	22.59	18.98	17.15	22.39	20.25	19.21
Cash Cycle	(Day)	20.59	24.73	21.15	20.63	22.67	21.88
<u>Profitability Ratio</u>							
Gross margin	(%)	35.18	40.11	42.52	35.18	38.70	38.10
Operating margin	(%)	16.08	19.99	20.50	16.38	19.25	20.12
The ratio of cash to make a profit	(%)	127.93	114.00	134.73	126.51	121.56	131.95
Net margin	(%)	15.50	17.91	17.60	15.66	17.59	18.42
Return on equity	(%)	10.11	13.62	17.41	10.43	13.52	15.18
<u>Efficiency Ratio</u>							
Return on Assets	(%)	9.24	12.13	15.19	9.53	12.00	13.64
Return on Permanent Assets	(%)	25.79	27.74	27.73	27.48	28.67	24.60
Turnover of Assets	(Times)	0.60	0.68	0.83	0.61	0.68	0.74
<u>Financial Ratio</u>							
Debt to equity shares	(Times)	0.10	0.12	0.15	0.09	0.13	0.11
Dividend payout	(%)	86.55	61.31	75.87	85.02	85.68	93.06

## Explanation and analysis of financial position and results of operations

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### Analysis of Operating Results

#### Revenue

The Group of company's total revenue was Baht 540.98 million in the year 2017, Baht 654.29 million in the year 2018 and Baht 911.00 million in the year 2019, or equivalent to growth rate at 20.95 and 39.23%, respectively. The increase in revenues in the year 2019 was due to an increase in outpatient and inpatient services, the increase in opening of Fertility Center

Revenue type	2017 <sup>1)</sup>		2018 <sup>1)</sup>		2019 <sup>1)</sup>	
	Million baht	percent	Million baht	percent	Million baht	percent
Revenue from hospital operations	522.98	96.67	638.12	97.53	886.04	97.26
Other revenue <sup>2)</sup>	18.00	3.33	16.17	2.47	24.96	2.74
<b>Total revenue</b>	<b>540.98</b>	<b>100.00</b>	<b>654.29</b>	<b>100.00</b>	<b>911.00</b>	<b>100.00</b>

Note <sup>1)</sup> Consolidated

<sup>2)</sup> Other income includes food sales, rental income, and profit from property sales.

The Group of company's revenue is divided into revenue from hospital operations and other income. In 2017-2019, the Company's revenue from hospital operations accounted for 96.67%, 97.53% and 97.26 of total revenues, and accounted for the proportion of other revenues to total revenue. 3.33%, 2.47% and 2.74% respectively.

#### Revenue from hospital operations

Revenue from hospital operations of the Company can be divided according to the type of patient revenue from outpatient (OPD) and income from inpatient (IPD) as follows.

Revenue type	2017 *		2018 *		2019 *	
	Million baht	percent	Million baht	percent	Million baht	percent
<b>1. Revenue from hospital operations</b>	<b>522.98</b>	<b>96.67</b>	<b>638.12</b>	<b>97.53</b>	<b>886.04</b>	<b>97.26</b>
Outpatient Revenue (OPD)	262.12	48.45	342.12	52.29	551.50	60.54
- general customers	147.61	27.28	191.34	29.24	183.10	20.10
- counterparty customers	114.51	21.17	150.78	23.05	368.40	40.44
Inpatient Revenue (IPD)	260.86	48.22	296.00	45.24	334.54	36.72
- general customers	109.41	20.22	100.76	15.40	119.17	13.08
- counterparty customers	151.45	28.00	195.24	29.84	215.37	23.64
<b>2. Others Revenue **</b>	<b>18.00</b>	<b>3.33</b>	<b>16.17</b>	<b>2.47</b>	<b>24.96</b>	<b>2.74</b>
<b>Total Revenue</b>	<b>540.98</b>	<b>100.00</b>	<b>654.29</b>	<b>100.00</b>	<b>911.00</b>	<b>100.00</b>

Note \* Consolidated

\*\* Other income includes interest income, food sales, rental income, and profit from property sales.

The outpatient revenues in 2017 - 2019 were of 262.12 million baht, 342.12 million baht and 551.50 million baht or representing the growth rate of 30.52% and 61.20% respectively. The inpatient revenues in 2017 - 2019 were of 260.86 million baht, 296.00 million baht and 334.54 million baht, or representing the growth rate of -13.47% and 13.02% respectively.

In the year 2019, the hospital revenue was 886.04 million baht, an increase of 638.12 million baht or equivalent to the growth rate of 38.85%. Mainly due to the increase of customers Especially the Pediatric and Fertility Center.

#### Other revenue

The Company's other revenue for the years 2017 - 2019 was 18.00 million baht, 16.17 million baht and 24.96 million baht or representing 3.33%, 2.47% and 2.74% of total revenues, respectively. Other revenue of the Company consists of interest income, revenues from the sale of food in hospital canteens, rental income from hospital stores, and gains from the sale of non-functional assets such as cars, desks, computers.

#### Costs and expenses

The company's main expenses are cost of hospital operations, administrative expenses, and financial expenses. In the years 2017 - 2019, the Company had total cost and expenses of 438.89 million baht 510.57 million baht and 704.37 million baht, respectively, as detailed below.

(Million baht)			
Costs and expenses	2017	2018	2019
Cost of hospital operations	339.01	382.14	509.33
Administrative expenses	99.88	128.42	195.04
Financial expenses	-	-	-
<b>Total costs and expenses</b>	<b>438.89</b>	<b>510.57</b>	<b>704.37</b>

#### Cost of hospital operations

In the years 2017 - 2019, the Company had the hospital operations cost of 339.01 million baht 382.14 million baht and 509.33 million baht, representing 64.82%, 59.89% and 57.48% of revenue from hospital operations, and also representing a gross margin of 35.24%, 35.18% and 40.11%, respectively. The main cost of a hospital business is the medical fees, medical staff salaries, the cost of medicines and supplies and depreciation.

#### Administrative expenses

In 2017 - 2019 the Group of company has the administration expenses of 99.88 million baht, 128.42 million Baht and 195.04 million baht, accounting for 18.46%, 19.63% and 21.41% of total revenue, respectively. The Company's core administrative expenses for the year 2019 comprised of employee compensation, professional fees, office supplies, and consumable. With a significant increase in sales promotion.

## Financial expenses

In the year 2017-2019, the Group without loans and no financial expenses.

## Profit for the year

Based on the above results, the Company's profit for the year has increased steadily. The company's profit for the year 2017 - 2019 were 83.18 million baht, 117.21 million baht and 160.30 million baht and accounting for the net profit margin of 15.50%, 17.91% and 17.60%, respectively. The growth rate is 39.82% in 2018 and 36.76% in 2019.

## Financial status

### Asset

At the end of 2017 - 2019, the Company had total assets of 900.31 million baht, 968.30 million baht and 1,093.46 million baht, respectively. The Company's major assets are land, building and equipment, accounts receivable and inventories. Details of the major assets are as follows:

### Accounts receivable

At the end of the year 2017 - 2019, the Company had before allowance for doubtful accounts in the amount of 41.16 million baht, 63.48 million baht and 50.98 million baht, representing of 4.57%, 6.56% and 4.66% of total assets, respectively.

