

Your new home,
with medical professionals
within reach
บ้านหลังใหม่...มีหมออยู่ในบ้าน



ANNUAL REPORT
รายงานประจำปี

2019
2562

THON CORE VALUES

T

TREASURE LIVES

We treasure everyone's quality of life and we strive to offer the best care without discrimination of any persons or groups

H

HONEST

We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients' dignity

O

OPTIMISTIC

We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance

N

NURTURING

Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers



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Please see more of the Company's information from the Annual Registration Statement (form 56-1) as presented in the www.sec.or.th or the Company's website

Message from the Chairman

The year 2019 was an important step for Thonburi Healthcare Group Public Company Limited (“THG”) as we have proved our vision and perseverance in developing healthcare services in order to respond to the needs of people of all ages, including:

- Medical services
 - THG opened two new local hospitals, including Thonburi Bamrungmuang Hospital (100% shareholding by THG) in the central of Bangkok, providing personalized care and specialized treatment, and Thonburi Thungsong Hospital, Thungsong District, Nakhon Si Thammarat Province (56.43% shareholding by THG) which has up-to-date medical equipment.
- Nursing care and medical equipment services
 - THG opened Thonburi Burana Hospital, which is a part of Jin Wellbeing County of Thonburi Wellbeing Co., Ltd. (100% shareholding by THG), providing long-term care for senior.

The projects, which started their operations during the last year, gained increased trust from Thai and foreign patients. In addition, the services provided by core hospitals of THG, including Thonburi Hospital, Thonburi 2 Hospital and Rajyindee Hospital, and overseas hospitals, including ARYU International Hospital in Myanmar and Welly Hospital in China, and THG’s management service to public and private hospitals. THG received two international awards in Singapore: “Hospital of the Year” awarded to Thonburi Hospital and “Clinical Service Initiative of the Year” from The Healthcare Asia Awards 2019 awarded to Thonburi Bamrungmuang Hospital. THG was honoured to receive such awards which represented its international standard and quality medical services. In addition, THG had been assessed at level 4 from the organization of the Annual General Meeting of

Dr. Boon Vanasin
Chairman of the Board of
Directors/Founder of THG

Shareholders organizing Quality Assessment, organized by the Thai Investors Association and received a “Very Good” level or 4-star rating from the Thai Listed Companies Corporate Governance Survey 2019, organized by the Thai Institute of Directors Association.

Despite in the past year, the company was affected by the economic slowdown, challenges from rules and regulations, and competition in the industry which had caused decline in operating performance of certain units. THG continues to follow its business plan, develop innovations, and provide quality services. These have resulted in its total revenues become good and its performance tends to improve in the future. For the first time, THG stock was announced by the Stock Exchange of Thailand as 1 of SET100 Index for January – June 2020.

Summary of operating performance of THG in the year 2019 was as follows:

	2018	2019	% of growth
Total revenues	Baht 7,094 million	Baht 8,232 million	16.0
Net profit	Baht 348 million	Baht 462 million	32.8

I wish to thank all shareholders who have given trust to THG in protecting happiness and health in every stage of life and all THG’s team and medical staff who have contributed to our success and played an important role in THG’s significant milestones in the previous year and from now onwards.

Message from the Chief Executive Officer

In the year 2019, THG had been providing healthcare services to customers and successfully achieved its goals amidst many challenges and uncontrollable factors, such as the slowdown of global economy which had impacts on Thai economy, the general election, and a time-consuming process of forming new government, which effected on directions of local economy. In addition, there was a drop in consumer spending in Thailand and consumers sought for alternative products that were less expensive but with similar qualities.

The abovementioned factors imposed as challenges to Thonburi Healthcare Group or THG who had revised its strategy in order to respond to the environments by creating and developing its personnel to be able to compete, finding potential in each individual to improve work efficiency, and using technology, including AI innovations and brain's creativity in this hybrid society, to ensure accuracy and precision. This has resulted in decreasing in time spent and excellent quality of treatments and services provided to customers who would be healthy and living happily at any age and is in line with the concept "Lifetime Health Guardian For All" and the global trend of "Aged Society" with higher number of senior's populations that are more healthy and capable of doing many things although they are in their retirements. THG views this age group as an important group since elderly people are no longer liabilities to the society, but they can bring values to the society even at older ages.

We try to develop and offer a full range of healthcare services to our customers. We provide all types of services for patients in any health condition, including preventive medicine, individual wellness (Personalized Care), and development on physical health and thinking and improvement on mentality. We also give importance to patient who has gone through intensive treatment and must receive rehabilitation to recover and return to a normal life. Therefore, we had established a hospital specializing in recovery or long-term care for elderly people. We have a senior home specially designed for living by retirement age which contains hospital and wellness center at the same place for fast and convenient services. We also provide physical therapy service at home (Home Healthcare) by sending a team of nurse and physical therapist to treat and provide consultation at home so that customer does not have to spend time travelling to the hospital.

We integrate all of the abovementioned services and offer them to customers so that they will receive a full range of healthcare services in both vertical and horizontal approaches. For people at any age or in any health condition, THG is ready to develop services to respond to all health problems and wishes to see all Thai people having good health and mentality for life.



Dr. Tanatip Suppradit
Acting Chief Executive Officer



Board of Directors

Thonburi Healthcare Group PCL.



1



2



3



4



5



6

- | | |
|-------------------------------------|--|
| 1. Dr. Boon Vanasin (M.D.) | Chairman |
| 2. Dr. Tanatip Suppradit (M.D.) | Vice Chairman and Member of Risk Management Committee |
| 3. Mrs. Kannika Ngamsophee | Independent Director, Chairman of Audit Committee and Member of Risk Management Committee |
| 4. Mr. Virachai Srikajon | Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee |
| 5. Mr. Chalermkul Apibunyopas | Director, Chairman of Corporate Governance and Business Ethics Committee and Member of Risk Management Committee |
| 6. Dr. Vikrom Koompirochana (Ph.D.) | Independent Director |





7



8



9



10



11



12



13

7. **Dr. Linda Kraivit (M.D.)**

Independent Director, Chairman of Risk Management Committee,
Member of Nomination and Remuneration Committee,
Member of Audit Committee and Member of Corporate Governance
and Business Ethics Committee

8. **Dr. Aurchat Kanjanapitak (M.D.)**

Director

9. **Mr. Sita Meksawan**

Director and Member of Corporate Governance and
Business Ethics Committee

10. **Assoc. Prof. Dr. Aasis Unnanuntana (M.D.)**

Director

11. **Dr. Kajorn Thanapase (Ph.D.)**

Director

12. **Ms. Nalin Vanasin**

Director

13. **Dr. Rukkagee Kanjanapitak (Ph.D.)**

Director





Executives



- | | |
|--------------------------------------|---|
| 1. Dr. Tanatip Suppradit (M.D.) | Chairman of Executive Committee, Acting Chief Executive Officer and Chief Hospital Business - International |
| 2. Mr. Chalermkul Apibunyopas | Member of Executive Committee, Chief Hospital Business - Domestic 2 and Acting Chief Hospital Business - Domestic 1 |
| 3. Ms. Nalin Vanasin | Member of Executive Committee, Chief Commercial Officer and Chief Business Service Support Officer |
| 4. Dr. Siripong Luengvarinkul (M.D.) | Member of Executive Committee |
| 5. Dr. Sudhichai Chokekijchai (M.D.) | Member of Executive Committee |





- | | | |
|-----|----------------------------------|--|
| 6. | Dr. Watson Aphiwatanakoon (M.D.) | Member of Executive Committee |
| 7. | Dr. Jessada Thummavanich (Ph.D.) | Chief Private Public Partnership Business |
| 8. | Ms. Thipawon Ruchiroatpipatana | Member of Executive Committee |
| 9. | Ms. Anchalee Chalvalitjareetham | CFO and Director of Accounting (Accounting-supervising person) |
| 10. | Dr. Suwadee Puntpanich (Ph.D.) | Corporate Secretary |



Profiles of Board of Directors and Executives

Dr. Boon Vanasin (M.D.)

Age 81

Chairman



Dr. Tanatip Suppradit (M.D.)

Age 53

Vice Chairman /
Member of Risk Management Committee /
Chairman of Executive Committee /
Acting Chief Executive Officer and
Chief Hospital Business - International



Date Appointment of Director : May 1977

Education

- Board Certified, Internal Medicine Branch and Gastrointestinal, John Hopkins University, USA
- Doctor of Medicine, Mahidol University

Training

- Director Accreditation Program (DAP EN) Course 135/2017, IOD

Experience in the past 5 years

- 2016 - present Director, Weihai Thonburi Healthcare Investment Co., Ltd. ^(N)
- 2015 - present Chairman, Thonburi Healthcare Group PCL. ^(L)
- 2014 - present Director, Thonburi Hospital Heart Center Co., Ltd. ^(N)
- 2013 - present Director, Dental Siam Co., Ltd. ^(N)
- 2011 - present Advisor, Faculty of Medicine, Siam University
- 1992 - present Advisor, Mahidol University Alumni Association
- 1991 - present President, Mahidol Witthayanusorn School Parents Association
- 1977 - 2015 Founder and director, Thonburi Healthcare Group PCL. ^(L)

Listed company (L) 1

Non - listed company (N) 3

Date Appointment of Director : 15 June 2015

Education

- MBA, Thammasat University
- Surgery, The medical council of Thailand
- Doctor of medicine, Chulalongkorn University

Training

- Director Accreditation Program (DAP) Course 125/2016, IOD
- How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD

Experience in the past 5 years

- Apr 2019 - present Member of Risk Management Committee, Thonburi Healthcare Group PCL. ^(L)
- Apr 2019 - present Director, Rajthanee Hospital PCL. ^(L)
- May 2018 - Present Acting Chief Executive Officer, Thonburi Healthcare Group PCL. ^(L)
- April 2018 - present Director, Ubonrak Co., Ltd. ^(N)
- Mar 2018 - Present Chief Hospital Business - International, Thonburi Healthcare Group PCL. ^(L)
- 2018 - present Director, Thanarad Thung Song Co., Ltd. ^(N)
- 2018 - present Director, ARYU International Health Care Co., Ltd. ^(N)
- 2018 - present Director, Rajthanee Realty Co., Ltd. ^(N)
- Nov 2017 - present Director, Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
- Jul 2017 - present Director, Sirivej Chantaburi PCL. ^(N)
- Jul 2017 - present Director, Rajyindee Hospital PCL. ^(N)
- Jan 2016 - Present Director, Thonburi Realty Development Co., Ltd. ^(N)
- 2016 - Present Director, Thonburi Hospital Heart Center Co., Ltd. ^(N)
- 2016 - Present Director, Weihai Thonburi Healthcare Investment Co., Ltd. ^(N)
- 2016 - Present Director, Utaradit Thonburi Hospital Co., Ltd. ^(N)
- 2015 - present Vice Chairman, Chairman of Executive Committee, Thonburi Healthcare Group PCL. ^(L)
- 2014 - Present Director, Thonburi Wellbeing Co., Ltd. ^(N)
- Jun 2018 - Jan 2019 Acting Chief Business Service/Support Officer, Thonburi Healthcare Group PCL. ^(L)
- 2015 - Mar 2018 Chief Operation Officer (COO) Group 4, Thonburi Healthcare Group PCL. ^(L)

Listed company 2

Non - listed company 12



Mrs. Kannika Ngamsopee

Age 63

Independent Director /
Chairman of Audit Committee and
Member of Risk Management Committee



Date Appointment of Director : 29 April 2016

Education

- Master's degree of Accounting, Thammasart University
- Master degree of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor degree of Accounting (2nd Honors), Thammasart University
- Bachelor degree of Laws, Thammasart University

Training

- Director Certification Program (DCP) Course, Class of 21/2002, IOD
- CMA Batch 3, Capital Market Academy
- Class of 2009, Thailand National Defense College
- Certified Public Accountant No.3156
- MPPM, (Police Education Bureau Class of 1/2007)
- Advanced Strategic Management, IMD. Switzerland (2012)
- International Trade Laws Certificate (Batch 1), The Thai Bar under the Royal Patronage
- Risk Management Program for Corporate Leaders (RCL), Class of 13/2018, IOD

Experience in the past 5 years

- Sep 2019 – present Independent Director, Member of Audit Committee, Siam Makro PCL. ^(L)
- Sep 2019 - present Director, Digital Government Development Agency
- Aug 2018 – present Finance and Budget Subcommittee, Fund for Educational Equality
- May 2018 - present Director, ARYU International Health Care Co., Ltd ^(N)
- Feb 2018- present Chairman of Audit Committee and Member of Risk Management Committee, Thonburi Healthcare Group PCL. ^(L)
- Nov 2017- present Advisory of Monetary Policy Committee, Bank of Thailand
- Sep 2017- present Public Sector Audit Evaluation Committee (PAEC), Ministry of Administration (Government Sector)
- Jun 2017- present Director, Thonburi Wellbeing Co., Ltd. ^(N)
- May 2017- present Asset Management Committee, Vajiravudh College
- Dec 2016 - present Independent Director and Chairman of Audit Committee, Scan Inter PCL. ^(L)
- May 2016 - present Independent Director, Thonburi Healthcare Group PCL. ^(L)
- Mar 2016 - present Member of Audit Committee, Social Security Office
- Sep 2015 - present Director, Member of Audit Committee and Chairman of Risk Management Committee, Global Green Chemical PCL. ^(L)
- Nov 2017 - 2019 Director, Thonburi Bumrungruang Hospital Co., Ltd. ^(N)
- Apr – Oct 2017 Independent Director, Member of Audit Committee and Member of Corporate Governance & Corporate Social Responsibility Committee, Thai Credit Guarantee Corporation (TCG)
- Aug 2016 - Aug 2017 Advisor - Head of Internal Control Improvement, Siam Commercial Bank PCL. ^(L)
- May 2016 - Feb 2018 Member of Audit Committee, Thonburi Healthcare Group PCL. ^(L)
- Jun 2015 - Jul 2016 First Executive Vice President - Head of Audit Group, Siam Commercial Bank PCL. ^(L)
- Apr 2013 - Oct 2017 Director and Member of Audit Committee, Sukhumvit Asset Management Co., Ltd. (SAM)
- Feb 2013 - Apr 2015 Director and Chairman of Risk Management Committee, National Credit Bureau Co., Ltd. ^(N) (NCB)
- 2011 - Jun 2015 Executive Vice President - Audit and Compliance Office, Siam Commercial Bank PCL. ^(L)
- 2009 - 2015 Director, Vina Siam Bank, Vietnam

Listed company (L) 4

Non - listed company (N) 2



Mr. Virachai Srikajon
Age 66

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


**Dr. Vikrom Koombirochana
(Ph.D.)**
Age 73

Independent Director


Date Appointment of Director : 22 December 2015

Education

- Master of Business Administration, South Eastern University, Washington D.C.
- Bachelor of Engineering, Mechanical Engineer, Kasetsart University

Training

- Director Accreditation Program (DAP) Course 9/2004, IOD
- Director Certification Program (DCP) Course 102/2008, IOD
- Senior Executive Program, Class 4 Capital Market Academy
- Board Nomination and Compensation Program (BNCP), Class of 4/2018, IOD
- Advanced Audit Committee Program (AACP) Class 30/2018, IOD

Experience in the past 5 years

- | | |
|----------------|--|
| 2015 - present | Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee, Thonburi Healthcare Group PCL. ^(L) |
| 1991 - present | Independent Director and Member of Audit Committee, Patkol PCL. ^(L) |
| 2012 - 2017 | Director, Thailand Professional Qualification Institute (Public Organization) |
| 2011 - 2017 | Independent Director and Member of Audit Committee, Thai Storage PCL. ^(L) |

Listed company (L) 2
Non - listed company (N) -
Date Appointment of Director : 29 April 2016

Education

- Honorary Doctorate in Humanities, Schiller International University (London)
- Ph.D. of History of International Relations, Michigan State University
- Master of History of International Relations, Michigan State University
- Bachelor of Arts, Chulalongkorn University

Training

- Director Accreditation Program (DAP) Course 63/2007, IOD
- Anti-Corruption for Executive Program (ACEP) Course 7/2013, IOD
- Successful Formulation & Execution of Strategy (SFE) Course 22/2014, IOD
- Role of the Chairman Program (RCP) Course 39/2016, IOD
- Advanced Audit Committee Program (AACP) Course 23/2016, IOD
- Senior Executive Program, Class 14, Capital Market Academy

Experience in the past 5 years

- | | |
|----------------|---|
| 2016 - present | Independent Director, Thonburi Healthcare Group PCL. ^(L) |
| 2015 - present | Chairman of Risk Management Committee, MFC Asset Management PCL. ^(L) |
| 2014 - present | Independent Director and Member of Audit Committee, MFC Asset Management PCL. ^(L) |
| 2014 - present | Member of Corporate Governance Committee, Oishi Group PCL. ^(L) |
| 2010 - present | Chairman, Country Group Development PCL. ^(L) |
| 2010 - present | Chairman, Sport and Recreation Management Co., Ltd. ^(N) |
| 2010 - present | Honorary Advisor, British Chamber of Commerce Thailand |
| 2007 - present | Independent Director, Chairman of Audit Committee, Chairman of Nomination and Member of Remuneration Committee, Oishi Group PCL. ^(L) |
| 2013 - 2016 | Director of the Board and Chairman of Corporate Governance Committee, The Bangchak Petroleum PCL. ^(L) |
| 2012 - 2016 | Commissioner, Member of Audit Committee and Member of the Nomination and Remuneration Committee, Securities and Exchange Commission (SEC) |

Listed company (L) 4
Non - listed company (N) 1



Mr. Chalermkul Apibunyopas

Age 64

Director / Chairman of Corporate Governance and Business Ethics Committee /
Member of Risk Management Committee /
Member of Executive Committee /
Chief Hospital Business - Domestic 2 and
Acting Chief Hospital Business - Domestic 1



Assoc. Prof. Dr. Aasis Unnanuntana (M.D.)