There are two types of customers: general customers who will pay for their services in cash and counterparty customers who receive commercial credit from the Company. As a result, most of the Company's accounts receivable are from counterparty customers both customers of the counterparty insurance companies and customers of counterparty companies. The Company has provided a repayment period of approximately 30 days. Most of these debtors are debtors upon maturity of the not reached debts, most of which are reputable insurance companies, as well as the large private companies. In addition, the Company has a credit check process before giving the credit, thus, the risk of receiving payment from the counterparty customer is relatively low.

Overdue period	As of December 31, 2017		As of December 31, 2018		As of December 31, 2019	
	Million baht	percent	Million baht	percent	Million baht	percent
<b>Accounts receivable</b>						
Not yet due	19.76	48.01	25.44	40.08	21.04	41.27
Overdue						
Up to 3 months	19.10	46.40	33.44	52.68	24.75	48.55
More than 3 months up to 6 months	1.11	2.70	1.80	2.84	0.79	1.55
More than 6 months up to 12 months	0.63	1.53	1.50	2.36	3.56	6.98
More than 12 months	0.56	1.36	1.30	2.05	0.84	1.65
Total accounts receivable before allowance for doubtful accounts	41.16	100.00	63.48	100.00	50.98	100.00
Less allowance for doubtful accounts.	(0.96)		(1.44)		(0.90)	
Accounts receivable - net	39.99		62.04		50.08	

Considering the accounts receivables divided by period overdue in the table above, the Company had accounts receivable that are due at the end of 2017 - 2019 at the amount of 48.01%, 40.08% and 41.27% of the total accounts receivables before less allowance for doubtful accounts, respectively. The overdue accounts receivable of the Company was overdue for not more than 3 months, accounting for 46.40%, 52.68% and 48.55% respectively. The proportion of the overdue accounts receivable are over 3 months to the total of accounts receivable before less allowance for doubtful accounts of the Company from 5.59% at the end of 2017 to 7.25% at the end of 2018 and increase to 10.18% at the end of 2019. However, the Company has set up a higher strict debt collection policy and has set up an employee performance monitoring module for debt collection to make the operation more efficient.

For the allowance for doubtful accounts policy, the Company will set aside allowance for doubtful accounts based on the aging of accounts receivables. Overdue receivables of more than 365 days will be set aside at 100 percent, except for general customers, which will set aside at 100 percent, with an overdue of more than 180 days. In the year 2019, the Company has set aside the allowance for doubtful accounts amounting to 0.90 million baht according to such policy..

### Inventories

At the end of the year 2017 - 2019, the Company had net inventories of 12.06 million baht, 16.44 million baht and 23.99 million baht, which accounted for 1.34%, 1.70% and 2.19% of total assets, respectively. The Company's inventories include medicines, medical supplies, and other materials.

Inventories	As of December 31, 2017		As of December 31, 2018		As of December 31, 2019	
	Million baht	percent	Million baht	percent	Million baht	percent
Medicines	7.30	59.98	10.93	65.45	15.89	65.15
Medical supplies	4.33	35.58	4.73	28.32	6.97	28.58
Other materials *	0.54	4.44	1.04	6.23	1.53	6.27
<b>Total Inventory</b>	<b>12.17</b>	<b>100.00</b>	<b>16.70</b>	<b>100.00</b>	<b>24.39</b>	<b>100.00</b>
Less adjustment / reduction of cost to net realizable value.	(0.11)		(0.26)		(0.40)	
<b>Total inventories - net</b>	<b>12.06</b>		<b>16.44</b>		<b>23.99</b>	

Note: \*Other materials include general materials, fabrics, and bed linen etc.

The Company's main inventories include medicines and medical supplies. At the end of 2017 - 2019, the proportion of medicines and medical supplies to total inventories was 95.56%, 93.77% and 93.73% respectively. Considering the average selling period in 2017 - 2019 is 13.04 days, 13.79 days and 14.72 days, respectively. The Company aims to reduce inventory by applying the purchase order principle when the level of goods is reduced to a specified level (Reorder Level Policy: ROL). The Company has set up a storage period of up to 30 days, which will allow the company to track the amount of medicines and medical supplies in a timely manner, and reduce the ordering of drugs and medical supplies at a time which will result in the amount of pharmaceutical remaining decline in the future.

Although most of the drugs and medical supplies of the company can be replaced or refunded prior to the expiration date of the terms and conditions of the distributor; however, in the year 2017 - 2019, the Company has adjusted the cost of medicines and medical supplies to the net realizable value of 0.11 million baht, 0.26 million baht and 0.40 million baht, respectively. The medicines and medical supplies that have been partially used and expired cannot be changed or returned in accordance with the requirements of the supplier. To make inventory management more efficient in 2015, the Company has set a policy to set allowance for obsolete, inferior and non-active pharmaceutical products that are not moving from 3 years up at the rate of 100.00 percent.

In the year 2016, the company has adjusted the policy to allowance for impairment of inventories to suit different types of drugs and medical supplies. The details are as follows:

Drugs and medical supplies	Age inventories	Reserve ratio Product deterioration (%)
Creams, powders, lotions, injections, and saline	No movement for 2 years.	100.00
Psychotropic substances, Liquid drug, and antiseptic.	No movement for 3 years.	100.00
Tablets and medical supplies	No movement for 5 years.	100.00

#### Land, Building, and equipment

Land, Building, and equipment are the main assets of the company. At the end of 2017 - 2019, the Company's net value of Land, building, and equipment is of 316.47 million baht, 418.42 million baht and 593.62 million baht, representing a ratio to total assets of 35.15 percent, 43.21 percent and 54.29 respectively.

The net value of land, building and equipment of the Company increased from 2018. Since in the year 2019, the Company made a major investment in the building and building improvements is 171.40 million baht, purchasing additional equipment and medical equipment of 31.63 million baht, Assets under installation of 9.25 million baht, fixtures and office equipment 8.52 million baht, additional vehicle of 0.91 million baht and depreciation of 28.34 million baht in 2017, 34.33 million baht in 2018, and 45.96 million baht in 2019.

#### Performance Efficiency

Performance Efficiency Ratio	2017	2018	2019
Return on assets (%)	9.24	12.13	15.19
Return on fixed assets (%)	25.79	27.74	27.73
Asset Turnover (Times)	0.60	0.68	0.83

In the year 2017-2019, the Company had total assets of 900.31 million baht, 968.30 million baht, and 1,093.46 million baht, respectively. the Company's net profit attributable to equity holders of the Company was 83.83 million baht, 117.21 million baht, and 160.30 million baht, respectively. The Company's total revenue for the year 2017-2019 is 540.98 million baht, 654.29 million baht, and 911.00 million baht, respectively. As a result, the return on assets of the Company was 9.24%, 12.13% and 15.19%, respectively. The return on fixed assets ratio was 25.79%, 27.74% and 27.73%, respectively, and the asset turnover ratio was 0.60, 0.68 and 0.83 respectively.



## Liquidity

### Cash flow

The Company's cash flow from operating activities is 107.58 million baht in 2017, 145.41 million baht in 2018, and 244.76 million baht in 2019. The cash flow from operating activities in 2019 increased from the increasing of the operating revenue, resulting in an increase in net profit.

The net cash flow used in investing activities of the Company is 129.99 million baht in 2017, 61.28 million baht in 2018, and 49.19 million baht in 2019 respectively. The main investment of the company is investing in building improvements and investing in additional medical equipment.

The Company's net cash flow from financing activities was 47.10 million baht in 2017, 78.00 million baht in 2018, and 74.78 million baht in 2019.

(Million Baht)	2017	2018	2019
Net cash from (used in) operating activities	107.57	145.41	244.76
Net cash from (used in) investing activities	(129.99)	(61.28)	(49.19)
Net cash provided by (used in) financing activities	(47.10)	(78.00)	(74.78)
Net increase (decrease) in cash and cash equivalents	(69.52)	6.13	120.80

### Liquidity ratio

At the end of the year 2017 - 2019, the Company had liquidity ratios are 4.91 times, 4.73 times and 3.14 times, respectively, and the liquidity ratios are 4.72 times, 4.54 times and 2.95 times, respectively. At the end of 2019, the Company had not outstanding loan from the bank.

The Company has a Cash Cycle of 20.59 days in 2017, 24.73 days in 2018, and 21.15 days in 2019. As a result, the Company's debt collection period has increased to 23.58 days, however, the repayment period was reduced to 17.15 days.

	2017	2018	2019
Liquidity ratio (times)	4.91	4.73	3.14
Quick ratio (times)	4.72	4.54	2.95
Average collection period (days)	30.14	29.93	23.58
Average Sales Period (days)	13.04	13.79	14.72
Repayment period (days)	22.59	18.98	17.15
Cash Cycle (days)	20.59	24.73	21.15

### Source of funds

#### Debt

The total liabilities of the Company at the end of 2017-2019 amounted to 77.17 million baht, 106.31 million baht, and 139.52 million baht, respectively. Most of the Company's liabilities are account payables. The ratio of current liabilities to total liabilities of the Company for the year 2017-2019 was 91.78 percent, 91.09 percent, and 91.72 percent, respectively. The ratio of current liabilities to total liabilities of the Company at the end of 2017-2019 was 8.22 percent, 8.91 percent, and

8.28 percent, respectively. The proportion of current liabilities of the Company increased from the year 2018, as a result of an increase in accounts payable and non-current liabilities increased due to the provision for long-term benefits of employees.

#### Shareholders' Equity

The Company has shareholders' equity of 823.14 million baht at the end of 2017, 862.00 million baht at the end of 2018, and 953.94 million baht at the end of 2019. In the year 2019, the shareholders' equity increased due to the profit attributable to equity holders of the Company of 160.30 million baht, resulting in the retained earnings of 184.66 million baht at the end of 2019.

#### Appropriateness of capital structure

Financial policy ratio		2017	2018	2019
Debt to Equity Ratio	(Times)	0.09	0.12	0.15

The Company's debt to equity ratio for 2017-2019 is 0.09 times, 0.12 times and 0.15 times, respectively. The debt-to-equity ratio is considered consecutively low since the Company has no outstanding loan.

# Independent Auditor's Report

To the Shareholders of Ekachai Medical Care Public Company Limited

## Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ekachai Medical Care Public Company Limited and its subsidiaries and of Ekachai Medical Care Public Company Limited as at 31 December 2019, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

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

## Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

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

## Revenue recognition

Revenues from hospital operations are significant to the financial statements because the amount is high (approximately 97% of total revenues). In addition, they consist of many compositions, such as revenues from sales of medicines, revenues from medical services, revenues from patient rooms, etc., including discounts for counterparties, e.g. life insurance companies and other several counterparties, whereas the agreements contain vary conditions for each party. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making

enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual service transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in service transactions throughout the period, particularly for accounting entries made through journal vouchers.

### Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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.

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

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

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

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

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

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

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

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



Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 27 February 2020

## Statement of financial position

Ekachai Medical Care Public Company Limited and its subsidiaries

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	197,088,484	76,293,195	111,381,640	58,886,663
Current investments	8	123,950,752	294,108,949	114,049,871	294,108,949
Trade and other receivables	9	55,150,054	69,266,187	45,260,698	69,442,018
Inventories	10	23,986,540	16,438,069	17,957,284	15,706,569
Other current assets		1,911,390	2,101,501	1,863,416	1,981,427
<b>Total current assets</b>		<b>402,087,220</b>	<b>458,207,901</b>	<b>290,512,909</b>	<b>440,125,626</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	72,299,995	35,600,000
Other long-term investments	12	85,265,976	80,950,317	75,265,976	80,950,317
Investment properties	13	3,255,310	3,443,761	3,255,310	3,443,761
Property, plant and equipment	14	593,621,388	418,420,284	545,881,919	398,126,611
Intangible assets	15	2,150,674	1,463,392	1,158,479	1,463,392
Deferred tax assets	22	2,751,962	2,148,966	2,626,984	2,148,966
Other non-current assets		4,323,428	3,666,530	1,759,527	1,062,397
<b>Total non-current assets</b>		<b>691,368,738</b>	<b>510,093,250</b>	<b>702,248,190</b>	<b>522,795,444</b>
<b>Total assets</b>		<b>1,093,455,958</b>	<b>968,301,151</b>	<b>992,761,099</b>	<b>962,921,070</b>

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



**Statement of financial position (continued)**

Ekachai Medical Care Public Company Limited and its subsidiaries

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	79,157,957	70,791,395	57,532,131	73,083,087
Accrued physicians' fees		14,097,104	11,474,567	12,387,212	11,474,567
Income tax payable		18,863,813	10,109,625	15,542,260	10,109,625
Deferred revenues		13,448,811	2,166,070	3,077,205	2,166,070
Provision for discount coupons	18	1,064,000	405,500	544,000	405,500
Other current liabilities		1,342,793	1,892,061	1,125,344	1,510,078
Total current liabilities		127,974,478	96,839,218	90,208,152	98,748,927
Non-current liabilities					
Provision for long-term employee benefits	19	8,538,963	6,490,302	8,525,894	6,490,302
Other non-current liabilities		3,005,018	2,976,514	2,286,094	2,976,514
Total non-current liabilities		11,543,981	9,466,816	10,811,988	9,466,816
Total liabilities		139,518,459	106,306,034	101,020,140	108,215,743
Shareholders' equity					
Share capital					
Registered					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up					
600,000,000 ordinary shares of Baht 0.50 each		300,000,000	300,000,000	300,000,000	300,000,000
Premium on ordinary shares		411,422,962	411,422,962	411,422,962	411,422,962
Deficit from change in shareholding percentage					
in a subsidiary		(6,389,073)	(436,855)	-	-
Retained earnings					
Appropriated - statutory reserve	20	21,188,794	14,418,939	21,188,794	14,418,939
Unappropriated		184,658,851	129,666,449	158,949,782	128,858,895
Other components of shareholders' equity		179,421	4,531	179,421	4,531
Equity attributable to owners of the Company		911,060,955	855,076,026	891,740,959	854,705,327
Non-controlling interests of a subsidiary		42,876,544	6,919,091	-	-
Total shareholders' equity		953,937,499	861,995,117	891,740,959	854,705,327
Total liabilities and shareholders' equity		1,093,455,958	968,301,151	992,761,099	962,921,070
		-	-	-	-