Age 44

Director



Date Appointment of Director : May 1993

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration, Dhurakij Pundit University
- Bachelor of Science, Computer, University of Baltimore
- Mini MBA in Health, Chulalongkorn University

Training

- Director Accreditation Program (DAP) Course 125/2016, IOD
- Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD
- Corporate Governance for Executives (CGE) Course, Class of 11/2018

Experience in the past 5 years

Jan 2019 - present	Acting Chief Hospital Business - Domestic 1, Thonburi Healthcare Group PCL. ^(L)
Jan 2019 - present	Director, Thonburi Bumrungrmuang Hospital Co., Ltd. ^(N)
Mar 2018 - present	Chairman of Corporate Governance and Business Ethics Committee and Chief Hospital Business - Domestic 2, Thonburi Healthcare Group PCL. ^(L)
2018 - present	Director, Thanarad Thung Song Co., Ltd. ^(N)
Jul 2017 - present	Director, Ubonrak Co., Ltd. ^(N)
2017 - present	Director, Rajyindee Hospital PCL. ^(N)
Dec 2016 - present	Director, Phatara Hospital Co., Ltd. ^(N)
2015 - present	Member of Executive Committee and Member of Risk Management Committee, Thonburi Healthcare Group PCL. ^(L)
2002 - present	Director, Thanakan Hospital Co., Ltd. ^(N)
1993 - present	Director, Thonburi Healthcare Group PCL. ^(L)
1993 - present	Hospital Director, Thonburi 2 Hospital
1993 - present	Director, Modula Software Expertise Co., Ltd. ^(N)
2015 - Mar 2018	Chief Operation Officer (COO) Group 1, Thonburi Healthcare Group PCL. ^(L)
2001 - 2017	Director Administration, Thonburi Hospital

Listed company (L) 1

Non - listed company (N) 7

Date Appointment of Director : 30 April 2015

Education

- Master of Science, Clinical Epidemiology and Health Service Researches, Weill Cornell University
- Certificate, Metabolic Bone Diseases, Hospital for Special Surgery
- Certificate, Adult Reconstructive Surgery, University Hospital Case Medical Center, Cleveland
- Certificate, Adult Reconstructive Surgery and Total Joint Replacement, Stanford Hospital and Clinics
- Thai Board of Orthopedic Surgery, Mahidol University
- Doctor of Medicine (First Degree Honor), Mahidol University

Training

- Director Accreditation Program (DAP) Course 128/2016, IOD

Experience in the past 5 years

2015 - present	Director, Thonburi Healthcare Group PCL. ^(L)
2012 - present	Alternate member of Siriraj Institutional Review Board committee, Siriraj Hospital
Nov 2017 - Feb 2019	Director, Thonburi Bumrungrmuang Hospital Co., Ltd. ^(N)
2015 - Nov 2019	Member of Executive Committee, Thonburi Healthcare Group PCL. ^(L)
2011 - 2015	Assistant Director of Siriraj and Orthopaedic training program, Department of Orthopaedic Surgery Faculty of Medicine, Mahidol University

Listed company (L) 1

Non - listed company (N) -



Ms. Nalin Vanasin

Age 46

Director /
Member of Executive Committee /
Chief Commercial Officer and /
Chief Business Service/Support Officer



Dr. Kajorn Thanapase (Ph.D.)

Age 44

Director



Date Appointment of Director : June 2012

Education

- Master of Engineering-Economic Systems and Operations Research, Stanford University
- Master of Business Administration, INSEAD
- Bachelor of Science in Mathematical Economics, Columbia University

Training

- Director Accreditation Program (DAP) Course 133/2017, IOD
- Corporate Governance for Executives (CGE) Course 13/2019, IOD
- Risk Management Program for Corporate Leaders (RCL) Course 16/2019, IOD
- Strategic Board Master Class (SBM) Course 6/2019, IOD

Experience in the past 5 years

Jan 2019 - present	Chief Business Service/Support Officer, Thonburi Healthcare Group PCL. ^(L)
Mar 2018 - present	Chief Commercial Officer, Thonburi Healthcare Group PCL. ^(L)
2018 - present	Executive Committee, Thonburi Healthcare Group PCL. ^(L)
Jul 2017 - present	Director, Thonburi Wellbeing Co., Ltd. ^(N)
2013 - present	Director, Wine Garage Co., Ltd. ^(N)
2012 - present	Director, Thonburi Healthcare Group PCL. ^(L)
2012 - 2018	Director, Food Coop Co., Ltd. ^(N)

Listed company (L) 1

Non - listed company (N) 2

Date Appointment of Director : 15 June 2015

Education

- Ph.D. in Finance and Management, University of London, UK
- Master of Public Administration, International Relationship London School of Economics UK
- Master of Economics for development, Oxford University, UK
- Bachelor of Political Science, Chulalongkorn University (1st Class Honor, Gold Medal, King Bhumibol Awards)
- Certificate of Central Banking Seminar, Federal Reserve Bank of New York

Training

- Director Accreditation Program (DAP EN) Course 125/2016, IOD
- Director Certification Program Course (DCP) Course 230/2016, IOD

Experience in the past 5 years

Present	Director, Rot Et-Thonburi Hospital Co., Ltd. ^(N)
Present	Director, Kalasin Thonburi Hospital Co., Ltd. ^(N)
Jul 2017 - present	Director, Utaradit Thonburi Hospital Co., Ltd. ^(N)
2016 - present	Department of Director, Bank of Thailand
2015 - present	Director, Thonburi Healthcare Group PCL. ^(L)
2010 - present	Division Executive, Bank of Thailand

Listed company (L) 1

Non - listed company (N) 3



Mr. Sita Meksawan

Age 44

Director /
Member of Corporate Governance and
Business Ethics Committee



Dr. Linda Kraivit (M.D.)

Age 47

Independent Director /
Chairman of Risk Management Committee /
Member of Nomination and
Remuneration Committee /
Member of Audit Committee and /
Member of Corporate Governance and
Business Ethics Committee



Date Appointment of Director : 15 June 2015

Education

- Master of Applied Psychology: Organization Psychology, Golden Gate University
- Bachelor of Social Science, Clinical Psychology, Kasetsart University

Training

- Director Accreditation Program (DAP) Course 128/2016, IOD

Experience in the past 5 years

Oct 2019 - present	Member of Corporate Governance and Business Ethics Committee, Thonburi Healthcare Group PCL. ^(L)
2016 - present	Senior Human Resource Professional, Office of Civil Service Commission
2015 - present	Director, Thonburi Healthcare Group PCL. ^(L)

Listed company 1

Non - listed company -

Date Appointment of Director : 30 April 2015

Education

- MBA, Marshall School of Business, University of Southern California, USA
- Doctor of Medicine, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP) Course 125/2016, IOD
- How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD
- Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD
- Director Certification Program (DCP) Course 248/2017, IOD
- Board Nomination and Compensation Program (BNCP), Class of 5/2018

Experience in the past 5 years

Apr 2019 - present	Chairman of Risk Management Committee, Thonburi Healthcare Group PCL. ^(L)
Mar 2019 - present	Member of Corporate Governance and Business Ethics Committee, Thonburi Healthcare Group PCL. ^(L)
Feb 2018 - present	Member of Audit Committee, Thonburi Healthcare Group PCL. ^(L)
Apr 2017 - present	Director, Thonburi Wellbeing Co., Ltd. ^(N)
2015 - present	Independent Director and Member of Nomination and Remuneration Committee, Thonburi Healthcare Group PCL. ^(L)
2007 - present	Director, CPI Enterprise Co., Ltd. ^(N)
2017	Assistant Director, Chulalongkorn Hospital
2015 - Apr 2019	Member of Risk Management Committee, Thonburi Healthcare Group PCL. ^(L)
2014 - 2016	Executive Director, Chulabhorn Hospital

Listed company (L) 1

Non - listed company (N) 2





Dr. Aurchart Kanchanapitak
(M.D.)

Age 75

Director



Dr. Rukkagee Kanchanapitak
(Ph.D.)

Age 38

Director



Date Appointment of Director : 25 October 2019

Education

- Ph.D. Doctor of Medicine, University of Essen German, Germany
- Certificate of Otolaryngology, University of Essen German, Germany
- Certificate of Otolaryngology, Ramathibhodee Hospital
- Residency training program Board of Board of Otolaryngology, Ramathibhodee Hospital
- Internship, Phramongkut Hospital
- Doctor of Medicine, Chiangmai University Class 4

Training

- None -

Experience in the past 5 years

- Oct 2019 - present Director, Thonburi Healthcare Group PCL. ^(L)
- 2019 - present Specialist, Senate Committee on Public Health
- 2018 - present President, Buriram Ruam Phaet Co., Ltd. ^(N)
- 2018 - present President, Muangloei Ram Hospital Co., Ltd. ^(N)
- 2017 - present Director / Executive Director, Ramkhamhaeng Hospital PCL. ^(L)
- 2007 - present Executive Director, Chiang Mai Medical Services Public Co., Ltd. ^(N) (Lanna Hospital)
- 2007 - present Director and Managing Director, Phumratchanakharin Kidney Institute Foundation
- 2006 - present Executive Director, Seriruk Hospital Co., Ltd. ^(N)
- 2005 - present Managing Director, Piyasiri Co., Ltd. ^(N) (Sukhumvit Hospital)
- 2005 - present Director, Chaophya Hospital Co., Ltd. ^(N)
- 2004 - present Director and Executive Director, Vibhavadi Hospital PCL. ^(L)
- 2003 - present Managing Director and Executive Director, Vibharam Hospital Co., Ltd. ^(L)
- 2001 - present Honorary Advisor, Senate Committee on Public Health
- 2000 - present First Vice President, Vajiravej-Vitayalai Chalermprakiert Foundation
- 1997 - present Executive Director, Synphaet Co., Ltd. ^(N) (Synphaet Hospital)
- 1981 - present Managing Director, F & S 79 Co., Ltd. ^(N) (EENT Hospital)

Listed company (L) 4

Non - listed company (N) 8

Date Appointment of Director : 25 October 2019

Education

- Ph.D. Knowledge Management, Kingston University, UK
- M.Sc. Business Research Development, Kingston University, UK
- MA. International Finance (with commendation), Kingston University, UK
- Bachelor of Accounting, Chulalongkorn University

Training

- None -

Experience in the past 5 years

- Present Director, S.C.C. Land., Co., Ltd. ^(L)
- Present Director, Vibhavadi Hospital PCL. ^(L)
- Oct 2019 - present Director, Thonburi Healthcare Group PCL. ^(L)
- 2014 - present Managing Director, Ploenarium Co., Ltd.
- 2012 - present Managing Director, Legacy Golf (Thailand) Co., Ltd.
- Jan 2009 - present Accounting & Financial Consultant, Ramkhamhaeng Hospital PCL. ^(L)

Listed company (L) 3

Non - listed company (N) 3





Dr. Sudhichai Chokekijchai
(M.D.)

Age 59

Member of Executive Committee



Dr. Jessada Thummavanich
(Ph.D.)

Age 64

Chief Private Public Partnership (PPP)
Business



Date Appointment of Director : 25 January 2018

Education

- Bachelor's degree of Science, Mahidol University
- Doctor of Medicine, Siriraj Hospital, Mahidol University
- Fellow of Thai Royal FRCP Internal medicine College of Physician

Training

- None -

Experience in the past 5 years

Feb 2018 - present	Member of Executive Committee, Thonburi Healthcare Group PCL
Feb 2017- present	Hospital Director , Thonburi Hospital
Mar 2018 - Jan 2019	Chief Hospital Business - Domestic 1, Thonburi Healthcare Group PCL.
Feb 2018 - Jan 2019	Director, Thonburi Bumrungruang Hospital Co., Ltd.
Jul 2016 - Jan 2017	Deputy Hospital Director, Ladproa Hospital
Apr 2015 - Jun 2015	Senior Director of Medical Service Development, Bumrungrad International Hospital
Jan 2014 - Mar 2015	Associate Medical Director, Bumrungrad International Hospital
Sep 2008 - Dec 2013	Chief Scientific Officer, Novartis (Thailand) Co., Ltd.

Date Appointment of Director : 22 March 2018

Education

- Doctor of Philosophy (Education Administration), Magadh University, India
- Master of Education (Educational Administration and Management),
Srinakharinwirot University
- Certificate of Mini MPA, Mahidol University
- Bachelor of Education Program (Educational Administration and
Management), Suan Sunandha Rajabhat University
- Bachelor of Education (Health Education), Srinakharinwirot University

Training

- None -

Experience in the past 5 years

Oct 2019 - present	Director, Thonburi Hospital Heart Center Co., Ltd.
Jul 2018 - present	Chairman of Executive Committee and Acting Chief Executive Officer, Thonburi Bumrungruang Hospital Co., Ltd.
March 2018 - Present	Chief PPP Business, Thonburi Healthcare Group PCL.
2014 - present	President of the Faculty Senate, Mahidol University
2012 - present	2nd Term Qualified Committee, Department of Intellectual Property Ministry of Commerce
2012 - present	Board of Dispute Resolution, Labor Court, Samutprakarn
2009 - present	Music Business Instructor and Manager of Incomes and Benefits College of Music, Mahidol University
2003 - present	Intellectual Property Instructor for Graduate Study, Mahidol University
2015 - 2017	Deputy Director of Intellectual Property and Business Incubator, Thammasat University, Rangsit Campus
2013 - 2015	Assistant Dean of Management and Human Resources, College of Music, Mahidol University





Ms. Thipawon Ruchiroatpipatana

Age 64

Member of Executive Committee



**Dr. Siripong Luengvarinkul
(M.D.)**

Age 59

Member of Executive Committee



Date Appointment of Director : 25 January 2018

Education

- Master of Science (Human Resources) COPPIN STATE COLLEGE, MARYLAND, USA
- Bachelor of Accounting, University of the Thai Chamber of Commerce

Training

- How to Develop a Risk Management Plan (HRP), Course 11/2016, IOD
- Mini MBA 2013, Chulalongkorn University
- CFO FOCUS ON FINANCIAL REPORTING Class 5 Federation of Accounting Professions

Experience in the past 5 years

- Oct 2019 - present Director, Thonburi Hospital Heart Center Co., Ltd.
- Feb 2018 - present Member of Executive Committee, Thonburi Healthcare Group PCL.
- 2018 - present Director, Thanarad Thung Song Co., Ltd.
- 2017 - present Director, Rajyindee Hospital PCL
- 2013 - present Director, Dental Siam Co., Ltd.
- 1992 - present Chief Financial Officer, Thonburi Hospital

Date Appointment of Director : 24 October 2019

Education

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Thai Board of Otolaryngology, Chulalongkorn University
- Doctor of Medicine, Khon Kaen University

Training

- Senior Executive Program, Sasin (SEP 17, 2003)
- Advanced Senior Executive Program (ASEP, Sasin), Kellogg School of Management Western University (2006)
- Advanced Senior Executive Program (ASEP, Sasin), Kellogg School of Management Western University (2010)

Experience in the past 5 years

- Oct 2019 - present Member of Executive Committee, Thonburi Healthcare Group PCL.
- 2007 - present Executive Director, Chiang Mai Medical Services Public Co., Ltd. (Lanna Hospital)
- 2003 - present Executive Director, Chiang Mai Hospital
- 2002 - present Deputy Managing Director, Ramkhamhaeng Hospital PCL.
- 1995 - present Executive Director, Ramkhamhaeng Hospital PCL.
- 1990 - present ENT doctor, Ramkhamhaeng Hospital PCL.
- 1997 - 2019 Executive Director, Synphaet Hospital Co., Ltd.





Dr. Watson Aphiwatanakoon
(M.D.)

Age 59

Member of Executive Committee



Ms. Anchalee
Chalvalitjareetham

Age 44

CFO and Director of Accounting
(Accounting-supervising person)



Date Appointment of Director : 24 October 2019

Date of Appointment for CFO : Jun 2019

Education

- Bachelor of Laws, Sukhothai Thammathirat University
- Board Certification: Thai Board of Ophthalmology, Chiangmai University
- Bachelor of Medicine, Chiangmai University

Training

- Good Governance for Medical Executive Certificate Program, IOD
- Mini MBA in Health Care for Senior Executives BDMS & ABAC
- Business and Economics Analyst, Academic Service and Continuing Education Centre, Faculty of Economics, Chulalongkorn University
- Advance Chinese Language Course, Continuing Education Center, Chulalongkorn, Level 5
- Language Institute, Thammasat university, Level 3-4

Experience in the past 5 years

Oct 2019 - present	Member of Executive Committee, Thonburi Healthcare Group PCL.
Aug 2019 - Present	Chairman, Weihai Thonburi Healthcare Investment Co., Ltd.
Jun 2019 - Present	Chief Operation Officer, Thonburi Bumrungruang Hospital Co., Ltd.
Nov 2017 - Mar 2019	Chief Executive Officer, ARYU International Health Care Co., Ltd.
Dec 2015 - Sep 2017	Deputy Hospital Director, Royal Phnompenh Hospital, Cambodia
May 2015 - Dec 2015	Assistant Hospital Director, Royal Phnompenh Hospital, Cambodia
Feb 2014 - Apr 2015	Director of Network Operation, Bumrungrad Hospital

Education

- The Master of Business Administration,
Chulalongkorn Business School (CBS)
- Bachelor of Accounting, Rajamangala University of Technology

Training

- Director Accreditation Program (DAP) Course 126/2016, IOD
- Certified Public Accountant (Thailand) no. 6646
- Financial Projection for Corporate Valuation, Course 2/2018, SET
- Strategic Financial Leadership Program 2019
- Strategic CFO in Capital Markets (Class 8)
- TFAC Conference 2019: Future of Finance Digital Disruption by Federation of Accounting Professions
- New property tax law in Thailand by Dharmniti Institute

Experience in the past 5 years

Jul 2019 - present	Director, Thonburi Bumrungruang Hospital Co., Ltd.
Jun 2019 - present	Chief Financial Officer, Thonburi Healthcare Group PCL.
Jan 2018 - present	Director, Utharadit Thonburi Hospital Co., Ltd.
2016- present	Director, Rajthanee Realty Co., Ltd.
2016- present	Director, Thonburi Hospital Heart Center Co., Ltd.
2016- present	Director, Thonburi Realty Development Co., Ltd.
2015 - present	Director of Accounting, Thonburi Healthcare Group PCL.
Oct 2017- May 2019	Acting Chief Financial Officer (CFO), Thonburi Healthcare Group PCL.
2002 - 2015	Director of Audit, Pricewaterhouse Coopers ABAS Co., Ltd.





Dr. Suwadee Puntpanich (Ph.D.)

Age 39

Corporate Secretary



Date Appointment of Director : 9 December 2015

Education

- Ph.D., College of Public Health Science, Chulalongkorn University
- Master of Communication Arts (Speech Communication), Chulalongkorn University
- Bachelor of Arts (mass communications), Chiangmai University

Training

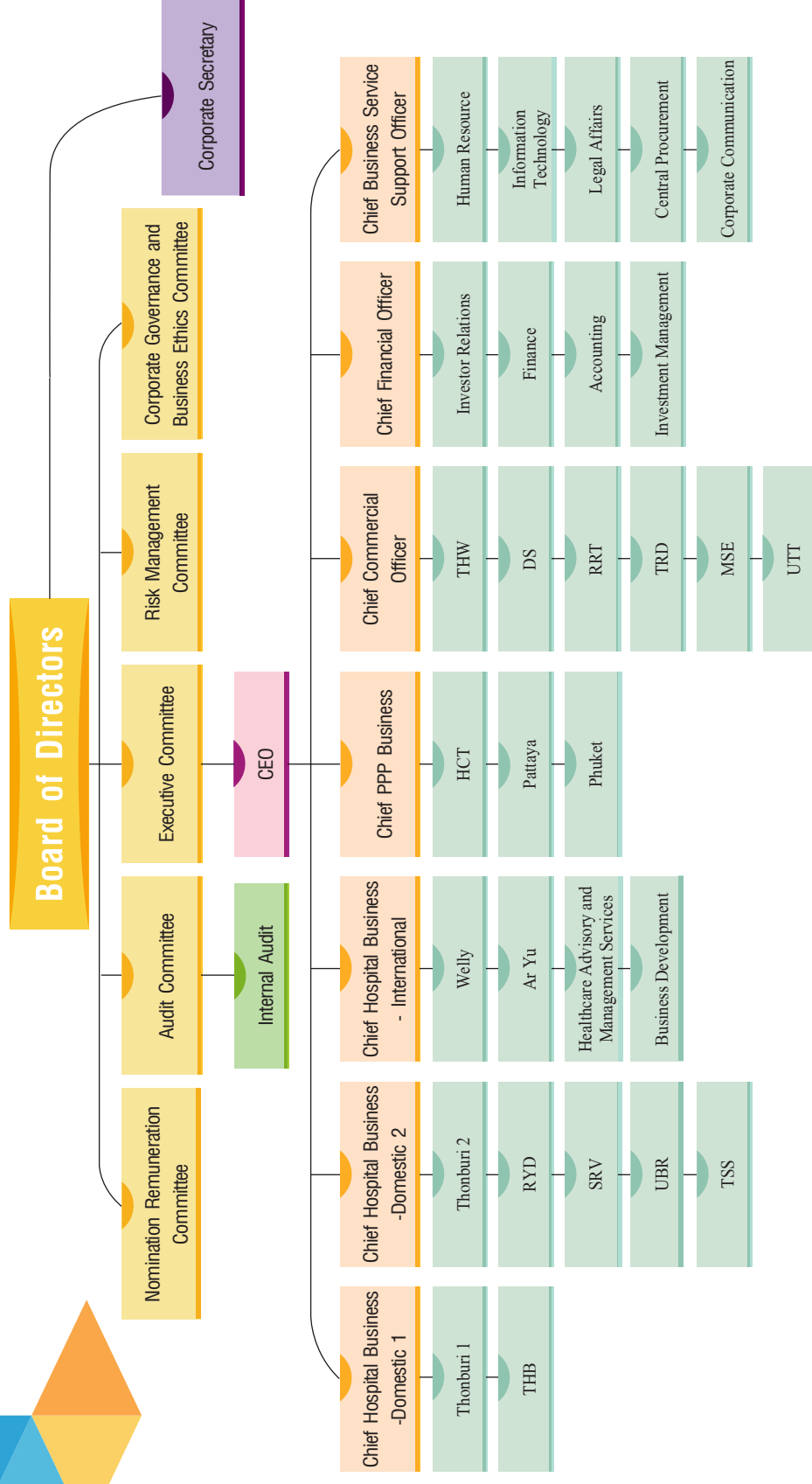
- Director Accreditation Program (DAP EN) Course 125/2016, IOD
- How to Develop a Risk Management Plan (HRP) Course 11/2016, IOD
- Company Secretary Program (CSP) Course 71/2016, IOD
- Company Reporting Program (CRP) Course 17/2017, IOD
- Risk Management Program for Corporate Leaders (RCL) Course 7/2017, IOD
- Advances for Corporate Secretaries 2019 Course, Thai Listed Companies Association

Experience in the past 5 years

- Oct 2019 - present Director, 24 Roses Management Co., Ltd.
- Oct 2017 - present Director, Thonburi Bumrungrumuang Hospital Co., Ltd.
- 2016 - present Secretary of Executive Committee, Thonburi Healthcare Group PCL.
- 2015 - present Corporate Secretary, Thonburi Healthcare Group PCL.
- 2015 - present Director, Thonburi Houseware Co., Ltd.
- Apr - May 2018 Acting Chief Executive Officer, Hospital Phuket Province Administration Organization
- Oct 2017 - 2018 Acting COO Group 2, Thonburi Healthcare Group PCL.
- 2016 - Jan 2018 Secretary of Numeration and Remuneration Committee, Thonburi Healthcare Group PCL.
- 2016 - Jan 2017 Secretary of Risk Management Committee, Thonburi Healthcare Group PCL.
- 2015 - 2017 Director, Thonburi Wellbeing Co., Ltd.
- 2010 - 2015 Executive Secretary of Deputy Prime Minister and Minister of Interior, Government House



Organizational Structure



THB = Thonburi Bamrungmuang Hospital
 RYD = Rajyindee Hospital
 SRV = Sirivej Hospital
 UBR = Ubonrak Thonburi Hospital
 TSS = Thonburi Thung Song Hospital
 Welly = Welly Hospital

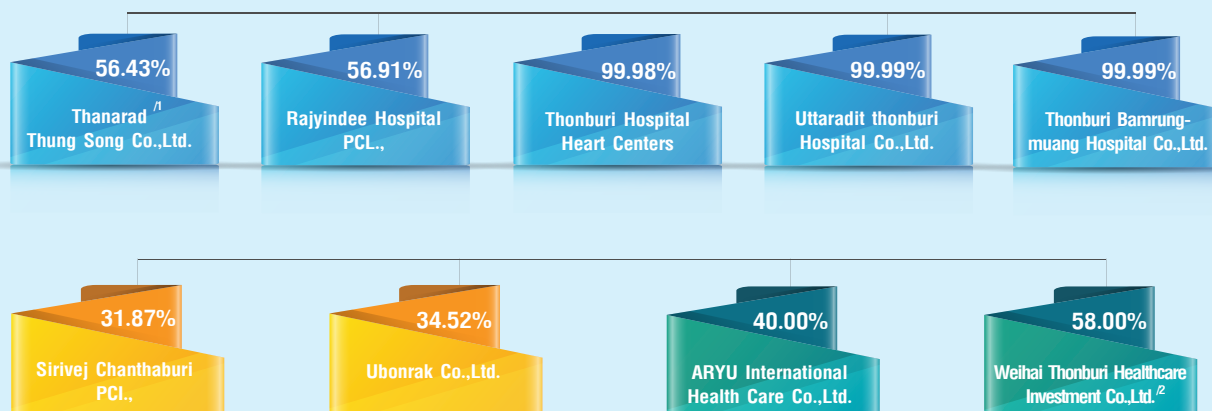
ARYU = Ar Yu International Hospital
 Pattaya = Pattaya City Hospital
 Phuket = Phuket Provincial Administration Organization Hospital
 THW = Thonburi wellbeing Co, Ltd.
 DS = Dental Siam Co,Ltd.

HCT = Heart Centers Co.,Ltd
 RRT = Rajthanee Realty Co, Ltd.
 TRD = Thonburi Realty Development Co, Ltd.
 MSE = Modular Software Enterprise Co, Ltd.
 UTT = Utraratit Thonburi Hospital Co., Ltd.

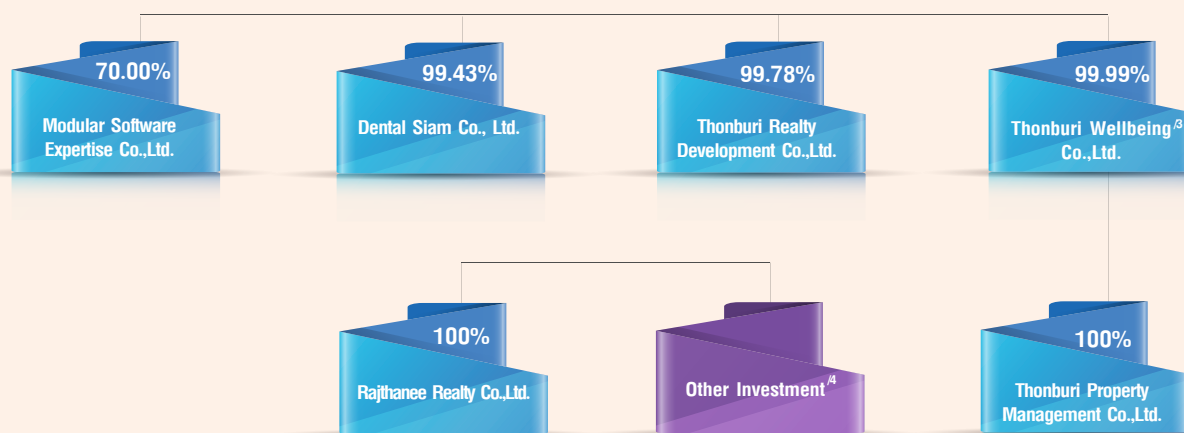
Shareholding structure of the Company



Healthcare business



Other Businesses involved



Note:

¹ The company has indirect voting shareholding interest in Thanarad Thung Song Co., Ltd. via a subsidiary- Rajyindee Hospital Public Co., Ltd

² Weihai Thonburi Healthcare Investment Co., Ltd. is a joint venture of the Company. (Holds 58%of the share capital with WEGO Holding Co., Ltd. (holding 42%) by WEGO Holding Co., Ltd. established in China.

³ Thonburi Wellbeing Co., Ltd. (Former name is Premiere Home Health Care Co., Ltd.)

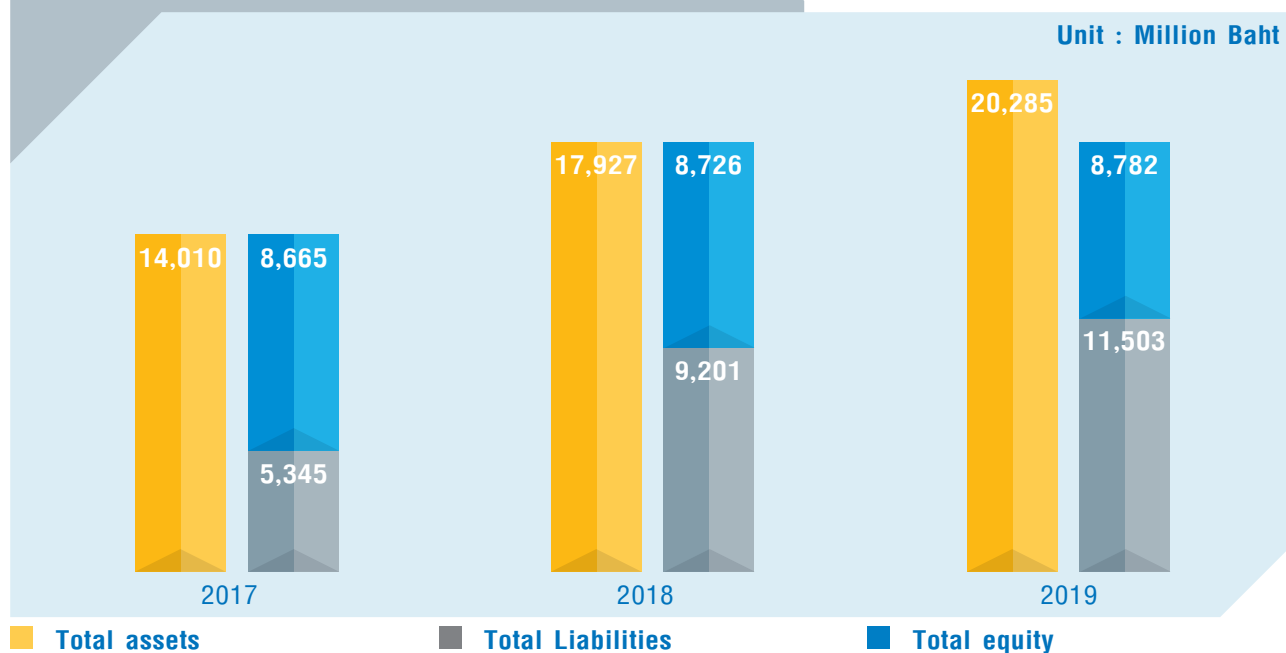
⁴ Other investments are investments in ordinary shares of the Company. Holds more than 10% as follows:

Financial Highlights



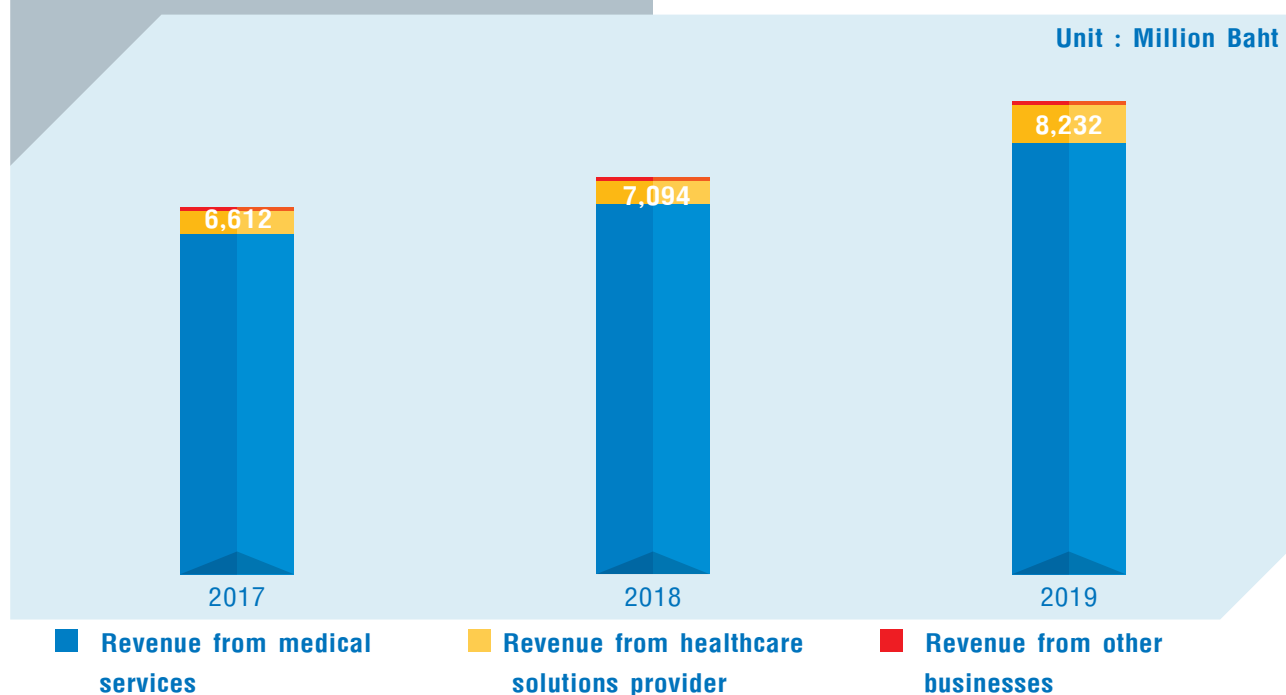
Statements of Financial Position

Unit : Million Baht



Revenue

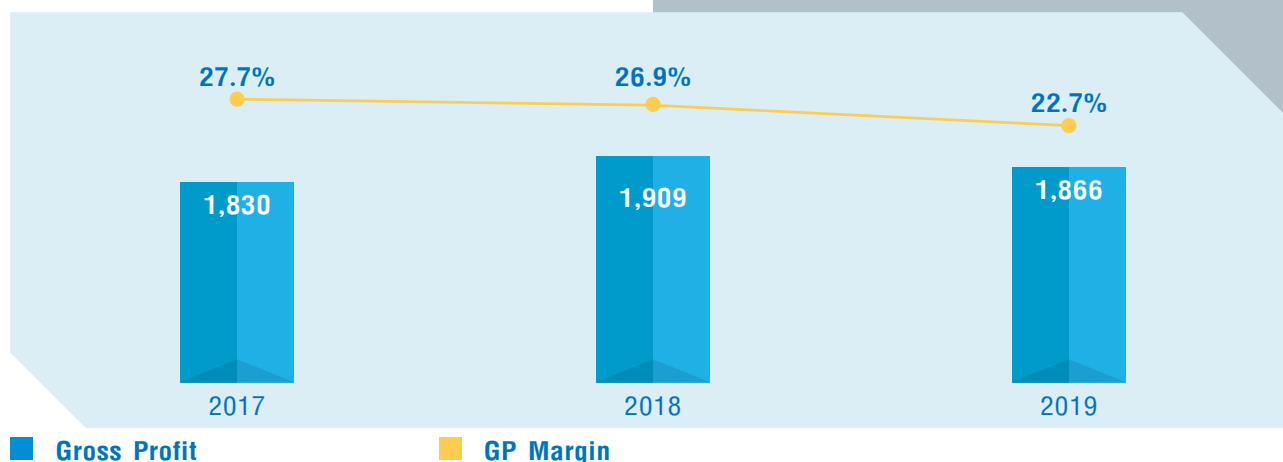
Unit : Million Baht





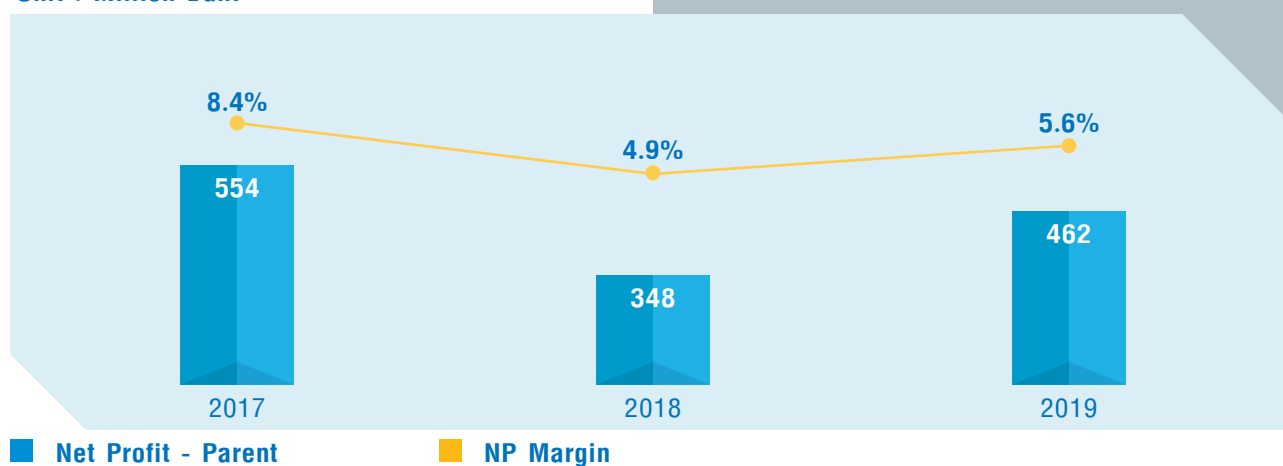
Unit : Million Baht

Gross profit

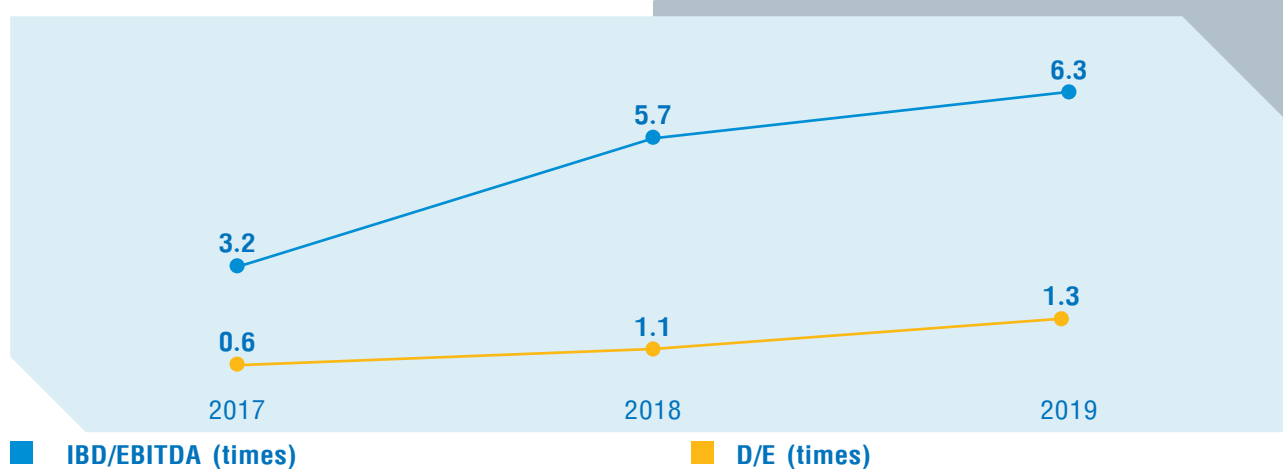


Unit : Million Baht

Net profit – parent



Gearing ratio



Sustainable Development



The Company focuses with perseverance on becoming a good role model and developing sustainable business in all respects including economy, society and environment. The Company's intention is to operate the business based on good corporate governance policy and with responsibilities to community, society and environment. The Company aims to create growth in the business along with generating added values to the society and the Company's stakeholders, including shareholders, investors, employees, customers, business partners and related organizations, competitor, debtor, creditor, and community all of public and private. The company gives high importance to socially, economic and environmentally responsible as well as ethical business operations to supporting social activities that will bring long-term benefits to the local communities and the general public. With such practices, the company hopes to see harmonious living between the business sector and the communities and the society. This will enable the entire society to move forward together and finally achieve sustainable growth. The company's Corporate Social Responsibility Policy covers both in-process and after-process business operations.