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

## Statement of comprehensive income

Ekachai Medical Care Public Company Limited and its subsidiaries

For the year ended 31 December 2019

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from hospital operations	886,041,037	638,121,447	709,908,209	638,121,447
Other income	24,955,795	16,166,596	25,127,470	18,880,142
<b>Total revenues</b>	<b>910,996,832</b>	<b>654,288,043</b>	<b>735,035,679</b>	<b>657,001,589</b>
<b>Expenses</b>				
Cost of hospital operations	509,333,608	382,144,695	439,447,613	391,160,821
Administrative expenses	195,043,057	128,420,972	127,653,903	124,119,132
<b>Total expenses</b>	<b>704,376,665</b>	<b>510,565,667</b>	<b>567,101,516</b>	<b>515,279,953</b>
<b>Profit before finance cost and income tax expenses</b>				
Finance cost	(1,446)	(285)	(704)	(285)
<b>Profit before income tax expenses</b>	<b>206,618,721</b>	<b>143,722,091</b>	<b>167,933,459</b>	<b>141,721,351</b>
Income tax expenses	(40,536,184)	(26,284,878)	(32,536,359)	(26,176,757)
<b>Profit for the year</b>	<b>166,082,537</b>	<b>117,437,213</b>	<b>135,397,100</b>	<b>115,544,594</b>
<b>Other comprehensive income:</b>				
Other comprehensive income to be classified to profit or loss in subsequent periods				
Gain (loss) on changes in value of available-for-sale securities - net of income tax	174,890	(579,741)	174,890	(579,741)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Actuarial gain - net of income tax	463,642	-	463,642	-
<b>Other comprehensive income for the year</b>	<b>638,532</b>	<b>(579,741)</b>	<b>638,532</b>	<b>(579,741)</b>
<b>Total comprehensive income for the year</b>	<b>166,721,069</b>	<b>116,857,472</b>	<b>136,035,632</b>	<b>114,964,853</b>

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

**Statement of comprehensive income (continued)**

Ekachai Medical Care Public Company Limited and its subsidiaries

For the year ended 31 December 2019

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to:				
Equity holders of the Company	160,298,615	117,208,760	135,397,100	115,544,594
Non-controlling interests of a subsidiary	5,783,922	228,453		
	166,082,537	117,437,213		
Total comprehensive income attributable to:				
Equity holders of the Company	160,937,147	116,629,019	136,035,632	114,964,853
Non-controlling interests of a subsidiary	5,783,922	228,453		
	166,721,069	116,857,472		
Earnings per share				
Basic earnings per share	23			
Profit attributable to equity holders of the Company	0.27	0.19	0.23	0.19
Weighted average number of ordinary shares (shares)	600,000,000	600,000,000	600,000,000	600,000,000

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

## Statement of cash flows

Ekachai Medical Care Public Company Limited and its subsidiaries

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	206,618,721	143,722,091	167,933,459	141,721,351
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	47,109,985	35,744,319	41,566,998	33,275,604
Bad debts and allowance for doubtful debts (reversal)	(546,469)	485,092	(546,469)	485,092
Reduction of cost of inventories to net realisable value	139,096	146,599	139,096	146,599
Loss on sales and write-off of equipment	552,659	219,292	552,659	219,292
Gain on sales of investment in a subsidiary	-	-	(318,370)	-
Provision for discount coupons (reversal)	658,500	(9,800)	138,500	(9,800)
Provision for long-term employee benefits	2,628,214	1,391,989	2,615,145	1,391,989
Gain on changes in value of current investments	(345,019)	(673,053)	(345,019)	(673,053)
Interest income	(5,568,476)	(6,810,907)	(5,154,425)	(6,695,885)
Interest expense	1,446	285	704	285
Profit from operating activities before changes in operating assets and liabilities	251,248,657	174,215,907	206,582,278	169,861,474
Decrease (increase) in operating assets				
Trade and other receivables	13,154,844	(18,149,474)	23,211,836	(18,327,840)
Inventories	(7,687,567)	(4,523,693)	(2,389,811)	(4,093,244)
Other current assets	190,111	(892,495)	118,011	(824,316)
Other non-current assets	(656,898)	(2,364,419)	(697,130)	239,048
Increase (decrease) in operating liabilities				
Trade and other payables	7,674,345	16,379,046	(11,393,527)	22,001,751
Accrued physicians' fees	2,622,537	521,308	912,645	521,308
Deferred revenues	11,282,742	1,108,201	911,135	1,108,201
Other current liabilities	(549,268)	192,845	(384,734)	(185,498)
Other non-current liabilities	28,504	1,931,801	(690,420)	1,931,801
Cash paid for long-term employee benefits	-	(197,750)	-	(197,750)
Cash flows from operating activities	277,308,007	168,221,277	216,180,283	172,034,935
Cash paid for interest expense	(1,446)	(285)	(704)	(285)
Cash paid for income tax	(32,544,625)	(22,811,859)	(27,741,373)	(22,703,738)
<b>Net cash flows from operating activities</b>	<b>244,761,936</b>	<b>145,409,133</b>	<b>188,438,206</b>	<b>149,330,912</b>

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

**Statement of cash flows (continued)**

Ekachai Medical Care Public Company Limited and its subsidiaries

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Interest received	7,076,236	6,689,322	6,670,376	6,576,835
Acquisitions of building and equipment	(221,023,689)	(133,058,879)	(192,982,689)	(127,313,798)
Acquisitions of intangible assets	(1,654,220)	(236,362)	(563,890)	(236,362)
Proceeds from sales of equipment	7,549	1,422,637	7,549	1,422,637
Decrease in current investments	170,503,216	38,410,004	180,404,097	38,410,004
Decrease in other long-term investments	40,937,156	40,496,761	40,937,156	40,496,761
Increase in other long-term investments	(45,034,203)	(15,000,000)	(35,034,203)	(15,000,000)
Cash payment for purchase of investments in subsidiaries	-	-	(40,649,995)	(18,500,000)
Cash received for sales of investment in a subsidiary	-	-	4,268,370	-
<b>Net cash flows used in investing activities</b>	<b>(49,187,955)</b>	<b>(61,276,517)</b>	<b>(36,943,229)</b>	<b>(74,143,923)</b>
<b>Cash flows from financing activities</b>				
Dividend payment	(99,000,000)	(72,000,000)	(99,000,000)	(72,000,000)
Cash received from non-controlling interest of a subsidiary	4,268,370	-	-	-
Cash received from increase in share capital of a subsidiary	19,952,938	-	-	-
Acquisitions of non-controlling interests of a subsidiary	-	(6,000,000)	-	-
<b>Net cash flows used in financing activities</b>	<b>(74,778,692)</b>	<b>(78,000,000)</b>	<b>(99,000,000)</b>	<b>(72,000,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>120,795,289</b>	<b>6,132,616</b>	<b>52,494,977</b>	<b>3,186,989</b>
Cash and cash equivalents at beginning of year	76,293,195	70,160,579	58,886,663	55,699,674
Cash and cash equivalents at end of year	197,088,484	76,293,195	111,381,640	58,886,663
	-	-	-	-
<b>Supplemental cash flows information:</b>				
<b>Non-cash transactions</b>				
Increase (decrease) in other payables for purchases of building and equipment	692,217	4,860,539	(4,157,429)	2,227,951
Increase in other payables for purchases of intangible assets	-	24,000	-	24,000
Unrealised (gain) loss on changes in value of available-for-sale securities	(218,612)	724,676	(218,612)	724,676
Actuarial gain	(579,553)	-	(579,553)	-