The Board of Directors of the Company oversees that the business is being operated in accordance with code of ethics and good corporate governance, including being responsible to community, society, and environment. The Company applies its expertise in business and its corporate social responsibility roles in determining the business strategy, which creates synergy between the business and the society. This approach is in line with the Company's vision and mission to grow its business sustainably. The Company's business strategy includes:



Strategies for sustainable development

Economy

1. Building brand through relationship with customers, creating impression, satisfaction and bond between the Company and the customers.
2. In cooperation with local and overseas partners, creating opportunities to grow the business, building corporate image, and demonstrating potential of, and standard level of medical services provided by, Thai medical service provider to global citizen.
3. Creating innovation and development in the business to build common values between the business and the society. Not only providing medical treatments, the Company also supports and promotes good health among the citizen of all levels and ages.
4. Developing the Company's personnel on their academic knowledge and specializations in order to increase efficiency of medical treatments provided to customers and ensure that the services provided are in accordance with the code of ethics.
5. Seeking opportunities in investments in order to increase the Company's strengths and continuously generate growth.

Society and Environment

1. To look after the community environment, control and monitor waste management, including process, general usage, and management of contaminations using efficient technology and closely monitor execution in order to prevent environmental impact.
2. To support activities/projects relating to medical and public health which will improve health and quality of life of people in the community and the society.
3. To support activities/projects which help relieving grievance of victims of disasters.
4. To support foundations and charitable organizations in helping those with fewer opportunities to have better quality of life.
5. To promote and support activities for preservation of culture and religion.
6. To promote conservation of energy, natural resources and environment for a better quality of life in the society.
7. Not to support any activities which are dangerous to the society or good moral and/or promote wrongdoings.
8. To accept comments and recommendations by providing a channel for receiving complaints regarding impacts on the community which arise due to the Company's operations. The Company will investigate the issue, make improvement and inform result in a timely manner.
9. To build awareness in the Company's staffs to have responsibility to the society and the environment.

Jin Wellbeing County Project

The Department of Health, Ministry of Public Health stated that at present Thailand has become aging society as there is 17% of senior citizens in the society. It was expected that the year 2019 would be the first time the number of senior citizens would be higher than the number of children. Thailand will fully be considered an aging society in the year 2022 with 20% senior citizens in the society or 4.6 million people over 70 years old. Therefore, the Company had an idea to promote elderly people to be healthy, dependent and live a long life until the age of 80 years old and developed **"Jin Wellbeing County Project House of Doctor for Generation Wellbeing"** An idea for new generation who aims to live a quality life for at least 30 years after retirement without being dependent.

สถานการณ์ "คนสูงวัย"

ปี 2562

ครั้งแรกในประวัติศาสตร์ไทยมี
"ผู้สูงอายุ มากกว่า เด็ก"

ปี 2565

ไทยมีคนอายุ 70 ปี "4.6 ล้านคน!"

ปี 2593

ผู้สูงอายุแตะ 2,000 ล้านคน ทั่วโลก



นี่คือวิธี ที่จะทำให้
ชีวิตหลังเกษียณของคุณ
Wellbeing
6 สิ่งที่คุณ
ต้องเปลี่ยน
เพื่อที่จะทำให้คุณมี
Perfect Life



Living at Jin

Living at Jin Wellbeing County...Living in a big home with doctor at home

Living without worries as the project includes hospital, medical and nursing team, sport scientist and nutritionist who are ready to rehabilitate your body, mind and soul to feel happiness and valued in the resort-like environment with big and small trees, swimming pool and wellness and club house. The atmosphere will make you relax and promote better health. You will be in the society with friends who speak the same language, are compassionate and can consult one another...in a place designed for you to walk anywhere by yourself without having to worry about accident as we have expert team of doctors and nurses who are ready to provide assistance.





Jin Wellbeing County provides care service for elderly people who still have energy and wish to develop themselves in order to have an active living through activities designed especially for each individual. The activities are used to rehabilitate overall health, improve moods, develop emotions, brain and memories, prevent dementia and Alzheimer, and improve muscle strengths. They are designed with a main focus on safety to heart and to be accident free. Every inch of the area is used for rehabilitation of body, mind and soul and creation of balance in life. You can be confident and feel comfort that all rooms are with high security and there are handrails along the whole walkway. Rooms are with large doors, easy accessibility, shower chairs, accident detection and alert system so that doctors and nurses can help you in a timely manner.

Healing Environment

Healing Environment consists of 3 parts including:

1. **Society**...living with neighbors of same age who speak the same language and able to discuss, consult, and do favorite activities together.
2. **Rehabilitation**...means hospital for healing in time of sickness and restoration back to healthy life.
3. **Development**...means Wellness and Club House which provide activities designed to promote healthier life including body, mind and soul. For instance, management of overweight and obesity requires attention to various actions including food, exercise, daily routine, and sleeping. It also includes helping some elderly people in making their dreams come true such as how to prepare for reaching the top of Mount Everest and how to fulfill such dream. Various professions and knowledge aspects are required to be put together and a dream to improve this community together. The word “community” does not include only staffs or personnel. It includes our next-door neighbors who can exchange knowledge, learn and help each other as if we are back in university’s life once again.

Jin Wellbeing County Project is another proud project of the Company which was created from integration of specializations arising from conducting the Company’s business to create economic values, develop society and environment, and create sustainable development at the same time. The project was awarded “Honorable Mentioned” from Environment for Aging Design Showcase by EFA Design Showcase 2018 in the United States. The project was the only project from Asia.

(For more details, please visit <https://www.jinwellbeing.com/>)





Social Responsibility for Sustainable Development's policy

The Company has set policies, business ethics, and guidelines under Good Corporate Governance and Business Ethics Manual, which can be downloaded from <https://www.thg.co.th/storage/ir/downloads/cg-principle/20190912-thg-cg-ethics-th.pdf>. The group has followed the guidelines and taken the following actions:

1. Fair Business Practice

- 1.1 The group conducts business lawfully and there are no legal actions or disputes that would impact trust in, assets and image of THG.
- 1.2 The group conducts business that is beneficial to economy, society and environment such as Jin Wellbeing County Project and innovation called "Phuketcare" which develop on the group's expertise to create economic values and develop society and environment at the same time. This accommodates an aging society, which has become a global problem.
- 1.3 The group has disclosed information memorandum to stakeholders accurately, equally and promptly and in accordance with rules, conditions, and procedures prescribed by SET and SEC regarding submission of information memorandum by listed companies.
- 1.4 The group treats stakeholders with fairness, neither taking advantages nor claiming or receiving any benefits unlawfully. Procurement is a department which is prone to corruption. Therefore, the Company has set a procurement policy which is clear and transparent. The guidelines for selection of trade partners are as follows:
 - Prepare register on seller's information upon starting selection process of new seller. No transaction will be performed with any person or juristic person who commits unlawful act.
 - Procurement Department shall consider information on product/service, reliability, before/after sale service, warranty, experience, track records and price prior to proposing to procurement committee for consideration.
 - Prepare quality assessment on seller on a yearly basis from product evaluation form, defect arising from product inspection, and rectification measure proposed by seller upon notification.
- 1.5 The group treats competitors fairly within the competition framework and shall not dishonestly seek confidential information of competitors.



2. Anti-Corruption

Directors, executives and employees shall neither carry out nor accept any type of corruption in any event. The Company has set the below guidelines and examined and monitored compliance with the anti-corruption policy on a regular basis to ensure that they are in line with changes in the business and the relevant rules, regulations and laws:

- 2.1 Directors, executives, and employees shall comply with the anti-corruption policy communicated by the Company through various channels such as staff training and the Company's website and shall not involve in any corruption directly and indirectly.
- 2.2 Directors, executives, and employees shall be careful about receiving entertainment and giving or receiving present and shall strictly comply with giving and receiving of gift and entertainment policy and ensure that it would not affect the decision making in performing their duties and responsibilities.
- 2.3 Procurement, charity donation and money sponsorship shall be in accordance with the Company's procedures which are transparent and verifiable. Charity donation and money sponsorship policies shall be complied with. The Company gives importance to sufficient and appropriate internal control which allows for compliance of the business with the good corporate governance policy.
- 2.4 Directors, executives, and employees shall not neglect or ignore any act which could be potential corruption relating to the Company and shall notify such act to supervisor or responsible person or through channels according to the Whistle Blowing Policy. Directors, executives, and employees shall provide cooperation in fact-finding and investigation on such matter.
- 2.5 Corruptions are wrongdoings and those who are corrupted shall receive disciplinary actions according to the Company's regulations and may receive penalties according to the laws if such corruption is considered an illegal act.

To provide knowledge to employees regarding policy and good practice in anti-corruption and promote employees to be honest and responsible in their roles and responsibilities, in the year 2019, the Company has communicated the Anti-Corruption Policy, Business Ethics and Code of Conduct to employees and executives of the Company and its subsidiaries and associates. It was well received, and the Company's units and subsidiaries has given great cooperation, details of which are as follows:

- Thonburi Hospital prepared a circular letter to employees to create understanding and the number of employees representing 100% signed and acknowledged the letter. The Anti-Corruption Policy, Business Ethics and Code of Conduct are also part of the orientation program for new employees and new employees have to sign and acknowledge the policy.
- Thonburi 2 Hospital organized a training course on Anti – Corruption & Code of Conduct. There was a total of 10 classes and 649 employees joined the training (all employees of the hospital).
- Rajyindee Hospital PCL. announced the policy to employees and asked the employees to take a test to assess knowledge and understanding.
- Thanarad Thung Song Co., Ltd. announced the policy to its employees.
- Ubonrak Co., Ltd. announced the policy to its employees and in the process of having the policy signed, acknowledged, agreed to comply with terms of the policy by the employees and filing of 100%.
- Sirivej Chanthaburi PCL. announced the policy to its employees and shall begin testing process to assess knowledge and understanding in the year 2020.





3. Health safety and hygiene at work

The Board of Directors complies with the laws and the relevant industrial standards relating to pollution prevention and health protection and safety of employees at work and third parties who may receive an impact from the business activities. The Board of Directors focuses on continuous development of occupational health and safety procedures. Samples of implementation on such matter are as follows:

3.1 Safety, Welfare, and Security

- The hospital received building structural safety certificate according to the building inspection standards under the Building Control Act B.E. 2535 from the company which is licensed by Bangkok Metropolitan Administration.
- Installation of entry and exit control system at key risk areas by installing electronic door locks using passcode or fingerprint door locks at important departments.
- Notification on incidents to all employees of the hospital via internal communication system (Intranet).
- Having security staffs who are responsible in taking care of and inspecting risk areas, including monitoring all areas using CCTV system.
- Inspection on readiness of fire extinguishing system on a monthly basis and having fire safety measures in place and a fire drill once a month. In addition, the hospital joins with the community and the relevant governmental authority to conduct a fire drill once a year and has installed emergency lights and fire exits covering all areas of the hospital.
- Control of chemical substance by joining with the relevant authority. This includes from procurement process until disposal process of chemical substance. Measures on transportation of chemical substance have been jointly established by the hospital together with the relevant authority, for instance chemotherapy drug etc.
- The hospital has a generator ready for sufficient distribution of backup power in the event of blackout.
- There is sufficient water supply reserved to meet the hospital's demand and in the event the main plumbing system is malfunctioned, the hospital can coordinate with government authority and private company 24 hours a day.
- Staffs are educated. Cautionary measures have been set and equipment/tools have been procured for prevention of new disease. Since the end of 2019, Thailand has encountered the spread of Coronavirus Disease 2019 (COVID-19). Therefore, the group has implemented measures to prevent the spread of COVID-19 for health, safety and hygiene of staffs, customers, and those who contact the hospital:
 - Encourage staffs to "Eat hot food, use serving spoons, and wash your hands."
 - Restrict the number of entry-exit of the hospital and take body temperature measurement at the entry-exit.
 - Ask staffs not to travel to, or transit, in high-risk countries including the Republic of China, Hong Kong, Macau, Taiwan, Singapore, Japan, South Korea and Malaysia. If travelling is necessary or unavoidable, staff returning from travelling shall take annual leave and place themselves under self-observation at home for 14 days.

3.2 Emergency Management

- Mass casualty incident: Determine responsible person and place to accommodate patients and practice according to the plan.
- Flood: The hospital reviews the plan and clearly determines responsible person. It also has network with the governmental authority and hospitals which do not experience flood and can accommodate patients. The hospital prepares raw material for food preparation and utilities in its inventory, including medical gas and medical supplies.
- Earthquake: At present, there have been frequent earthquake incidents in Thailand. The hospital reviews such incidents and prepares a prevention plan.

The Company gives importance to health, safety and hygiene at work. In the year 2019, there was an incident at work which caused 1 employee to take leave (stretcher staff took leave for 3 days due to ankle sprain during work).





4. Respect for Human Rights

The Company gives importance to respect for life and human rights which are fundamental for management and development of human resources, including establishing social relations.

Therefore, the Company has a policy to promote respect for basic human rights and equality without discrimination and division with respect of nationality, race, gender, religion, political beliefs or any other types of belief, background, assets, origin or status. The Company promotes and gives opportunities to its employees to express opinion or file complaints relating to violation of human rights such as:

- The management and employees of the Company consist of both women and men whose religion beliefs include Buddhism, Christian and Islam. They can work together in harmony without prejudice. Everybody has the opportunity to be promoted based on his/her performance.
- When having receptions for employees on special occasions such as company anniversary, the Company selects food suitable for all religions and always includes vegetarian.
- The Company does not prohibit political participation and exercising of political rights under the laws by all employees at all levels.

5. Fair Treatment of Employees

The Company believes that human resources is the most important factor for business operations which generate values and return to organization. Each of the Company's operations require knowledge, capabilities and devotions, both physically and mentally, in order to achieve goals and objectives.

The Company has established a guideline for employee treatment. The management shall treat the employee fairly and without bias. The employees shall be encouraged and supported in developing their potentials and improving work efficiency. Compliance of ethics shall be promoted among employees and appropriate level of employee welfare shall be provided. The employees shall be treated with sincerity - their opinion should be heard and suggestions should be given to them as feedback.

In the year 2019, the Company organized the following key activities relating to human resource development:

- 5.1 Annual health examination for employees by providing a health examination program suitable for age of each employee. The Company also offered health examination programs for employees' families at a special price.
- 5.2 Employee benefits such as healthcare payments, life and accident insurance, child's tuition fee, other types of monetary support and benefits such as funeral support payments and loan for child's education.
- 5.3 Trainings useful for employee development including management skills, professional skills and knowledge increase for usage in daily life. Trainings were organized within the organization and by various institutions. The average training hours per person is 29 hours per person per year.
- 5.4 Employees had the opportunities to participate in various activities organized by the group, for instance making merit by offering food to monks on religious days, "Happy Father's Day... With Love" activity, Songkran festival activity, pouring water on the hands of revered elders and asking for blessing activity, and growing plants activity in honor of His Majesty the King etc.
- 5.5 4.5 Employees may file a complaint or notify any suspicious act relating to violation of rights, fraud, illegal acts, and Corporate Governance and Business Ethics Policy to the Audit Committee who are independent directors via email at BOD@thg.co.th or AC@thg.co.th or Internal Audit Unit at IA@thg.co.th for inspection according to prescribed procedures and further proposal to the Board of Directors.

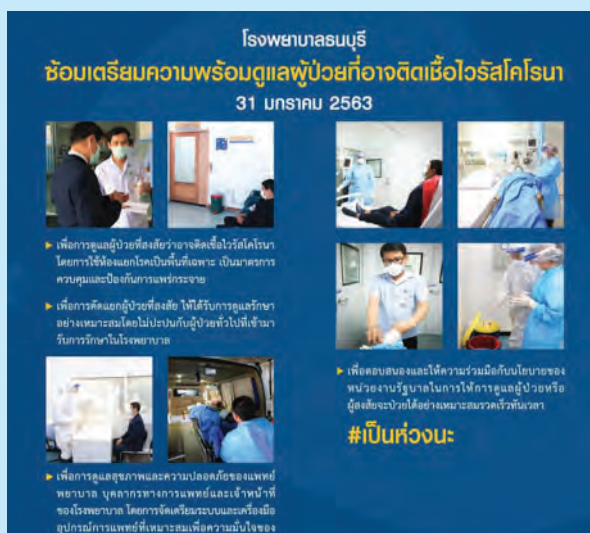


6. Consumer Responsibilities

- 6.1 To provide services/products that beneficial to customers in terms of quality and price under appropriate security and technology as well as raising standards continuously.

All hospitals in the group present costs of medicines and medical supplies at cashiers. Customers can use their mobile phones to scan QR Code for more details and the costs are also published on the Ministry of Commerce's website for examination and comparison by customers. Nine out of 16 local hospitals of Thonburi Healthcare Group opened for services in the year 2019 were rated "green" by the Ministry of Commerce for the most affordable medicine pricing. This illustrates transparency and fairness to customers. Those hospitals include Thonburi 2 Hospital, Roi Et - Thonburi Hospital, Kalasin - Thonburi Hospital, Rajthanee Hospital, Phatara - Thonburi Hospital, Sirivej Chanthaburi Hospital, Thonburi-Chumphon Hospital, Nakhon Christian Hospital, and Trangruampat Hospital.

- 6.2 To comply with terms and conditions which are transparent and equal to customers. In case of inability to comply with, the negotiation shall be made with the customer in advance in order to find solutions and prevent damage.
- 6.3 To procure customer services system and communication channels. To consult on how to solve the problem and to receive complaints to provide customers with the highest satisfaction and to ensure that customers receive excellent quality service.
- 6.4 To disclose information about the service in full and on time and do not distort the facts including to maintain a good and substantial relationship.
- 6.5 To maintain confidentiality of customer information and do not use such information for their own benefit and/or other related persons.



- 6.6 The Company prepares itself for events of emergency such as preparation in case of mass casualty incident in order to accommodate 5 patients and above at the same time and preparation in the event of new disease such as COVID 19.
- 6.7 Hospitals in the group accept return of medicines and give refund to customers in case of drug allergy. Medicines returned by customers will not be reused and be destroyed for consumer safety.

6.8 Public relations and activities to provide knowledge by doctors and medical personnel from local and overseas hospitals within the group to educate people for correct understandings and good health in the long run, for instance Thonburi Hospital and Thonburi 2 Hospital organized seminars on illness which are of interest such as seminars on



osteoporosis, trigger finger, glaucoma, ovarian cancer and fatty liver disease etc. Thonburi Bamrungmuang Hospital organized an activity called “Depress Away by Integrative Medicine.”



Ar Yu International Hospital in Yangon, Myanmar organized activities to give knowledge on health to Myanmar people on the subject regarding the common diseases such as Stroke, Alzheimer, Cancer or disease that is still spreading in Myanmar such as Hepatitis which is a disease that Myanmar people still have knowledge and understanding at a relatively low rate.

6.9 The hospitals in the group focus to provide “Service by Heart” and conduct survey on satisfaction and develop service standard by using AIDET program which is developed to assist on communication and to provide information between service provider and patient or its family in order to analyze the information and identify problems and to improve the services to create good impression of customer to come to use the service again. This program has been followed up every month. In 2019, the satisfaction rate of OPD patients was 88.98% and IPD patients was 89.47% which were higher than the criteria determined by the Company.



7. Environmental Protection

The Company realizes the importance of environment to human living. At the same time, our society has been giving more importance to environmental conservation and the implementation in accordance with the ISO standard ISO 9001: 2015

The Company has established an environmental policy as guidelines for conducting its business operations with exercise of due care and diligence in order to prevent or minimize environmental impact to nearby communities. The Company determines to control both water and air pollution by controlling quantity of wastewater released from building and exhaust from exhaust pipe. In addition, the Company promotes waste segregation and recycle in order to reduce quantity of garbage, the examples of implementation are as follows:

- 7.1 Effective sewage treatment system and the quality of wastewater is in accordance with the standard of the Pollution Control Department. The sludge circulating pump has been installed from the sedimentation pond into the septic tank and this pump will be turned on once a week and the sediment is pumped once a year to reduce the sediment and wastes to prevent them from the sewage treatment system.
- 7.2 Green rooftop project of Friend in Need (of “PA”) Volunteers Foundation by separating of UHT boxes to build rooftop and educational materials for poor people.
- 7.3 Waste separation project to reduce pollution and global warming by providing bin for each type of waste in the areas outside building and parking area to promote the proper disposal of garbage and classifying waste in order for the safety of collection of the responsible staff. น
- 7.4 “ENV good things to tell” project by providing staffs of the Environment Committee together with ENV network to survey departments in all areas of the hospital covering environment topic and the objective is the staffs shall be part of the environment management and it shall beneficial to departments including to develop environment continually.
- 7.5 “Say no to plastic bag...the merit shall be received” project was the part of 42th year anniversary activity of the Thonburi hospital during 10 May - 20 June 2019 whereby one receipt of person who used medical check-up service shall have value of THB 42 and such one receipt shall have value of THB 4.20 if the customer says no to bag for medicines in order to reduce the volume of wastes. The total donation is THB 875,344.40. The Thonburi hospital also donates the difference to achieve THB 1,000,000 for donation to Siriraj hospital for funding the construction of Navamindrapobitr 84th Anniversary Building for the patients of Siriraj hospital, Siriraj foundation and for purchasing of medical equipment of Siriraj hospital, Siriraj foundation.



7.6 Say No to Plastic Bag Project

- “Stop using foam box for food packing” campaign and to use biodegradable boxes instead and to promote the staffs to bring their own box for purchasing food in hospital’s canteen in replacement of plastic bags.
- Thonburi 2 Hospital promotes their staffs to reduce wastes by requesting the staffs to bring container such as food carrier instead of plastic bag or foam box and it also promote the staffs to use cloth bag instead of plastic bag by providing cloth bag for reusing and returning.
- Thonburi Bamrungmuang Hospital creates cultivate awareness and realizes on the necessity of environment protection by organizing the activity for staffs to contest slogan and ideas for the project to reduce plastic water bottles usage to get the award. This activity shall be promoted internally for staffs.



7.7 Pha Pa Recycle Project “Waste for Merit”



Thonburi hospital has organized the activity to promote the creating of knowledge for local community and customers who use the service to understand how to separate the wastes. This activity also received the donation of recycle materials and it will provide some of revenue to donate to educational funding for students of Watbangkhunnon School

In addition, it has organized the internal training to provide knowledge and training on environment to staffs in key topics as follows: chemical and dangerous goods, fire safety and fire drill training for department which may have risk and ENV network.

8. Energy Saving

The Company has concerned on the energy saving by promoting the using of energy with value and in full efficiency in order to receive the best benefit. It has changed air conditioner to magnetic system which was the oil free system to reduce the using of energy at less 30% and to reduce the maintenance cost. The Company also provided knowledge on energy saving to its staffs such as turning off air conditioner during lunchbreak, using staircase instead of elevator, reducing of paper usage, using both sides of paper, paperless office campaign including the project on environment protection of the Company’s group which was for energy saving.





9. Community Participation and Development

The Company focused on the activity regarding the caring and responsibility of all stakeholders of society. It was a part of the business operation. In 2019, the Company and its subsidiaries have organized the activity for public interest by supporting the business partners, entrepreneurs and customers to participant in returning to society together. This activity focused on the using of resources and knowledges to create the benefit to society and stakeholders including the environment protection of local community and providing the health knowledge and organizing activity for general public to aware of health protection which will result in growing together of all sectors, the example of activities in the past year are as follows.

Promoting health knowledge, Raise awareness and self-defense for the community

- **Learning activity on first aid and cardiopulmonary resuscitation (CPR)**

The helping of other people life is the principle of business operation of good hospital. The Company has its objective to provide primary knowledge to general public to have knowledge and skill of first aid and to know how to do the cardiopulmonary resuscitation (CPR) in both theory and practice to have primary skill to help the unconscious person before being taken to hospital appropriately. The Company has organized the activity to distribute such knowledge to other organizations such as schools and private organizations. In the real situation, if a person can do first aid accurately before the patient being taken to hospital, it will reduce the death rate or the severity of illness.



- **Activity to educate parents and teachers regarding disease outbreaks in school**

The general public has limited knowledge regarding self-care during an infectious outbreak. Hence, they may have wrong behavior. The Company saw the important of it therefore, the Company organized the project to



provide knowledge on protection during epidemic conditions such as the activity at Denla Kindergarten, Sangsan Kindergarten and Kensington International Kindergarten by promoting the parents to take care health of their child accurately, the activity to provide knowledge on contagious diseases in kindergarten children and primary school children and hand, foot and mouth and allergy in children, which is a top contagious disease that occurs in modern childhood.



- **Preliminary Health Check-up for Local Community Project**



Thonburi 2 hospital has provided preliminary health check-up service without cost to reduce risk in healthcare of working group, elderly people and general public who may have risk, and to enhance knowledge and to create understanding on the holistic healthcare by collaborating with Thawi Watthana District Office to promote the general public in local community to have good health.

Donation to support and help those in need or disaster victims

- **Donation for victims of Tropical Storm Pabuk in Nakhon Si Thammarat Province**

The Company and hospitals within the group, namely Thonburi Thung Song Hospital, Rajyindee Hospital, and business partner, X-Ray Computer Urupong Co., Ltd., jointly donated money in the amount of Baht 1,200,000 to help victim of Pabuk Storm. The donation was given to Nakhon Si Thammarat Governor, Maharaj Hospital, and community and areas affected by the storm.



- **Donation for victims of flood in Ubon Ratchathani Province**

The Company donated money and medicines for Athlete's foot to help victims if flood in Ubon Ratchathani Province after being affected by the worst flooding in 17 years.



- **Blood Donation**

Thonburi Hospital together with National Blood Center, Thai Red Cross Society organized blood donation event. The main objective was to give blood donated to Thai Red Cross Society to help others in the event of emergency and be used for treating patients. A large number of doctors, nurses, staffs and general public participated in donating blood.

Building a good relationship with the community

- **Anti-drug campaign to prevent and solve drug problem**

The Company is aware of the importance in educating youths so that they become quality adults in the future. Therefore, the Company joined with the



governmental authority and the public sector to campaign against drugs. Every part of the society should be aware of and understand the importance of prevention of drug use, solution to drug problem, and elimination of drugs from the community. For instance, campaign against drugs on World Drug Day which was organized by the Narcotics Control Board, Royal Thai Navy.





- **Volunteer Projects To help develop the Community**

The Company has supported the community to develop clean, inviting environment, enhance the quality of life of people in the community such as Thonburi hospital has participated in the activity with local community in Bangkok Noi, Thonburi such as volunteer project for cleaning of King Taksin the Great Monument, Planting Trees Chaloe Phrakiat project in Phran Nok Road and Phutthamonthon Sai 4, the project for cleaning, garbage collection, canal dredging and weeding to improve the scenery and surroundings.



- **Support of Health Promotion in Community Project**

The hospitals of the group has provided support the activity of community such as walking and running to promote the exercise of general public for health benefit, and to support ambulance car with fist aid team for people who participated this activity for preventing of accident during competition such as Sai 2 Minimarathon 2019 activity of which Thonburi 2 hospital together with Thawi Watthana District Office to support ambulance car with fist aid team.

- **Activity for promoting culture and relationship in community**

In any important days, the hospital of the group will have activity to invite people in the community and customers to participant the activity which will create good relationship between hospital, community and people in family, and will continue good culture such as father's day activity, child's day activity, Songkran's day activity, "Shop-Taste-Chill" activity for sale of goods and food for good health.

10. Innovation and Transfer of Innovation Developed Through Operations Responsible for Society, Environment and Stakeholders

The Company supports innovations developed both through internal process and through cooperation between organizations. Not only development of new things through new methods, innovations but also include changes to idea or production in order to create value-added products or services. The objective of innovations is to create changes in a positive way, so that better things shall be created and productivity shall be increased, which shall ultimately result in maximum benefits to the society.

Transfer of innovation is considered a socially responsible activity. The communication and notification to stakeholders for acknowledgement, both directly and indirectly, through various channels of communication, is necessary to ensure that the Company's information shall be distributed to, and shall reach, all stakeholders.





The examples of innovation that the Company has supported and promoted to its employees to have initiative idea for benefits of stakeholders are as follows:

- 1) **Super Safe Blanket** which will be used with a large number of health checkup customers in order to feel safe and private for using the service resulting in the convenient and efficiency before using the service and it also reduce the waiting time. The customer has satisfied and this product has been developed to use with other patients in many ways in the hospital and in the treatment OPD room.
- 2) **Healthcare of Cancer Patient**, the cancer center has organized the healthcare system for cancer patients with personal nurse.
- 3) **Knowledge Sharing in Caring of Continuous Patient Group** through Home Health Care Channel and at present, it has been expanded to “Scan QR Code” for advice of caring of each patient.
- 4) **Eiffel Tower**, the urine bag hanging device which will prevent the urine bag to contact the floor. It shall help the patient after operation to have more convenient to perform daily activity and walking exercise. This device has been used in nurse department and rehabilitation center.
- 5) **Kangaroo Pants** has received the innovation award 1st prize in area of nursing the neuropathy patient and patients with urinary catheterization. This pant will help patients to ambulate and prevent hematuria which will reduce UTI. The patients have satisfied and cooperated to do ambulate. This pant has registered the petty patent already.
- 6) **Fall Off Shirt** has registered the petty patent since January 2014 and it has been used in nurse department.
- 7) **Innovation for expansion of lifetime of Board Control Main Power On-Off for Operation**, the main power has been removed into the side of device and installed the breaker on-off for using easier and there was no request of repairment of lamp for operation in part of Board Control. It has been installed in all operation rooms including sleep lab.
- 8) **Miracle Hand**, the device to take filter of dialysis liquid core.
- 9) **Drug label with other languages**, this service has been provided to Myanmar, Cambodian and Chinese patients of OPD and IPD.
- 10) **Red Blood Cells Rescue Can**, it will help adjust the time to keep blood stable from 30 minutes to 8 hours in order to reduce the loss of blood.
- 11) **KOL (YUTH): Knowledge Out Lab (Yearly Update Thonburi Hospital)**, knowledge out lab through intranet which will have accurate result and will reduce the communication through telephone.
- 12) **Nutrition Assessment through Food Lab**, it will help adjust food to in line with symptom of each patient and medical treatment plan of doctor such as high cholesterol patient, hyperglycemia. It has been evaluated from time to time.
- 13) **Nutrisurvey**, it will provide knowledge on low cholesterol by using program with patient. It has received the award on research and development of well-being of Thai people with good health of Thai Dietetic Association.
- 14) **Nutrition by Social Media**, it has provided knowledge on nutrition and therapeutic nutrition through graphic information in form of easy understanding which is part of health promotion under the name of “Nutrition by Social Media” through visual storytelling cause to exchange knowledge and can apply to daily life.





15) Innovation “Phuket Care” for the Aged Society in Future.

King’s Prajadhipok Award of 2017 for the local administrative organization that have transparent and promote the participation of people which received by the Phuket Administrative Organization was the announcement of success of the project “Phuket Care” under the project “Sufficiency Health of Ten Thousand Beds Hospital” for supporting and caring of chronic patients in Phuket Province. Phuket Administrative Organization together with Village Health Volunteer of Phuket by having doctors and Public Health Team of Thonburi Healthcare Group Public Company Limited as the service provider of Hospital of Phuket Administrative Organization for more than five years, has been providing the services with well received by the public under the professional standard.

The concept of new management gives the first opportunity for private sector to jointly provide the public health services of Phuket Administrative Organization. The public health services by private hospital at the public place of public sector is the cooperation creatively and energetically for the benefit of the disadvantaged people which creates the aggressive position for health promoting. It has a preliminary health screening and follow up of risk patients and patients in complications including reporting of results to the hospital if sickness occurs of which it will facilitate patients to meet doctor efficiency. This strategy helps to reduce the burden of congestion of public health services of the hospitals in Phuket Province resulting in the doctors and nurses have more time to promote healthcare to the public.

From the lesson learn of the Phuket Care for the Aged Society by using the community-based long term care system whereby the aged people in the service area can submit his or her intention to receive this services from the public health service center of public sector and local administrative organization that have the integration of information technology system and the system that supports persons in family and community to participate in taking care of such aged people. The local administrative organization will support allowance of aged people, disabled people, compensation of Village Health Volunteer, Healthcare Fund and Rehabilitation Fund according to the laws. For the Ministry of Social Development and Human Security, it will support the budget for the establishment of the aged people fund and welfare of disabled people and disadvantaged people and the national saving fund and for National Health Security Office, it will support the health promotion together with the local administrative organization for the establishment of healthcare fund for community according to Section 39 (2) of the National Health Security Act, B.E. 2545 (2002).

The main mechanism of the capital of community is Village Health Volunteer and temple. School is the spirit center of community and training center for people in family and community to have skills for taking care of the aged people efficiency. The role of the medical team will follow the Phuket care model which is the providing of preliminary health screening, follow up of risk patients and patients in non-communicable disease: NCD. In addition, the community will organize the rehabilitation center and day care center in the community for the bedridden patient during people in family goes for work outside.

Ten Thousand Beds Hospital of Phuket Model that Thonburi Healthcare Group Public Company Limited (THG) creates innovation with Phuket Administrative Organization where the community can take care chronic patients and disabled people of which it is the light at the end of the tunnel that solve the problem of Thai Society which has to support a lot of budget to take care the aged people in the future.