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

## Statement of changes in shareholders' equity

Ekachai Medical Care Public Company Limited and its subsidiaries  
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Issued and paid-up share capital	Premium on ordinary shares	Deficit from change in shareholding percentage in a subsidiary	Retained earnings			Other component of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of a subsidiary	Total shareholders' equity
				Retained earnings		Unappropriated statutory reserve				
				Appropriated -	Unappropriated					
statutory reserve										
Balance as at 1 January 2018	300,000,000	411,422,962	-	8,641,710	90,234,918	584,272	810,883,862	12,253,783	823,137,645	
Profit for the year	-	-	-	-	117,208,760	-	117,208,760	228,453	117,437,213	
Other comprehensive income for the year	-	-	-	-	-	(579,741)	(579,741)	-	(579,741)	
Total comprehensive income for the year	-	-	-	-	117,208,760	(579,741)	116,629,019	228,453	116,857,472	
Increase in non-controlling interests of a subsidiary (Note 11)	-	-	(436,855)	-	-	-	(436,855)	(5,563,145)	(6,000,000)	
Dividend paid (Note 26)	-	-	-	-	(72,000,000)	-	(72,000,000)	-	(72,000,000)	
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	5,777,229	(5,777,229)	-	-	-	-	
Balance as at 31 December 2018	300,000,000	411,422,962	(436,855)	14,418,939	129,666,449	4,531	855,076,026	6,919,091	861,995,117	
Balance as at 1 January 2019	300,000,000	411,422,962	(436,855)	14,418,939	129,666,449	4,531	855,076,026	6,919,091	861,995,117	
Profit for the year	-	-	-	-	160,298,615	-	160,298,615	5,783,922	166,082,537	
Other comprehensive income for the year	-	-	-	-	463,642	174,890	638,532	-	638,532	
Total comprehensive income for the year	-	-	-	-	160,762,257	174,890	160,937,147	5,783,922	166,721,069	
Increase in non-controlling interests of a subsidiary (Note 11)	-	-	(5,952,218)	-	-	-	(5,952,218)	30,173,531	24,221,313	
Dividend paid (Note 26)	-	-	-	-	(99,000,000)	-	(99,000,000)	-	(99,000,000)	
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	-	6,769,855	(6,769,855)	-	-	-	-	
Balance as at 31 December 2019	300,000,000	411,422,962	(6,389,073)	21,188,794	184,658,851	179,421	911,060,955	42,876,544	953,937,499	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	

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



## Statement of changes in shareholders' equity (continued)

Ekachai Medical Care Public Company Limited and its subsidiaries  
 For the year ended 31 December 2019

	Separate financial statements							(Unit: Baht)	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other component of equity	Total shareholders' equity			
			Appropriated - statutory reserve	Unappropriated					
Balance as at 1 January 2018	300,000,000	411,422,962	8,641,710	91,091,530	584,272	811,740,474			
Profit for the year	-	-	-	115,544,594	-	115,544,594			
Other comprehensive income for the year	-	-	-	-	(579,741)	(579,741)			
Total comprehensive income for the year	-	-	-	115,544,594	(579,741)	114,964,853			
Dividend paid (Note 26)	-	-	-	(72,000,000)	-	(72,000,000)			
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	5,777,229	(5,777,229)	-	-			
Balance as at 31 December 2018	300,000,000	411,422,962	14,418,939	128,858,895	4,531	854,705,327			
Balance as at 1 January 2019	300,000,000	411,422,962	14,418,939	128,858,895	4,531	854,705,327			
Profit for the year	-	-	-	135,397,100	-	135,397,100			
Other comprehensive income for the year	-	-	-	463,642	174,890	638,532			
Total comprehensive income for the year	-	-	-	135,860,742	174,890	136,035,632			
Dividend paid (Note 26)	-	-	-	(99,000,000)	-	(99,000,000)			
Transferred unappropriated retained earnings to statutory reserve (Note 20)	-	-	6,769,855	(6,769,855)	-	-			
Balance as at 31 December 2019	300,000,000	411,422,962	21,188,794	158,949,782	179,421	891,740,959			
	-	-	-	-	-	-			
	-	-	-	-	-	-			

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

## Ekachai Medical Care Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

### 1. General information

Ekachai Medical Care Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is located at 99/9 Moo 4, Ekachai Road, Khok Kham, Muang Samut Sakorn, Samut Sakorn.

### 2. Basis of preparation

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

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

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

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Ekachai Medical Care Public Company Limited and its subsidiaries (hereinafter called “the Group”) as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			(%)	(%)
Ekachai International Company Limited	Infertility center	Thailand	67	84
Ekachai Nursing Home Company Limited	Nursing home	Thailand	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary 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 The separate financial statements present investments in subsidiaries under the cost method.

### 3. New financial reporting standards

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

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

#### TFRS 15 Revenue from Contracts with Customers

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

Accounting Standards	
TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
Standard Interpretations Committee	
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
Financial Reporting Standard Interpretations	
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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

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

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial

Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

#### Financial reporting standards related to financial instruments

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

Financial Reporting Standards	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Accounting Standard	
TAS 32	Financial Instruments: Presentation
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 amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group believes that adoption of these standards will not have any significant impact on the Group's financial statements.

#### TFRS 16 Leases

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

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

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 42 million and the Group's liabilities by approximately Baht 43 million.

## 4. Significant accounting policies

### 4.1 Revenue recognition

- a) Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered. Revenues are measured at the amount of the consideration received or receivable of services rendered, and medicine delivered after deducting discounts.

The obligation to transfer medicine or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Deferred revenues” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

- b) Rental income and related service income are recognised on a straight-line basis over the lease term.
- c) Interest income is recognised on an accrual basis based on the effective interest rate.
- d) Dividend income is recognised when the right to receive the dividend is established.

### 4.2 Cash and cash equivalents

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

### 4.3 Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful debts 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.

### 4.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

### 4.5 Cost to obtain a contract

The Group recognises a commission paid to obtain a customer contract as an asset and amortises it to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of the consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

### 4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these

securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in subsidiaries are accounted for in the separate financial statements using the cost less allowance for impairment method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value on the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

#### 4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.8 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Buildings and building improvement	5 - 40 years
Medical tools and equipment	5 and 10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years



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

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

#### 4.9 Intangible assets and amortisation

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

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

The useful lives of computer software are 2 - 10 years.

#### 4.10 Related party transactions

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

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

#### 4.11 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance lease is depreciated over the useful life of the asset.

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

#### 4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange rate are included in determining income.

#### 4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 4.14 Employee benefits

##### *Short-term employee benefits*

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

##### *Post-employment benefits*

##### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### 4.15 Provisions

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

#### 4.16 Income tax

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

##### *Current tax*

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

## Deferred tax

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

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

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

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

### 4.17 Fair value measurement

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

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

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

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

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These

judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

#### **Allowance for doubtful debts**

In determining an allowance for doubtful debts, 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.