Awards and certificates of the Company and its subsidiaries

1. Thonburi Hospital, Thonburi 2 Hospital, Rajyindee Hospital, Ubonrak Thonburi Hospital were awarded the Hospital Accreditation as hospitals with standard health care and medical services by the Healthcare Accreditation Institute (Public Organization).
2. Thonburi 2 Hospital received a certificate from Nonthaburi Provincial Administrative Organization as organization which provided social contribution in respect of medical services and training course on suitable technology and environment for physical and mental health of elderly.
3. Thonburi 2 Hospital was awarded for quality standard in setting up intensive care unit for stroke patients (Stroke Unit) by Department of Medical Service, Ministry of Public Health.
4. Jin Wellbeing County Project was awarded “Honorable Mention” from 2018 Environments for Aging Design Showcase by EFA Magazine in the United States. The project was one of the seven projects, and the only project from Asia, selected from 36 other senior residence projects across the world which met the acceptance criteria in creating functional and attractive living environments that meet the needs of aging population. The projects were evaluated based on criteria including health care and safety of residence, aesthetics, and innovation.
5. Jin Wellbeing County Project was awarded Best Senior Living Development and Highly Commended for Universal Design Development as project with outstanding design and responding to aging population lifestyle from Property Guru Thailand Property Awards.
6. Jin Wellbeing County, the model city of health for community of retired people and family has received the “Friendly Design Awards 2019” from the Friendly Design For All Foundation which organized the Thailand Friendly Design Expo and Health Innovation for All No. 4 or Thailand Friendly Design Expo 2019, as the community and initial location of friendly design which was created for public interest to support the aging society and to promote equality of disabled patients, wheelchair users, including everyone, all ages, all physical conditions that make it accessible and able to use with convenience, modern, safe, fair, and equally.
7. Patalung Thonburi Heart Center was awarded by National Health Security Office, Ministry of Public Health for quality standard in provision of diagnosis, treatment coronary angiogram, cardiac catheterization, and cardiac surgery.
8. Thonburi hospital has received the Hospital Accreditation Certification in accordance with the hospital standard and healthcare in the HA National Forum No. 20.
9. Thonburi hospital has received the Platinum Hospital Quality Award from AIA in year 2014.
10. Thonburi hospital has received the Excellent Healthcare Management Award from Muang Thai Life Assurance in year 2015.
11. Thonburi hospital has received the Fast Service, Good Quality and Understanding the Need of Customers Award from Muang Thai Life Assurance in year 2015.
12. Thonburi hospital has received the Award Winning for the Excellent of Management and Medical Service from AZAY in year 2015.
13. Thonburi hospital has received the Runner up Award for the Excellent of Health Checkup Service from AZAY in year 2015.
14. Thonburi hospital has received the Service Appreciation Award from AZAY in year 2016.
15. Thonburi hospital has received the Certification in Energy Management 2013 for Controlled Building TSIC-ID: 86101-0016 for the completeness and accuracy in accordance with the regulation of Ministry of Energy.
16. Thonburi hospital has received the Certification in Quality of Water in accordance with World Health Organization in year 1993.
17. Thonburi hospital has received the Hospital of the Year Award from The Healthcare Asia Awards 2019, Singapore.
18. Thonburi Bamrungmuang hospital has received the Clinical Service Initiative of the Year Award from The Healthcare Asia Awards 2019, Singapore.
19. Assessment in the level of 4 TIA from the 2019 Annual General Meeting of shareholders Assessment Program organized by Thai Investor Association.
20. Assessment in the level of “Excellent” or 4 stars from the corporate governance of Thai listed companies survey program of the year 2019 organized by Thai Institute of Directors.





Additional Guideline for the Prevention of Involvement in Corruption

The Company has procured the Internal Audit Department to monitor the internal audit system, risk management and corporate governance and to provide suggestion from time to time by auditing in accordance with the annual internal audit plan which has been approved by the Audit Committee and reporting the result of audit in key issues and suggestion to the Audit Committee.

The Risk Management Committee has determined the guideline for assessment of risk from internal corruption to determine the anti-internal corruption measure in order for efficient implementation and support of complying with the guideline for monitoring and evaluating the implementation of the anti-corruption policy within the organization including providing the suggestions, control measure or prevention guideline for such risk together with following up the evaluation to improve the plan from time to time to reduce the risk to the acceptable level and reporting it to the Board of Directors regularly.

The Company has determined the guideline to monitor for prevention and following up of risk on corruption within the organization as follows:

1. The Company provides channels for receiving clues or complaints regarding violation, illegal actions or business ethics of the Company or doubt in financial report or internal control system. The Company has policy on whistle-blower protection, and it will keep the information of whistle-blower as confidential. The Company also has measure to review and determine the disciplinary actions and/or legal actions. If the Company is able to contact the whistle-blower, the Company will inform its action in writing.
2. The Company has procured to have internal audit, assessment of internal control system and risk management which cover important working systems to protect and to follow up the risk on corruption including providing the suggestion in relation to the appropriate solution.
3. If after the fact finding, it finds that the audited information or complaint may have evidence to believe that there have transactions or actions that may significantly impact the financial status and Company's performance including violation or wrongful actions relating to legal or business ethics of the Company, the Audit Committee shall inform the Board of Directors to carry out improvements within the time frame that the Audit Committee deems appropriate.
4. The department heads are responsible for monitoring the operations, correction of errors (if any) and report to the authority respectively.
5. The Company has determined that the managements and employees shall perform and evaluate their performance in relation to the good corporate governance principle and Company's business ethics including the anti-corruption in the organization policy regularly.
6. The Company has determined the guideline to follow up the performance assessment in accordance with the guideline for preventing corruption in the organization.



Policy and Business Overview

VISION, MISSIONS AND DIRECTION



The Board of Directors Meeting No. 8/2019, held on 24 October 2019, reviewed the Company's vision, mission, and brand values including determining the company's strategy during 3 years (from 2020 - 2022) with the resolution that in 2020 the company will use the same vision, mission and brand values as the previous year as follows:

VISION

"To enhance people's quality of life by being their most preferred health partner"

MISSIONS

- To offer customer-centric, innovative, and reasonable healthcare solutions to people of all ages, no matter what their health needs, and
- To always strive for a higher standard of service, expertise and professionalism in our people for the benefit of all our stakeholders

BRAND VALUES

TREASURE LIVES	We treasure everyone's quality of life and we strive to offer the best care without discrimination of any persons or groups.
HONEST	We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients' dignity.
OPTIMISTIC	We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance.
NURTURING	Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers.





Long-term goals / action guidelines

To achieve the long-term goals, the Company has set the action guidelines as follows:

1. **To maintain standard of management and medical service, as well as to develop human resource to meet higher standard both in domestic and international level.**

- With our services being accepted under international standard, we receive Hospital Accreditation (HA) from the Healthcare Accreditation Institute (Public Organization) to certify well management system which supports quality and safety service. Furthermore, the Company has maintained its standards as to become a model of hospital development among the Company Group to achieve the same standard.
- The Company has strategy to become a medical excellence, by developing treatment capacity in 5 strategic fields (1) Neuroscience and Brain Center (2) Orthopedic Center (3) Digestive and Liver Center (4) Heart Center and (5) Obstetrics-Gynecology Center - for maximum efficiency in treatment.
- The Company arranges consulting team from internal and external source to pass on knowledge and experience, as well as to support the achievement to highest standards of performance to the hospitals in Company Group, which will standardize and qualify all hospital to achieve the same level.
- The Company provides training courses and fund to develop its personnel in terms of academic and service field on regular basis.

2. **Seek and develop innovation of medical service and modern technology to enhance fast, precise service that will meet customers' requirement and necessity.**

- The Company creates medical contract service to state hospitals which offer comprehensive service solution and the Excellent Center, where people can have a service of private hospital quality under the price of a state hospital.
- The Company has policy to expand into an excellent center to facilitate patient with comprehensive services.
- The Company has policy to seek and develop advance technology, emphasizing on an innovation which is accepted and certified by international standard, for example, scanning, laboratory, medical equipment, patient recovery etc. to enhance a fast and precise service that will meet the necessity of each treatment, as well as requirement of patients.
- The Company has opened the integrated elderly care and medical services (Senior Home Care) and has developed management system to provide services that meet the needs of patients consisting of medical services, palliative care, accommodation that facilities daily life of the elderly, activities that improve the physical and mental health of the elderly whereby the first project which has been opened, was Jin Wellbeing County and the second project, namely Thonburi Health Village is under construction.
- The Company deploys supporting system for medical service to provide care among patients and those who require home service, for example physical therapy, replace of oxygen and saline hose.
- The Company develops remote-care system for patient, consulting mechanism, follow-up and assessment of patient condition after or during the treatment to create confidence and to minimize the traveling time of patients and family.
- The Company has developed new hospital to the specialized treatment center which was different from the hospital under the group's company to provide patients with treatment options from advanced technologies such as diabetes treatment center, IVF center and digital dental center which opened for service in early 2019 whereby the targeted patients are medical tourist from China and Middle East countries.





3. To develop ethical concept, academic excellence, and special expertise as to enhance the treatment efficiency, to improve service mind which will lead to trust, reliability and happiness.

- In 1995, the Company, under collaboration with Siam University, has established the Faculty of Nursing and the Faculty of Medicine with aim to create qualified medical personnel to support operation of the Company and hospitals in the Company Group.
- The Company has cooperated with Siam University to establish faculty of medicine which will be another channel to produce and develop personnel with the quality to support the demand of the hospitals under the group's company.
- The Company provides ethical training courses and knowledge development courses to all personnel on regular basis, as well as provides supporting fund to improve knowledge body and to create special skill.
- Thonburi Hospital is a tertiary care hospital that provides a wide-range of high-quality medical and surgical services, with specialist doctors, Excellence Center to assure our customers' confidence and trust. Our goal is to expand the Excellent Center to hospitals in the Company Group and the area that are in need of hospital care.
- The Company provides personality development course to improve service mind of our personnel, whereby, the result of training of each department is evaluated regularly in order to build incentive complementary to the personnel or department.

4. To offer new dimension of treatment in the price that most people can afford.

- The Company has set the medical service in medium rate, what patient can receive treatment of complicated disease at affordable price comparing to other private hospitals. As for a non-complicated disease, a patient can choose to be treated in the nursing home or stay in hospitals under the Company Group or hospitals within network of the Company which are located countrywide, in order to minimize medical cost.
- The company developed the step-down care center project by establishing Thonburi Burana Hospital which is located in the Jin Wellbeing County Project to accommodate patients during convalescence after surgery or during therapy section including elderly patients that need long-term care such as Alzheimer's disease in order to reduce the cost of rehabilitation in the hospital which is considered an alternative to receiving services at a lower cost.
- The Company is a contractor of medical service for many state hospitals, for example, Mueang Pattaya Hospital, Phuket Provincial Administration Organization Hospital, Phatthalung Hospital, allowing people to have medical service of good standard at the same price of state hospitals.



Major Changes and Developments



Year	Significant Development
2017	4 April: The Company, GA Mone Pwint Co., Ltd., Ar Yu Ananta Medical Services Co., Ltd. and WJ International Hospital Management Co., Ltd. set up and registered a “Joint venture” named “ARYU International Healthcare Company Limited” which has an objective to provide hospital operations in Republic of the Union of Myanmar (Ar Yu International Hospital), with registered share capital amounting to USD 100.00 million (10,000,000 ordinary shares at par value US dollar 10.00 each). The Company held 10% of registered share capital.
	31 May: Rajyindee Hospital PCL. increased in registered share capital from Baht 388,271,118 to Baht 430,000,000. The Company added investment in the ordinary shares of Rajyindee Hospital Public Company Limited in Baht 83,421,429, so resulted in the change in the Company’s shareholding from 55.87% to 56.91%.
	1 November: The Company purchased 99.99% of Bumrungrmaung Plaza Limited from Power Line Engineering Public Company Limited and its existing shareholders to acquire the right to lease land and buildings on the leasehold right of ownership of the Thai Red Cross Society. The purchase is considered as an acquisition of assets to develop Thonburi Rehabilitation Hospital Project.
	9 November: The joint venture registered to change its name from “Weihai Thonburi Healthcare Investment Company Limited” to “Weihai Welly Hospital Company Limited” and the Board of Directors’ Meeting of Joint Venture - Weihai Welly Hospital Company Limited, approved the increase in registered share capital in amounting to Renminbi 20.00 million, totaling Renminbi 250.00 million. The Company paid share following its proportion in amounting to Renminbi 11.60 million (equivalent to Baht 58.02 million).
	17 November: The Company entered into an agreement with WJ International Hospital Management Co., Ltd. to acquire shares in the joint venture of ARYU International Health Care Co., Ltd. (“ARYU”) in respect of WJ International Hospital Management Co., Ltd. (“WJ”), resulting in the increase in the Company’s shareholding in ARYU from 10% to 40%.
	7 December: The Company traded its first trading day on the Stock Exchange of Thailand. The initial public offering (IPO) of 85 million shares, using the “THG” symbol, raised Baht 3,230 million to repay the bank loans and use in working capital of the Company.
2018	26 March: The Company approved to dispose shares in Rajthanee Rojana Company Limited to Rajthanee Hospital Public Company Limited (Rajthanee Rojana Hospital, Phra Nakhon Si Ayutthaya Province) and the capital gain from such disposal was approximately Baht 52.5 million.
	26 March: The Board of Directors has resolved to appoint the Corporate Governance and Business Ethics Committee as another sub-committee.
	24 August: The Extraordinary General Meeting of shareholders no.1/2018 resolved to acquire lands and buildings on Pracha Uthit road, Thung Khru District, Bangkok from the connected person to develop the Thonburi Health Village Project, which is a residential project for the elderly with medical services.
	7 November: The Company invested in Thanarad Thung Song Company Limited which operated Thonburi Thung Song Hospital. The Company held 51.12 % shares and also held 5.31% shares with indirect voting through its subsidiary, namely Rajyindee Hospital Public Company Limited, representing 56.43% in total shareholding.





Year	Significant Development
2019	<p>24 January: Thonburi Bamrungmuang Hospital was officially opened for services. The investment amount for the hospital was over Baht 4,000 million, focusing on providing 6-star personalized care by medical specialists. This was to respond to health trends and aging society and to service medical tourism customers from all over Asia and Middle East.</p> <p>17 March: Ar Yu International Hospital in Yangon, Myanmar was officially opened. It provides full services, including OPD and IPD services. This hospital is the first private hospital in Myanmar which meets international standards. It is a joint investment between Thonburi Healthcare Group, Ga Mone Pwint Company Limited, local operator and medical personnel in Myanmar.</p> <p>30 May: Thonburi Hospital was awarded Hospital of the Year Award from 'Healthcare Asia Awards 2019' in Singapore. Thonburi Bamrungmuang Hospital was awarded Clinical Service Initiative of the Year Award.</p> <p>27 June: The Company sold its investment in Rajathanee Hospital Public Company Limited ("RJH"), consisting of 12,000,000 shares. The remaining shareholding in RJH by the Company is 3.07%.</p> <p>3 July: Notification on change of company name of Premiere Home Health Care Co., Ltd., a subsidiary of THG, in which THG has 99.99% shareholding. The new company name is Thonburi Wellbeing Co., Ltd. which is suitable to its business operations.</p> <p>2 September: Ramkhamhaeng Hospital Public Company Limited ("RAM") acquired another 2.217% of the total paid-up capital of THG. As a result, RAM becomes one of the top five major shareholders of THG. As of 30 December 2019, RAM has 10.051% shareholding in THG.</p> <p>17 September: Thonburi Wellbeing Co., Ltd., a 100% subsidiary of THG, incorporated Thonburi Property Management Co., Ltd. to operate senior residence business of Thonburi Wellbeing Co., Ltd. The registered capital of Thonburi Property Management Co., Ltd. is Baht 4,000,000 (40,000 common shares at the par value of Baht 100 per share).</p> <p>18 November: The Company officially opened Thonburi Thung Song Hospital in Thung Song Sub-district, Nakhon Si Thammarat Province for services. In the beginning, 50 hospital beds were registered for services. The hospital will be able to expand its service capacity in the future to 200 hospital beds, 12 examination rooms and 3 operating rooms.</p> <p>18 December: The Company's stock (ticker: THG) was listed in SET100 Index by the Stock Exchange of Thailand. The stock is one of the 100 component stocks with market capitalization and high liquidity according to qualifications required by the stock exchange.</p>



Revenue Structure



Unit: million baht

Operated by	% of shareholding			Income for the year ending December 31					
	2019	2018	2017	2019		2018		2017	
				income	%	income	%	income	%
Thonburi Healthcare Group PCL.	-	-	-	5,147.53	62.53%	5,099.43	71.88%	4,730.62	71.55%
Thonburi Healthcare Group PCL - Pattaya City Hospital	-	-	-	261.48	3.18%	310.56	4.38%	412.69	6.24%
Thonburi Healthcare Group PCL - Phuket Provincial Hospital	-	-	-	179.14	2.18%	183.20	2.58%	184.81	2.79%
Rajyindee Hospital PCL.	56.91%	56.91%	56.91%	690.76	8.39%	695.53	9.80%	627.47	9.49%
Thanarad Thung Song Co., Ltd.	56.43%	-	-	9.17	0.11%	-	-	-	-
Thonburi Hospital Heart Centers Co.,Ltd.	99.98%	99.98%	99.98%	266.97	3.24%	275.94	3.89%	215.95	3.27%
Thonburi Bamrungmuang Hospital Co., Ltd.	99.99%	99.99%	99.99%	905.46	11.00%	14.39	0.20%	-	-
Total revenue from medical services business				7,460.51	90.63%	6,579.05	92.73%	6,171.54	93.34%
Dental Siam Co., Ltd.	99.43%	99.43%	99.43%	317.81	3.86%	396.38	5.59%	400.04	6.05%
Thonburi Wellbeing Co., Ltd. **	99.99%	99.99%	99.99%	438.66	5.33%	95.51	1.35%	13.92	0.21%
Total revenue from Healthcare solutions provider business				756.47	9.19%	491.89	6.94%	413.96	6.26%
Modular Software Expertise Co., Ltd.	70.00%	70.00%	70.00%	15.18	0.18%	23.26	0.33%	26.15	0.40%
Rajthanee Realty Co., Ltd.	100.00%	100.00%	100.00%	-	-	-	-	-	-
Thonburi Realty Development Co., Ltd.	99.78%	99.78%	99.78%	-	-	-	-	-	-
Total revenue from other business				15.18	0.18%	23.26	0.33%	26.15	0.40%
Total revenue				8,232.16	100.00%	7,094.20	100.00%	6,611.65	100.00%

** Thonburi Wellbeing Co., Ltd. (former name: Premiere Home Health Care Co., Ltd.)





Business Description

Businesses of Thonburi Healthcare Group Public Company Limited or THG can be divided into three major segments, namely

1. Medical Services Business
2. Healthcare Solution Provider
3. Other Business

Medical Services Business

THG's core business is the medical treatment business with five sub-categories as follows:

1. Domestic medical services

THG operates hospitals in Thailand and through subsidiaries and associates. Our hospitals provide comprehensive medical services by experienced doctors and high technology medical equipment. The hospitals serve OPD and IPD patients 24 hours a day.

Three Bangkok-based hospitals including

- *Thonburi hospital*
- *Thonburi 2 hospital*
- *Thonburi Bamrungmuang Hospital*

Four provincial hospitals including

- *Rajyindee Hospital, Songkhla*
- *Ubonrak Thonburi Hospital, Ubonratchathani*
- *Sirivej Chanthaburi Hospital, Chanthaburi*
- *Thonburi Thungsong Hospital, Nakhon Si Thammarat Province*

Domestically, THG has 1,200 registered beds and a combined capacity to service 5,800 outpatients daily, making the group one of the leading healthcare providers in Thailand, with a focus on quality, efficiency and best equipment plus health promotion, disease prevention and rehabilitation programs, all with easy accessibility and affordable prices. The company offers high-quality services in various excellence centers including brain and neurology, bone and joint, gastro intestinal and liver, heart, and obstetrics and gynecology. THG's medical services are well recognized in international standards and certified by the Healthcare Accreditation Institute (Public Organization). It is to guarantee that there are systematic administrations contributing to service quality and safety in hospitals under the company's group

Hospital	Address	Registered beds	Description
Thonburi Hospital	34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok	435	Operated by THG
Thonburi 2 Hospital	43/4 Borommaratchachonsee Road, Sarathammasop sub-district, Taweewatana district Bangkok	95	Operated by THG
Thonburi Bamrungmuang Hospital	611 Bamrungmuang Rd, Khlongmahanak sub-district, Pomprapsattruphai district, Bangkok	47	Operated by Thonburi Bamrungmuang Hospital, THG's subsidiary with 99.99% shares of paid-up capital held by THG
Rajyindee Hospital	119 Rajyindee Road, Hat Yai sub-district, Hat Yai district, Songkhla	196	Operated by Rajyindee Hospital Pcl., THG's subsidiary with 56.91% shares of paid-up capital held by THG
Ubonrak Thonburi Hospital	46/4 Soi Bhurapa Nai Rd., Naimuang sub-district, Muang ubon ratchathani district, Ubonratchathani	100	Operated by Ubon Rak Co. Ltd., THG's associate with 34.52% shares of paid-up capital held by THG



Hospital	Address	Registered beds	Description
Sirivej Chanthaburi Hospital	151 M.7 Trirat Road, Chanthanimit sub-district, Muang Chanthaburi district, Chanthaburi	90	Operated by Sirivej Chanthaburi PCL., THG's associate with 31.87% shares of paid capital held by THG
Thonburi Thungsong Hospital	Thungsong-Wiangsa highway, Chamai sub-district, Thungsong district, Nakhon Si Thammarat	50	Operated by Thanarad Thung Song Co. Ltd., THG's subsidiary with 56.43% shares of paid-up capital held by THG

2. Overseas medical services

THG expanded its business to other countries in Asia, joining with local partners to provide medical services. Currently, THG operates one hospital in People's Republic of China ("China") and one in the Republic of the Union of Myanmar ("Myanmar").

- Welly Hospital, China

It is operated by Weihai Welly Hospital Company Limited, registered in China. At present, it has paid-up capital of RMB 250 million (approx. THB 1,360 million). It is a joint venture between the Company and WEGO Holding Company Limited, which is a leading medical equipment and supplies manufacturer in the People's Republic of China. They own 58% and 42% of the registered capital, respectively. It initially opened for service on 1 April 2016 and was granted a full hospital license on 1 November 2017 with a grand opening on 2 November 2017. It currently has 150 registered beds, 130 available beds and 29 OPD rooms.

Welly Hospital is located in Huancui District, Shandong Province, Weihai Town, People's Republic of China which is a beach town. The North is trade zone and community with a full range of treatment services. Welly Hospital offers care model focused on patients with dedicated medical staff that is different from other hospitals in China. Also, Weihai is a city that has received attention from population in retirement age, resulting in the hospital having a continuous patient population. The hospital serves patients from Shandong Province and neighboring counties such as Hebei, Heilongjiang, Pinyin, Liaoning, Beijing and Sanxi.

- Ar Yu International Hospital, the Republic of the Union of Myanmar

THG partnered with Ga Mone Pwint Company Limited ("GMP"), a leading Myanmar-based real estate developer and retailer, to operate 200-bed hospitals, with value of USD 75 million. It operates with an international standard under the name Ar Yu International Hospital, located on 3-rai land on Kyaikkasan Road, Yangon. The hospital started to provide service initially for OPD patients in September 2018 and 95-bed IPD patients in March 2020.

The Joint Venture named ARYU International Health Care Company Limited was established on 4 April 2017, 50% held by GMP, 10 % held by Aryu Ananta Medical Services Company Limited (AMS), a group of Myanmar medical personnel, and 40% held by THG.

3. Specialized hospital and step-down care

- Thonburi Burana Hospital

It is a hospital providing comprehensive services for elderly: care, treatment and rehabilitation for promoting health and quality of life as well as preventive care. The facility is well- equipped with experienced medical staff, serving OPD clinics and IPD for patients who need special care, such as bed-ridden, Alzheimer or other chronic disease patients. The first Thonburi Burana Hospital will be located in Jin Wellbeing County Project to take care of residents conveniently and timely.

4. Hospital management services

THG the first private hospital entrusted by local administration organizations to provide management services for state hospitals that were keen to improve their management efficiency. THG has agreements to provide management for two hospitals under local administration organizations and one Community Medical Center as follows.



- *Pattaya City Hospital*: with 110 registered and available beds, providing medical services in various fields, equipped with modern technology. The hospital is well accepted in international standard.
- *Phuket Provincial Administrative Organization Hospital*: It has 129 registered beds and 125 available beds. Its aim is to provide medical services with high standard and good impression for patients.
- *Koh Lan International Medical Center*: It is a medical center focusing on trauma and ER, providing service for emergency cases on coasts and general treatment for locals and tourists.

With efficient doctors and medical staff, administration and service, the hospitals can provide services at standards of private hospitals but at price of public ones. At the two hospitals, doctors and nurses are on hand around the clock for high-standard services.

Moreover, THG is also hired for consultancy, management and training services for overseas hospitals, especially in Southeast Asia.

5. Specialized Medical Services Centers

THG had seen opportunities in a special medical center business, therefore, established Thonburi Hospital Heart Center Co., Ltd. to provide management service for heart centers in both public and private sectors. The company provides teams of reputable cardiologists to treat patients. In 2019, THG operated three heart centers as follows.

- *Heart Center at Phatara-Thonburi Hospital*

It is operated under an agreement for the treatment of cardiovascular disease with Phatara Hospital Co., Ltd. to provide specialized medical team and manage work schedules of physicians. The heart center started operation in December 2014, including Cardiac Catheterization (Cath lab) with modern equipment, taken care by specialized cardiologists and heart surgeons who are specially trained to care for patients with heart disease. The hospital also has 18-bed wards for general and special heart disease patients, as well as 6-bed Coronary Care Units. It can support cares for heart patients at early stage to advanced treatments 24 hours a day.

- *Heart Center at Thonburi 2 Hospital*

It started an operation on 26 June 2017. Thonburi Hospital Heart Center Co., Ltd. was hired to operate the heart center, providing specialized doctors and manage schedules to meet the need of cardiovascular patients effectively in accordance with professional standards.

- *Heart Center at Phatthalung Hospital*

It is a collaboration of management of Phatthalung Hospital and Thonburi Hospital Heart Center Co., Ltd. with an agreement for management services and quality control with special medical expertise. Heart Center at Phatthalung Hospital started an operation on 17 April 2018, and was approved by National Health Security Office to treat patients under Universal Health Coverage on 1 October 2018. It provides treatment procedures for patients with heart disease and ischemic heart disease. The facility includes Cardiac Catheterization (Cath lab) and 11-bed heart disease ward.

Healthcare Solution Provider Business

It provides healthcare service beyond hospital. Variety of services are to meet the needs of customers in different ages and physical conditions with following services.

1. Senior Care and Senior Living

- *Jin Wellbeing County*

THG develops healthcare mixed-use project combining integrated healthcare and tailor-made medicine, with active living designed especially for elderly that can easily modify or add tools suitable for needs in different ages and a center for aged care. There are also activities to suit their lifestyle, targeting retirement age group and working age group who care for healthy living and long-term life planning. The project, on 142-rai land located on Phaholyothin Road (Rangsit), was developed under a “new concept of retirement town”.





The first phase includes:

- 1) 7-story residential building, approximately 1,380 units, which were designed to truly meet the needs of elderly, focusing on safety, convenience and mental health. Inside the building, there are medical staff to take care and 24-hour available to assist in case of emergency. The project also provides continuous medical check-up systems such as health tracking system, centralized health monitoring system and CCTV to ensure proper and timely care for residents;
- 2) Thonburi Burana Hospital provides services for elderly who need special medical care such as assistance for disabled. The hospital will be operated by teams of medical staff under Thonburi Hospital network, targeting Jin Wellbeing County residents or referred patients. It also provides on-site care for the residents, OPD clinic services, rehabilitation, counseling services by nutritionists and psychologists and
- 3) Jin Wellness Institute offer variety of services for different needs. *Wellness clinic* focuses on preventive medicine combining with naturopathy, alternative medicine and modern medicine. *Jin Medifit* provides personalized exercise classes and training programs. Moreover, other *activities*, such as music therapy, art therapy, cooking class and etc., are well-designed for social interaction and providing mental and emotional care.

- *Thonburi Health Village, Pracha Uthit*

The project is designed for living with a concept of “Healthy and Happy Living” for our residents. It offers health promotion, convenience and safety for better quality of life physically and mentally to elderly. The project comprises two 11-story buildings, total of 412 units on Suksawat area which is 5 km away from Pracha Uthit sky train station. The project can be accessed by many ways and surrounded with facilities for more convenience. The highlights are universal design concept that can support different needs of elderly, with practicality and safety, provided by outdoor and indoor facilities, such as library, function room and green area.

2. Home Healthcare

It is operated by Thonburi Wellbeing Co. Ltd., which delivers patient care to home, such as mother & baby care, rehabilitation for patients who are not convenient to go to hospitals, elderly who have difficulties to move, chronic disease patients and etc. Our team includes dedicated nurses, highly-skilled physiotherapists, qualified nutritionists and experienced psychologists.

3. Distribution of medical supplies, devices and equipment

This business is a part of the company's core business in which the company holds shares in Dental Siam Co. Ltd., the business includes one stop service of dental equipment and supplies. Dental Siam is sole distributor of leading dental supplies brands, such as Adec, W&H, AO, Heraeus, Ivoclar, Megagen, SAM, Melag and Alpro. The company also operates drug store under the brand “Apex Health Care” with branches in department stores.

Other businesses

1. Software development for hospital management

Modular Software Expertise Co., Ltd. develops software for hospital management used in hospitals in the group and many public and private hospitals in Thailand with teams of experts who have more than 20 years of experience in computer and hospital systems. The software used are up-to-date and hi-tech supporting all departments in hospitals and linking data with other systems.

2. Project development relating to health and medical services

It is operated by Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd., currently studying projects and possibility of future business opportunities.



Securities and Shareholders Information

1. The Company's Security

As of 30 December 2019, the Company has registered capital of 849,080,000 baht, consisting of 849,080,000 common shares with a par value of 1 baht per share. The Company paid-up capital is 849,080,000 baht.

2. Major Shareholders

Top shareholders according to the share registration book closing on 30 December 2019 are as follows:

Shareholders	No. of Shares	% Holding
1. Mrs. Charuwan Vanasin ³	94,436,262	11.122
2. Ramkhamhaeng Hospital PCL.	85,344,500	10.051
3. WJ International Hospital Management Co., Ltd. ^{1/3}	60,000,000	7.066
4. Mr. Amnuay Unnanuntana, MD	43,510,970	5.124
5. Mrs. Nawara Vanasin ³	21,912,663	2.581
6. Global Health Investment Co., Ltd. ^{2/3}	21,413,340	2.522
7. Khunying Songseang Meksawan	20,046,582	2.361
8. Dr. Aurchart Kanjanapitak	18,259,500	2.151
9. Thai NVDR Company Limited	16,085,236	1.894
10. Dr. Arsa Meksawan	9,695,255	1.142
11. Mr. Sita Meksawan	8,415,063	0.991
12. Mr. Aasis Unnanuntana, MD	6,811,300	0.805
13. Mr. Boon Vanasin, MD ³	5,801,848	0.683
Total	411,732,519	48.493

Noted: 1/ WJ International Hospital Management Co., Ltd. Shareholders by Dr.Boon Vanasin 30% and Mrs. Charuwan Vanasin located at Hongkong.

2/ Global Health Investment Co., Ltd the company under to control by Vanasin's family that the major shareholders of the company located at Hongkong.

3/ The major shareholders are Dr. Boon Vanasin group, consist of Dr. Boon Vanasin, Mrs. Charuwan Vanasin, Mrs. Nawara Vanasin, Ms. Nalin Vanasin (10,837 shares) Mr. Jon Vanasin (10,837 shares), WJ International Hospital Management Co., Ltd. and Global Health Investment Co., Ltd. Total 23.974 %

3. Distribution of Shareholders by Nationality

The distribution of shareholders according to the nationality, as of the latest book registration closing date on 31 January 2018, is as follows:

Shareholders	Grand Total			Juristic Person			Ordinary Person		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Thai	7,363	762,665,200	89.82	76	121,190,986	14.27	7,287	641,474,214	75.55
Foreign	22	86,414,800	10.18	14	85,156,000	10.03	8	1,258,800	0.15
Total	7,385	849,080,000	100.00	90	206,346,986	24.30	7,295	642,733,014	75.70

* Information provided by Thailand Securities Depository Co., Ltd., the number of shareholders will be counted based upon different accounts or addresses.



4. Dividend Payment Policy

4.1 Dividend Payment Policy of the company

The company has a policy to pay dividend at no less than 40% of its total net profit according to the consolidated financial statements after yearly legal reserves and with consideration of financial positioning, cash flow, liquidity, investment plan and other factors in accordance with the Board of Directors' opinion. Dividend payment shall not have significant impact on the company's normal business operations and be compliant to laws, regulations or other related decision.

The Board of Directors' resolution on dividend payment shall be present to the annual general shareholders' meeting for approval, except for interim payment that is under the authority of the Board of Directors and shall be reported to the shareholders at the following shareholders' meeting.

4.2 Dividend Payment Policy of subsidiaries

The Board of Directors of the subsidiary will periodically consider.

Management Structure

Name of Director	Position
1. Dr. Boon Vanasin ^{1) 2)}	Chairman of the Board of Directors
2. Dr. Tanatip Suppradit ^{1) 2)}	Vice Chairman of the Board of Directors and Member of Risk Management Committee
3. Mrs. Kannika Ngamsopee ³⁾	Independent Director, Member of Audit Committee and Member of Risk Management Committee
4. Mr. Chalermkul Apibunyopas ^{1) 2)}	Director, Chairman of Corporate Governance and Business Ethics Committee and Member of Risk Management Committee
5. Mr. Virachai Srikajon ³⁾	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee
6. Dr. Vikrom Koompirochana ³⁾	Independent Director
7. Dr. Linda Kraivit ³⁾	Independent Director, Chairman of Risk Management Committee, Member of Audit Committee, Member of Nomination and Remuneration Committee and Member of Corporate Governance and Business Ethics Committee
8. Dr. Aurchart Kanchanapitak ⁴⁾	Director
9. Dr. Rukkagee Kanchanapitak ⁴⁾	Director
10. Assoc. Prof. Dr. Aasis Unnanuntana ⁴⁾	Director
11. Ms. Nalin Vanasin ²⁾	Director
12. Mr. Sita Meksawan ^{1) 4)}	Director and Member of Corporate Governance and Business Ethics Committee
13. Dr. Kajorn Thanapase ⁴⁾	Director

Remark: 1) Authorized directors

2) Executive directors

3) Independent directors

4) Non-executive directors

The Board of Directors appointment of Chairman and Vice Chairman, Chairman or the person assigned by the Chairman is responsible to call for a meeting and send an invitation letters through registered mail or deliver in person to the directors, at least 7 days prior to the meeting date. In order for the directors to have sufficient time to study, consider and make decisions correctly in various matters.

The Board of Directors has diversity (Board Diversity) in gender, age and specific expertise that conform to the business nature and the business strategy of the company as follows:

Structure of the Board of Directors		Number of directors	Percentage
Gender	- Male	9	69.23
	- Female	4	30.77
	Total	13	100.0
Age	- Age between 40 – 50 years	6	46.15
	- Age between 50 – 60 years	1	7.70
	- Age 60 years up	6	46.15
	Total	13	100.0

Structure of the Board of Directors		Number of directors	Percentage
Expertise	- Medicine	5	38.46
	- Administration, Economics, Finance and Political Science	3	23.10
	- Accounting and Law	2	15.37
	- Engineering	1	7.70
	- Human resource	2	15.37
	Total	13	100.0

2. Executive Officer

There are 7 members of Executive Committee as of 31 January 2020 as follows:

Name	Positon
1) Dr. Tanatip Suppradit	Chairman of Executive Committee, Acting Chief Executive Officer and Chief Hospital Business International
2) Mr. Chalermkul Apibunyopas	Member of Executive Committee, Chief Hospital Business - Domestic 2 and Acting Chief Hospital Business - Domestic 1
3) Dr. Sudhichai Chokekijchai	Member of Executive Committee
4) Ms. Nalin Vanasin	Member of Executive Committee, Chief Commercial Officer and Chief Business Service/Support Officer
5) Ms. Thipawon Ruchiroatpipatana	Member of Executive Committee
6) Dr. Watson Aphiwatanakoon	Member of Executive Committee
7) Dr. Siripong Luengvarinkul	Member of Executive Committee

Remark: 1) Dr. Watson Aphiwatanakoon and Dr. Siripong Luengvarinkul were appointed to a member of Executive Committee by the board of directors' meeting no. 8/2019 held on 24 October 2019.

2) Assoc. Prof. Dr. Aasis Unnanuntana, a member of Executive Committee, resigned from the position on 30 October 2019 because there are other duties required more responsibilities. Furthermore, the Executive Committee's meeting no. 10/2019 held on 8 November 2019 resolved to appoint Dr. Aasis be a consultant of the Executive Committee because he has always given the opinions that is beneficial to the company's business during his period.

Dr. Suwadee Puntpanich is secretary of Executive Committee

Management of the Company (As defined by the SEC)

As of 31 January 2020, the Company's executives in accordance with the definition of the SEC, total 5 persons as follows:

Name	Positon
1. Dr. Tanatip Suppradit	Acting Chief Executive Officer and Chief Hospital Business International
2. Mr. Chalermkul Apibunyopas	Chief Hospital Business - Domestic 2 and Acting Chief Hospital Business - Domestic 1
3. Ms. Nalin Vanasin	Chief Commercial Officer and Chief Business Service/Support Officer
4. Dr. Jessada Thummavanich	Chief Private Public Partnership Business
5. Ms. Anchalee Chavalitjareetham	CFO and Director of Accouting (Accounting-supervising person)



Report of changes in securities holdings (THG) of directors and executives

The Board of Directors has set a policy for a director and an executive to report his/her holding of THG securities (both directly and indirectly) to the board of directors on a regular basis.