#### **Impairment of investments in securities**

The Group treats investments in available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

#### **Property, plant and equipment/Depreciation**

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

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

#### **Deferred tax assets**

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

#### **Post-employment benefits under defined benefit plans**

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

## **6. Related party transactions**

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Transactions with subsidiaries (eliminated in the consolidated financial statements)					
Sales of medicine and supplies	-	-	17,600	-	Cost plus margin
Medical service income	-	-	24,732	-	Contract price
Purchase of supplies	-	-	585	-	Cost plus margin
Purchase of fixed assets	-	-	13,000	-	Book value plus margin
Rental income	-	-	389	2,583	Contract price
Management fee income	-	-	70	561	Contract price
Service fees	-	-	3,108	14,799	Contract price
Transactions with related parties					
Revenues from hospital operations	560	525	560	525	Market price
Other expenses	254	905	254	905	Market price

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other receivables - related parties				
Subsidiaries	-	-	822	178
Related companies (common director)	-	182	-	182
Related person	-	-	-	-
Total	-	182	822	360
Trade and other payables - related parties				
Subsidiary	-	-	557	5,483
Related company (common director)	-	96	-	96
Total	-	96	557	5,579

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	26,740	21,338	26,470	21,088
Post-employment benefits	35	12	35	12
Total	26,775	21,350	26,505	21,100

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	1,330	2,258	1,312	2,258
Bank deposits	195,758	74,035	110,070	56,629
Total	197,088	76,293	111,382	58,887

As at 31 December 2019, bank deposits in savings accounts and fixed deposit carried interests between 0.22% and 1.30% per annum (2018: between 0.25% and 1.30% per annum).

## 8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in securities held for trading				
Unit trusts - fixed income fund	63,889	106,976	53,988	106,976
Government bond	3,045	7,984	3,045	7,984
Debentures	12,016	59,149	12,016	59,149
Investments in debt securities held to maturity - due in one year				
Debentures	15,000	20,000	15,000	20,000
Other long-term investments - due in one year				
Bank for Agriculture and Agriculture cooperation bond	30,000	100,000	30,000	100,000
Total	123,950	294,109	114,049	294,109



## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
Aged on the basis of due dates				
Past due				
Up to 3 months	-	78	406	78
6 - 12 months	-	-	17	-
Total trade receivables - related parties	-	78	423	78
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	21,040	25,440	21,040	25,440
Past due				
Up to 3 months	24,747	33,360	17,593	33,360
3 - 6 months	787	1,801	823	1,801
6 - 12 months	3,564	1,499	210	1,499
Over 12 months	837	1,304	837	1,304
Total	50,975	63,404	40,503	63,404
Less: Allowance for doubtful debts	(896)	(1,443)	(896)	(1,443)
Total trade receivables - unrelated parties, net	50,079	61,961	39,607	61,961
Total trade receivables - net	50,079	62,039	40,030	62,039
Other receivables				
Accrued income - related party	-	104	-	104
Accrued income - unrelated parties	3,879	4,812	3,879	4,812
Interest receivable	488	1,995	477	1,993
Advances - related party	-	-	399	178
Other receivables - unrelated parties	704	316	476	316
Total other receivables	5,071	7,227	5,231	7,403
Total trade and other receivables - net	55,150	69,266	45,261	69,442

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Medicine	15,888	10,932	(306)	(183)	15,582	10,749
Medical supplies	6,968	4,725	(94)	(78)	6,874	4,647
Other supplies	1,531	1,042	-	-	1,531	1,042
Total	24,387	16,699	(400)	(261)	23,987	16,438

(Unit: Thousand Baht)

	Separate financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Medicine	11,571	10,932	(306)	(183)	11,265	10,749
Medical supplies	5,393	4,002	(94)	(78)	5,299	3,924
Other supplies	1,393	1,034	-	-	1,393	1,034
Total	18,357	15,968	(400)	(261)	17,957	15,707

During the year 2019, the Group reduced cost of inventories by Baht 0.15 million (2018: Baht 0.16 million) to reflect the net realisable value. This was included in cost of hospital operations. In addition, the Group reversed the write-down of cost of inventories by Baht 0.01 million (2018: Baht 0.01 million), and reduce the amount of inventories recognised as expenses during the year.

## 11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2019	2018	2019	2018	2019	2018
			(%)	(%)		
Ekachai International Company Limited	85,798	42,500	67	84	57,300	35,600
Ekachai Nursing Home Company Limited	15,000	-	100	-	15,000	-
Total					72,300	35,600

### Ekachai International Company Limited

On 5 August 2019, the Board of Directors' meeting passed a resolution approving a disposal of ordinary shares in Ekachai International Company Limited to an existing shareholder in the amount of 3,160,000 shares at

Baht 1.35075 each which is higher than cost, totaling Baht 4.27 million, resulting in the decrease in the Company's shareholding percentage from 84% to 74%.

On 15 October 2019, the Board of Directors' meeting of Ekachai International Company Limited passed a resolution approving the call up of an additional 75% of the value of its 10,000,000 registered ordinary shares with a par value of Baht 5 each, or a total of Baht 37,500,000. The call up is to be paid within 15 November 2019. As a result, the Company's shareholding percentage in the subsidiary decreased from 74% to 72%.

On 1 November 2019, the Extraordinary General Meeting of Shareholders of Ekachai International Company Limited passed a resolution approving an increase in its registered share capital from Baht 80,000,000 (16,000,000 ordinary shares with a par value of Baht 5 each) to Baht 85,797,755 (17,159,551 ordinary shares with a par value of Baht 5 each) in order to support the distribution of 1,159,551 shares with a par value of Baht 5 each to the existing shareholders in ratio of 0.072472 new share for every 1 existing share, at a price of Baht 6.9881 per share.

On 9 November 2019 the Board of Directors' meeting passed a resolution approving not to exercise the Company's rights in the capital increase of Ekachai International Company Limited. As a result, the Company's shareholding percentage in the subsidiary decreased from 72% to 67%.

#### Ekachai Nursing Home Company Limited

On 13 August 2019, the Board of Directors' meeting passed a resolution approving the establishment of Ekachai Nursing Home Company Limited, which is engaged in operating a nursing home. The subsidiary registered its incorporation with the Ministry of Commerce on 4 September 2019, with a registered share capital of Baht 60 million, consisting of 12,000,000 ordinary shares with a par value of Baht 5 each, call-up at Baht 1.25 each. The Company's shareholding percentage in the subsidiary is 100%.

#### 11.2 Details of investment in a subsidiary that has material non-controlling interests

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018
	(%)	(%)				
Ekachai International Company Limited	33	16	42,877	6,919	5,784	228

#### 11.3 Summarised financial information that based on amounts before inter-company elimination about a subsidiary that has material non-controlling interests.

Summarised information about financial position.

(Unit: Thousand Baht)

	2019	2018
Current assets	99,636	23,744
Non-current assets	59,889	22,898
Current liabilities	39,045	3,752
Non-current liabilities	732	-

Summarised information about comprehensive income.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Revenues	221,482	14,914
Profit	31,255	1,893

Summarised information about cash flow.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2019	2018
Cash flow from (used in) operating activities	61,517	(1,289)
Cash flow used in investing activities	(52,151)	(8,265)
Cash flow from financing activities	45,603	12,500
Net increase in cash and cash equivalents	54,969	2,946

## 12. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank for Agriculture and Agriculture Cooperatives bond	30,000	30,000	20,000	30,000
Investments in available-for-sale securities				
Debentures	55,044	50,946	55,044	50,946
Add: Unrealised gain on changes in value of investments	222	4	222	4
Debentures - net	55,266	50,950	55,266	50,950
Total	85,266	80,950	75,266	80,950

### 13. Investment properties

The net book values of investment properties which are condominium units as at 31 December 2019 and 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2019	2018
Cost	3,772	3,772
Less: Accumulated depreciation	(517)	(328)
Net book value	3,255	3,444

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2019	2018
Net book value at beginning of year	3,444	3,632
Depreciation	(189)	(188)
Net book value at end of year	3,255	3,444

The fair value of the investment properties as at 31 December 2019 amounted to Baht 4.6 million (2018: Baht 4.3 million). The fair value of the condominium units has been determined based on market prices.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and building improvement	Medical tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>							
1 January 2018	73,296	283,063	135,792	35,274	18,429	37,852	583,706
Additions	-	901	8,298	1,131	6,557	121,033	137,920
Disposals/write-off	-	(534)	(1,881)	(180)	(4,982)	-	(7,577)
Transfers	-	8,016	-	-	-	(8,016)	-
31 December 2018	73,296	291,446	142,209	36,225	20,004	150,869	714,049
Additions	-	171,400	31,631	8,524	911	9,250	221,716
Disposals/write-off	-	(304)	(2,270)	(136)	(429)	-	(3,139)
Transfers	-	140,562	-	-	-	(140,562)	-
31 December 2019	73,296	603,104	171,570	44,613	20,486	19,557	932,626
<b>Accumulated depreciation</b>							
1 January 2018	-	141,009	86,172	28,693	11,363	-	267,237
Depreciation for the year	-	18,145	11,701	2,163	2,317	-	34,326
Depreciation on disposals/write-off	-	(285)	(1,363)	(142)	(4,144)	-	(5,934)
31 December 2018	-	158,869	96,510	30,714	9,536	-	295,629
Depreciation for the year	-	26,212	14,545	2,527	2,671	-	45,955
Depreciation on disposals/write-off	-	(126)	(2,181)	(131)	(141)	-	(2,579)
31 December 2019	-	184,955	108,874	33,110	12,066	-	339,005
<b>Net book value</b>							
31 December 2018	73,296	132,577	45,699	5,511	10,468	150,869	418,420
31 December 2019	73,296	418,149	62,696	11,503	8,420	19,557	593,621

## Depreciation for the years

2018 (Baht 32.74 million included in cost of hospital operations, and the balance in administrative expenses)	34,326
2019 (Baht 41.58 million included in cost of hospital operations, and the balance in administrative expenses)	45,955



(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and building improvement	Medical tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>							
1 January 2018	73,296	276,511	127,300	35,274	18,429	37,852	568,662
Additions	-	901	7,148	634	5,367	115,492	129,542
Disposals/write-off	-	(534)	(1,881)	(180)	(4,982)	-	(7,577)
Transfers	-	8,016	-	-	-	(8,016)	-
31 December 2018	73,296	284,894	132,567	35,728	18,814	145,328	690,627
Additions	-	153,105	20,611	6,403	911	7,795	188,825
Disposals/write-off	-	(304)	(2,270)	(136)	(429)	-	(3,139)
Transfers	-	135,021	-	-	-	(135,021)	-
31 December 2019	73,296	572,716	150,908	41,995	19,296	18,102	876,313
<b>Accumulated depreciation</b>							
1 January 2018	-	140,855	85,667	28,693	11,363	-	266,578
Depreciation for the year	-	17,491	9,957	2,147	2,263	-	31,858
Depreciation on disposals/write-off	-	(285)	(1,363)	(143)	(4,144)	-	(5,935)
31 December 2018	-	158,061	94,261	30,697	9,482	-	292,501
Depreciation for the year	-	23,164	12,654	2,257	2,434	-	40,509
Depreciation on disposals/write-off	-	(126)	(2,181)	(131)	(141)	-	(2,579)
31 December 2019	-	181,099	104,734	32,823	11,775	-	330,431
<b>Net book value</b>							
31 December 2018	73,296	126,833	38,306	5,031	9,332	145,328	398,126
31 December 2019	73,296	391,617	46,174	9,172	7,521	18,102	545,882

**Depreciation for the years**

2018 (Baht 30.92 million included in cost of hospital operations, and the balance in administrative expenses)	31,858
2019 (Baht 39.31 million included in cost of hospital operations, and the balance in administrative expenses)	40,509

As at 31 December 2019, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 93 million (2018: Baht 97 million).

The Company has mortgaged land and buildings with a net book value of Baht 465 million (2018: Baht 200 million) as collateral to secure bank credit facilities.

## 15. Intangible assets

The net book values of intangible assets which are computer software as at 31 December 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost	14,448	12,793	13,357	12,793
Less: Accumulated amortisation	(12,297)	(11,330)	(12,199)	(11,330)
Net book value	2,151	1,463	1,158	1,463

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	1,463	2,432	1,463	2,432
Additions	1,655	260	564	260
Amortisation	(967)	(1,229)	(869)	(1,229)
Net book value at end of year	2,151	1,463	1,158	1,463

## 16. Credit facilities from bank

As at 31 December 2019 and 2018, the Company has bank overdraft and short-term loan facilities that it has yet to draw down amounted to Baht 28 million. The credit facilities were secured by the mortgage of the Company's land and buildings and guaranteed by the Company's directors.

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - unrelated parties	28,251	19,617	22,613	23,639
Other payables - related party	-	96	557	96
Other payables - unrelated parties	10,553	12,437	7,423	11,883
Accrued expenses	40,354	38,641	26,939	37,465
Total	79,158	70,791	57,532	73,083

## 18. Provision for discount coupons

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision at beginning of year	406	415	406	415
Increase during the year	1,605	263	325	263
Utilised	(947)	(272)	(187)	(272)
Provision at end of year	1,064	406	544	406

The Group recognises provision for discount coupons when the coupons are distributed. The provision is calculated based on the medical cost of the discount coupons distributed, which is determined on the basis of historical cost and the rate at which customers are expected to return to utilise the coupons.

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	6,490	5,296	6,490	5,296
Included in profit or loss:				
Current service cost	1,679	1,275	1,666	1,275
Interest cost	161	117	161	117
Past service cost	788	-	788	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(664)	-	(664)	-
Financial assumptions changes	499	-	499	-
Experience adjustments	(414)	-	(414)	-
Benefits paid during the year	-	(198)	-	(198)
Provision for long-term employee benefits at end of year	8,539	6,490	8,526	6,490

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 0.8 million (The Company only: Baht 0.8 million)

as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the profit or loss of the current year.

As at 31 December 2019 and 2018, the Group did not expect to pay of long-term employee benefits during the next year.

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefits is 7 years (2018: 9 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.38, 1.42	2.21	1.42	2.21
Salary increase rate	3.00	3.00	3.00	3.00
Turnover rate	0.00 - 26.00	0.00 - 28.00	0.00 - 26.00	0.00 - 28.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(583)	658	(582)	656
Salary increase rate	641	(580)	640	(579)
Turnover rate	(643)	391	(642)	390

(Unit: Thousand Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(467)	526	(467)	526
Salary increase rate	584	(526)	584	(526)
Turnover rate	(513)	301	(513)	301

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. During the year 2019, the Company set aside the statutory reserve amounting to Baht 6.8 million (2018: Baht 5.8 million).

## 21. Expenses by nature

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salary, wages and other employee benefits	197,361	165,079	183,010	165,031
Physicians' fee	160,628	133,227	145,075	133,227
Depreciation	46,144	34,514	40,698	32,046
Amortisation	967	1,229	869	1,229
Medicine, medical supply and other supply consumptions	155,544	91,503	115,274	88,221
Utilities charge	16,138	12,916	16,061	12,855

## 22. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	41,299	26,848	33,174	26,740
Deferred tax:				
Relating to origination and reversal of temporary differences	(763)	(563)	(638)	(563)
Income tax expenses reported in profit or loss	40,536	26,285	32,536	26,177

The amounts of income tax relating to each component of other comprehensive income for years ended 31 December 2019 and 2018 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to				
Unrealised gain (loss) on changes in value of available-for-sale securities	44	(145)	44	(145)
Actuarial gain	116	-	116	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before income tax	206,619	143,722	167,933	141,721
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	41,324	28,744	33,587	28,344
Previously unrecognised tax loss which was recognised in this year	-	(301)	-	-
Effects of:				
Non-deductible expenses	479	(42)	216	(51)
Additional expense deductions allowed	(1,267)	(2,116)	(1,267)	(2,116)
Income tax expenses reported in profit or loss	40,536	26,285	32,536	26,177

The components of deferred tax assets and liabilities are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for doubtful debts	179	253	179	253
Allowance for diminution in value of inventories	80	52	80	52
Accumulated depreciation - Building improvement	336	305	336	305
Accumulated amortisation - Computer software	306	268	306	268
Provision for discount coupons	238	106	134	106
Provision for decommissioning	109	-	-	-
Provision for long-term employee benefits	1,708	1,298	1,705	1,298
Total	2,956	2,282	2,740	2,282
<b>Deferred tax liabilities</b>				
Cost of asset decommissioning	91	-	-	-
Unrealised gain from revaluation of investments in securities	113	133	113	133
Total	204	133	113	133
Deferred tax assets - net	2,752	2,149	2,627	2,149

## 23. Basic earnings per share

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

## 24. Segment information

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

The Group is principally engaged in the hospital business and infertility center. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

In the years 2019 and 2018, the Group has no major customer with revenue of 10% or more of the its revenues.

## 25. Provident fund

The group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 1.4 million (2018: Baht 1.3 million) were recognised as expenses.

## 26. Dividend

Dividend	Approved by	Number of share	Dividend per share	Total dividend
		(Thousand shares)	(Baht)	(Thousand Baht)
Dividend for 2017	Annual General Meeting of the Company's shareholders on 20 April 2018	600,000	0.120	72,000
Total for 2018		600,000	0.120	72,000
Dividend for 2018	Annual General Meeting of the Company's shareholders on 25 April 2019	600,000	0.165	99,000
Total for 2019		600,000	0.165	99,000



## 27. Commitments and contingent liabilities

### 27.1 Capital commitment

As at 31 December 2019, the Group had capital commitment of Baht 11.2 million (2018: Baht 141.2 million), relating to construction of hospital building and acquisition of medical tools and equipment.

### 27.2 Lease and service agreement commitments

The Group has entered into operating lease agreements in respect of the lease of land, office space, condominium units and equipment and other service agreements. The terms of the agreements are generally between 1 and 20 years.

As at 31 December 2019 and 2018, future minimum payments required under the above contracts were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	14,422	14,598	5,102	7,481
In over 1 and up to 5 years	10,221	14,987	62	2,257
over 5 years	13,785	-	-	-

### 27.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of Baht 1.2 million (2018: Baht 1.4 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.

## 28. Fair value hierarchy

As of 31 December 2019 and 2018, the Group had the assets those were measured at fair value using level 2 of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investments in securities held for trading				
Debt securities	78,950	174,109	69,049	174,109
Investments in available-for-sale securities Debt securities	55,266	50,950	55,266	50,950

The Group had the asset that was disclosed at fair value using level 2 of inputs as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2019	2018
Investment properties	4,646	4,257
Investment in debt securities - debentures	15,156	35,074

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

## 29. Financial instruments

### 29.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investments, receivables and payables and accrued physicians' fees. The financial risks associated with these financial instruments and how they are managed are described below.

#### Credit risk

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

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at banks and interest-bearing investments. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2019					
	Fixed interest		Floating	Non-interest	Total	Interest rate
	within 1 year	1 - 5 years	interest rate	bearing		(% p.a.)
Financial assets						
Cash and cash equivalents	10	-	182	5	197	0.22 - 1.30
Current investments	60	-	-	64	124	0.25 - 3.00
Trade and other receivables	-	-	-	55	55	-
Other long-term investments	-	85	-	-	85	0.25 - 2.86
	70	85	182	124	461	
Financial liabilities						
Trade and other payables	-	-	-	79	79	-
Accrued physicians' fees	-	-	-	14	14	-
	-	-	-	93	93	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2018					
	Fixed interest		Floating	Non-interest	Total	Interest rate
	within 1 year	1 - 5 years	interest rate	bearing		(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	70	6	76	0.25 - 1.30
Current investments	187	-	-	107	294	2.21
Trade and other receivables	-	-	-	69	69	-
Other long-term investments	-	81	-	-	81	0.25 - 2.74
	187	81	70	182	520	
Financial liabilities						
Trade and other payables	-	-	-	71	71	-
Accrued physicians' fees	-	-	-	11	11	-
	-	-	-	82	82	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Fixed interest		Floating	Non-interest		Interest rate
	within 1 year	1 - 5 years	interest rate	bearing	Total	(% p.a.)
Financial assets						
Cash and cash equivalents	10	-	96	5	111	0.22 - 1.30
Current investments	60	-	-	54	114	0.25 - 3.00
Trade and other receivables	-	-	-	45	45	-
Other long-term investments	-	75	-	-	75	0.25 - 2.86
	70	75	96	104	345	
Financial liabilities						
Trade and other payables	-	-	-	58	58	-
Accrued physicians' fees	-	-	-	12	12	-
	-	-	-	70	70	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2018					
	Fixed interest		Floating	Non-interest		Interest rate
	within 1 year	1 - 5 years	interest rate	bearing	Total	(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	53	6	59	0.25 - 1.30
Current investments	187	-	-	107	294	2.21
Trade and other receivables	-	-	-	69	69	-
Other long-term investments	-	81	-	-	81	0.25 - 2.74
	187	81	53	182	503	
Financial liabilities						
Trade and other payables	-	-	-	73	73	-
Accrued physicians' fees	-	-	-	11	11	-
	-	-	-	84	84	

## 29.2 Fair values of financial instruments

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

### 30. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.15:1 (2018: 0.12:1) and the Company's debt-to-equity ratio was 0.11:1 (2018: 0.13:1).

### 31. Events after the reporting period

On 27 February 2020, the meeting of the Company's Board of Directors passed a resolution to propose to the 2020 Annual General Meeting of the Company's shareholders to adopt the resolution to pay a dividend of Baht 0.21 per share from the 2019 profit, or a total of Baht 126 million.

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.







สไลเดอร์ยักษ์  
Giant Tube Slide



ห้องโถงพักรอ ชั้น 2  
Lobby on Second Floor



ห้องพักผู้ป่วยใน  
Inpatient Accommodation



ศูนย์พัฒนาการเด็กและวัยรุ่น  
Child and Teen Development Center



บริษัท เอกชัยการแพทย์ จำกัด (มหาชน)  
EKACHAI MEDICAL CARE PUBLIC COMPANY LIMITED

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