Securities holdings of directors and executives as of 30 December 2019 compared with the previous year according as following details:

No.	Director/Executive	Position	Number of Shares Holding As of 30 December 2019	Percentage (%)	Number of Shares Holding As of December 28, 2018	Percentage (%)	Number of Share Change Increase/(Decrease) During the Year
1	Dr. Boon Vanasin	Chairman	5,801,848	0.68	5,801,848	0.68	-
	Spouse/Immature Children		94,436,262	11.12	89,947,862	10.022	4,488,400
	sui juris children (be as Concert Party)		-	-	-	-	-
	Related Juristic Person		81,413,340	9.59	103,813,340	12.23	22,400,000
2	Dr. Tanatip Suppradit	Vice Chairman	50,000	0.01	1,390,000	0.16	1,340,000
	Spouse/Immature Children	Chairman of Executive Committee	6,500	0.00	6,500	0.00	-
	Related Juristic Person	Member of Risk Management Committee	-	-	-	-	-
		Acting Chief Executive Officer					
		and Chief Hospital Business - International					
3	Mrs. Kannika Ngamsophee	Independent Director	-	-	-	-	-
	Spouse/Immature Children	Chairman of Audit Committee	-	-	-	-	-
	Related Juristic Person	and Member of Risk Management Committee	-	-	-	-	-
4	Mr. Chalermkul Apibunyopas	Director	534,663.00	0.06	526,663.00	0.06	8,000
	Spouse/Immature Children	Chairman of CG and Business Ethics Committee	5,418.00	0.00	5,418.00	0.00	-
	Related Juristic Person	Member of Risk Management Committee	-	-	-	-	-
		Member of Executive Committee					
		Chief Hospital Business - Domestic 2					
		and Acting Chief Hospital Business - Domestic 1					
5	Mr. Virachai Srikajorn	Independent Director	150,000.00	0.02	150,000.00	0.02	-
	Spouse/Immature Children	Chairman of Nomination and Remuneration Committee	-	-	-	-	-
	Related Juristic Person	and Member of Audit Committee	-	-	-	-	-
6	Mr. Vikrom Koomprochana	Independent Director	100,000.00	0.01	100,000.00	0.01	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
7	Dr. Linda Kraivit	Independent Director	-	-	-	-	-
	Spouse/Immature Children	Chairman of Risk Management Committee	-	-	-	-	-
	Related Juristic Person	Member of Audit Committee	-	-	-	-	-
		Member of Nomination and Remuneration Committee					
		and Member of CG and Business Ethics Committee					
8	Dr. Aurchart Kanchanapitak	Director	18,259,500.00	2.15	5,061,700.00	0.60	13,197,800
	Spouse/Immature Children		-	-	1,975,000.00	0.23	1,975,000
	Related Juristic Person		-	-	-	-	-
9	Dr. Rukkagee Kanchanapitak	Director	-	-	6,000.00	0.00	6,000
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
10	Assoc. Prof. Dr. Aasis Unnanantana	Director	6,831,300.00	0.80	6,811,300.00	0.80	20,000
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
11	Ms. Nalin Vanasin	Director	10,837.00	0.00	10,837.00	0.00	-
	Spouse/Immature Children	Member of Executive Committee Chief Commercial Officer	-	-	-	-	-
	Related Juristic Person	and Chief Business Service Support Officer	-	-	-	-	-
12	Mr. Sita Meksawan	Director	8,415,063.00	0.99	5,416,663.00	0.64	2,998,400
	Spouse/Immature Children	and Member of CG and Business Ethics Committee	-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
13	Mr. Kajon Thanapase	Director	160,000.00	0.02	100,000.00	0.01	60,000
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
14	Dr. Jessada Jongpaibulpatana	Chief PPP Business	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
15	Ms. Anchalee Chavalitjareetham	CFO	20,000	0.00	20,000.00	0.00	-
	Spouse/Immature Children	Director of Accounting Department	-	-	-	-	-
			-	-	-	-	-





3. Corporate Secretary

The Board of Directors has resolved to appoint Dr. Suwadee Puntpanich as the Corporate Secretary since 9 December 2015 to be responsible for the following actions.

- 1) Preparing and keeping important documents of the Company.
 - (a) Directors' registration
 - (b) Board meeting notices, minutes and annual reports
 - (c) Shareholders meeting notices and minutes
- 2) Keep on connected transactions reported and report to directors or the management.
- 3) Perform other actions as prescribed by the Capital Market Supervisory Board.
- 4) Submit a copy of the report of interest (Directors / Executives / Related Persons) to the Chairman and the Chairman of the Audit Committee within seven days since the date of the Company received from directors and executives.
- 5) Perform duties above with responsibility careful and honesty. It must comply with the laws, objectives, regulations of the company, board resolutions and the resolutions of the shareholders' meeting.

4. Remuneration for Directors and Executives Officer

1) Monetary remuneration

1.1) Director

The Annual General Meeting of Shareholders for the year 2019, on April 26, 2019, approved the monetary remuneration for directors as follows:

Position	Annual Remuneration (Baht per year)	Meeting Allowance (Baht per meeting)
Chairman	180,000	12,000
Director	150,000	12,000
Subcommittees namely Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance and Business Ethics Committee	-	12,000

In 2019, the payment of remuneration to directors namely meeting allowance (directors' meeting allowance, shareholders' meeting allowance and independent directors' meeting allowance), subcommittee meeting's fee and annual remuneration for directors. The total amount is 4,932,027 baht and no accrued expenses from the previous year as following details:



Director	Position	Attendance (Time)							
		BOD	AC	RMC	NRC	CGC	AGM	NED	Strategic
1. Dr. Boon Vanasin	Chairman	9/9	-	-	-	-	1/1	-	1/1
2. Dr. Tanatip Suppradit	Vice Chairman and Member of Risk Management Committee	9/9	-	0/3	-	-	1/1	-	1/1
3. Mrs. Kannika Ngamsopee	Independent Director, Chairman of Audit Committee and Member of Risk Management Committee	9/9	12/12	5/5	-	-	1/1	1/1	1/1
4. Mr. Chalermkul Apibunyopas	Director, Chairman of Corporate Governance and Business Ethics Committee and Member of Risk Management Committee	9/9	-	5/5	-	3/3	1/1	-	1/1
5. Assoc. Prof. Dr. Visit Vamvanij ¹⁾	Independent Director and Chairman of Risk Management Committee	0/1	-	0/1	-	-	-	-	-
6. Mr. Virachai Srikajon	Independent Director, Chairman of the Nomination and Remuneration Committee and Member of Audit Committee	9/9	12/12	-	6/6	-	1/1	1/1	1/1
7. Dr. Vikrom Koompirochana	Independent Director	6/9	-	-	-	-	1/1	1/1	0/1
8. Dr. Linda Kraivit	Independent Director, Chairman of Risk Management Committee, Member of Audit Committee, Member of the Nomination and Remuneration Committee, and Member of Corporate Governance and Business Ethics Committee	9/9	12/12	5/5	6/6	3/3	1/1	1/1	1/1
9. Mr. Timothy Eman Lertsmitivana ²⁾	Independent Director, Member of the Nomination and Remuneration Committee and Member of Corporate Governance and Business Ethics Committee	5/7	-	-	5/6	2/2	1/1	1/1	1/1
10. Dr. Eugene D.M.B. Kroon ³⁾	Independent Director and Member of Corporate Governance and Business Ethics Committee	6/7	-	-	-	1/2	1/1	1/1	1/1
11. Assoc. Prof. Dr. Aasis Unnanuntana	Director	7/9	-	-	-	-	1/1	-	1/1
12. Ms. Nalin Vanasin	Director	7/9	-	-	-	-	1/1	-	1/1
13. Mr. Sita Meksawan	Director and Member of Corporate Governance and Business Ethics Committee	7/9	-	-	-	1/1	1/1	0/1	1/1
14. Dr. Kajorn Thanapase	Director	7/9	-	-	-	-	0/1	1/1	1/1
15. Dr. Aurchart Kanchanapitak	Director	1/9	-	-	-	-	-	-	-
16. Dr. Rukkagee Kanchanapitak	Director	1/9	-	-	-	-	-	-	-

Remark:

- 1) Assoc. Prof. Dr. Visit Vamvanij informed to the board of directors' meeting no. 2/2019, 21 February 2019, because there are other duties required more responsibilities. Therefore, he would not to be nominated for another term as a director. The Board of Directors' Meeting acknowledged and proposed to the 2019 Annual General Meeting of Shareholders, 26 April 2019, for approval.
- 2) Mr. Timothy Emen Lertsmitivanta and Dr. Eugene Dyonisius Maria Bernadette Kroon resigned from the positions because there are other duties required more responsibilities, with effective date on 23 October 2019.
- 3) The board of directors' meeting no. 8/2019 held on 24 October 2019 resolved to appoint Dr. Aurchart Kanchanapitak as a director in a replacement of Mr. Timothy Emen Lertsmitivanta.
- 4) The board of directors' meeting no. 8/2019 held on 24 October 2019 resolved to appoint Dr. Rukkagee Kanchanapitak as a director in a replacement of Dr. Eugene Dyonisius Maria Bernadette Kroon.
- 5) Description: BOD: Board of Directors/ AC: Audit Committee/ NRC: Nomination and Remuneration Committee/ RMC: Risk Management Committee/ CG: Corporate Governance and Business Ethics Committee/ AGM: Annual General Meeting of Shareholders/ NED: Non-Executive Directors/ Strategic: Strategic Planning

2) Other Compensation

The Annual General Meeting of Shareholders for the year 2019, on April 26, 2019, approved Other Compensation such as medical service fee at Thonburi hospital for directors as follows:

- For director: 100,000 Baht per year with 50% discount in excess amount
- For parents: 50% discount with unlimited amount
- For spouse and underage children: 50% discount with a limit of Baht 100,000

In 2019, the Board of Directors received compensation for medical services totaling 373,896 baht.

Remuneration (Baht)										
BOD	AC	RMC	NRC	CGC	AGM	NED	Strategic	Annual Remuneration	Remuneration of subsidiaries	Total
108,000	-	-	-	-	12,000	-	12,000	180,000	-	312,000
108,000	-	-	-	-	12,000	-	12,000	150,000	87,000	369,000
108,000	144,000	60,000	-	-	12,000	12,000	12,000	150,000	216,000	714,000
108,000	-	-	-	-	12,000	-	12,000	150,000	35,000	317,000
-	-	-	-	-	-	-	-	47,671	-	47,671
108,000	144,000	-	72,000	-	12,000	12,000	12,000	150,000	-	510,000
72,000	-	-	-	-	12,000	12,000	-	150,000	-	246,000
108,000	144,000	60,000	72,000	36,000	12,000	12,000	12,000	150,000	132,000	738,000
60,000	-	-	60,000	24,000	12,000	12,000	12,000	121,233	-	301,233
72,000	-	-	-	12,000	12,000	12,000	12,000	121,233	-	241,233
84,000	-	-	-	-	12,000	-	12,000	150,000	-	258,000
84,000	-	-	-	-	12,000	-	12,000	150,000	-	258,000
84,000	-	-	-	12,000	12,000	-	12,000	150,000	-	270,000
84,000	-	-	-	-	-	12,000	12,000	150,000	-	258,000
12,000	-	-	-	-	-	-	-	27,945	-	39,945
12,000	-	-	-	-	-	-	-	27,945	-	39,945
Total	1,224,000	432,000	120,000	204,000	84,000	144,000	84,000	144,000	2,026,027	4,932,027

Remark: 1) The Executive Committee is not a subcommittee, therefore, will not receive meeting allowance.

2) An executive who is a member of subcommittee will not receive meeting allowance.

3) Monetary remuneration to executives (according to definition by the SEC Office)

The Board of Directors' Meeting No. 1/2019 held on 24 January 2019 considered and approved the executives' remuneration as appropriate. In 2018, the Company paid monetary remuneration to executives, consisting of salary, bonus and meeting allowance according to definition by the SEC Office, in the aggregate amount of Baht 26,172,078.13 (including remuneration to executives of the Company's subsidiaries) and no accrued expenses from the previous year.

4) Other Remunerations to executives (according to definition by the Office of the SEC)

The Board of Directors' Meeting No. 1/2019 held on 24 January 2019 considered and approved other remunerations include medical benefits (at the same rate as the Company's directors), out-of-pocket expenses (in case of travelling to out of Bangkok or overseas for work), and telephone charge. In 2019, the Company paid Remunerations to executives in the aggregate amount of Baht 348,207.

5. Employee

1) Number of employees

For the years 2017 - 2019, The Company and its subsidiaries has total employees as follows :

Company	Number of employees 31 December 2017		Number of employees 31 December 2018		Number of employees 31 December 2019	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Thonburi Healthcare Group PCL.	2,746	182	2,776	225	3,315	385
Rajyindee Hospital PCL.	584	82	571	92	598	84
Dental Siam Co., Ltd.	145	21	129	23	116	12
Thonburi Wellbeing Co., Ltd.	70	5	86	3	123	2
Rajthanee Realty Co., Ltd.	1	-	1	-	1	-
Thonburi Realty Development Co., Ltd.	-	-	-	-	-	-
Modular Software Expertise Co., Ltd.	36	-	31	3	30	1
Thonburi Hospital Heart Centers Co., Ltd.	68	13	112	28	87	34
Uttaradit thonburi Hospital Co., Ltd.	-	-	-	-	-	-
Thonburi Bamrungmuang Hospital Co., Ltd.	20	3	327	-	534	-
Thanarad Thung Song Hospital Co., Ltd.*	N/A	N/A	8	-	149	42
Total	3,650	306	4,033	374	4,953	560
Grand Total	3,976		4,415		5,513	

Remark: Number of employees exclude number of part-time doctors

* The Company invested in Thanarad Thung Song Hospital Co., Ltd. on 7 November 2018.

2) Employee Compensation

The company has policies and guidelines regarding the compensation and welfare of employees that are in consistent with its operating procedures consist of:

- Short-term compensations including salary, overtime pay, subsidy, living expense, and special grant. The company has set the compensation rates for employees by comparing with other companies in the same business. For salary and bonus adjustments, it is considered in line with the company's performance by evaluating the performance of competency and KPI.
- Long-term compensations including retirement compensation, employer's contribution to provident fund (employees with employment period of more than 5 years will receive additional contribution in the amount of 2% of the employer's contribution). In addition, there is an increase in welfare for employees who have worked for a long time, such as increasing holidays, compensation etc. to maintain and motivate employees.

In 2019, the Company paid salary, overtime pay, subsidy, living expense, special grant, social security and contribution to provident fund, with details as follows:

Salary, bonus and other benefits.	2017	2018	2019
Thonburi Healthcare Group PCL	56,694,686	54,905,090	51320058
Rajyindee Hospital PCL.	30,203,423	62,528,349	76,534,670
Dental Siam Co., Ltd.	126,240	126,240	126,240
Thonburi Wellbeing Co., Ltd.	20,673	-None-	-None-
Rajthanee Realty Co., Ltd.	19,412,802	19,877,554	20,159,665
Thonburi Realty Development Co., Ltd.	28,975,483	51,472,321	54,395,301
Modular Software Expertise Co., Ltd.	-None-	-None-	-None-
Thonburi Hospital Heart Centers Co., Ltd.	N/A	51,576,658	242,394,618
Uttaradit thonburi Hospital Co., Ltd.	N/A	1,537,245.50	24,072,248
Thonburi Bamrungmuang Hospital Co., Ltd.	1,933,486,984	1,852,239,084	2,294,570,959
Thanarad Thung Song Hospital Co., Ltd.	56,694,686	54,905,090	51320058
Total	30,203,423	62,528,349	76,534,670

3) Significant staff changes over the past 3 years.

- None-

4) Labor disputes over the past 3 years.

- None-

5) Human Resource Development Policy

The Company believes that human resources is a key and valued factor in driving business operations. Therefore, the Company has established Human Resource Development Policy as framework and guidelines for preparing human resource development plan to create added value in utilization of human resources. The management of human resources shall be with fairness,

- (1) Promote systematic and continuous development of human resources by increasing proper knowledge, capabilities, potentials, and skills in order to operate the business efficiently and successfully in accordance with the Company's objectives. Employees are promoted to have good moral and ethics in line with their roles and responsibilities.
- (2) Prepare human resource development plan according to job positions.
- (3) Continuously increase potentials of management and capabilities of employees of every level in their performance of roles and responsibilities.
- (4) Develop management of know-how and knowledge in order to create a culture of continuous learning, knowledge transfer and exchange of knowledge and experience.
- (5) Support and facilitate trainings regarding Good Corporate Governance for directors and management of the Company in order to continuously improve the Company's operating performance.



Corporate Governance

1. Corporate Governance Policy

The Company operates its business by adhering to the Stock Exchange of Thailand (SET) for increasing confidence among shareholders, investors and all concerned parties. The company has formulated corporate governance policy covering 5 areas as follows:

1. Right of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board of Directors

The Board of Directors believes that the good corporate governance will make the Company's business operation to be efficient, transparent and fairness with all stakeholders and to build credibility and to increase competitive ability of the group's company to achieve its sustainable growth. Therefore, it has determined to have the corporate governance manual which is disclosed on the Company's website (www.thg.co.th) The Corporate Governance and Business Ethics Committee has supervised the group of Company to have policy and guideline on good corporate governance and business ethics according to the international standard of which such policy and guideline shall be review once a year. In year 2019, the Corporate Governance and Business Ethics Committee has reviewed and revised the corporate governance and ethics handbook and subsequently proposed to the Board of Directors no.7/2019 held on 13 August 2019 for approval and for strictly complying with it.

The Board of Directors has resolved that it is considered as the duties and responsibilities of directors, executive directors and employees to acknowledge and comply with the policy and rules which stated in the corporate governance and ethics handbook of the Company. The Corporate Governance and Business Ethics Committee has assigned the working team to monitor and coordinate with the group of Company and to report the compliance with such policy regularly.

In year 2019, the Company has complied with corporate governance practices whereby the result of performance evaluation as follows:

- The company has received 96 points classified as 4 TIA level (score range 90-99 points) from the AGM Organizing Quality Assessment 2019 by Thai Investors Association (TIA)
- The company has received 87 points in the criteria of "Very Good" or 4 stars (score range 80-89 points) from Corporate Governance Survey of Thai Listed Companies 2019 by Thai Institute of Directors which is higher than the previous year at 3 stars (score range 70-79 points)

In year 2019, the company has complied with corporate governance as follows:

Section 1: Rights of Shareholders

- (1) The Company has policy to provide information on date, time, venue and agendas of the shareholders' meeting including all information relating to matters that require resolution of the shareholders' meeting in advance sufficiently and timely for each of shareholders' meeting by providing the shareholders to have to right to be informed agendas 21 days before the date of the meeting. It also discloses the full version of invitation letter of shareholders' meeting in Thai and English on the Company's website for shareholders to review the information before the date of the



meeting and to facilitate the shareholders and foreign investors. The Company will not propose additional significant information during the shareholders' meeting and the Company will not add new agendas or change significant information without prior notice.

In the shareholders' meeting of 2019, the Company has circulated the invitation letter to the shareholders 15 days in advance. The Company has held the shareholders' meeting on 26 April 2019 and has disclosed the full version of invitation letter of shareholders' meeting in Thai and English on the Company's website for shareholders on 25 March 2019 for the shareholders to review the information 30 days before the date of the meeting.

- (2) The Company has published the invitation letter of shareholders' meeting in the newspaper 7 days before the date of the meeting.
- (3) The shareholders have the right to review the directors' compensation annually.

In the shareholders' meeting of 2019, the Company has proposed the shareholders to consider the policy, criteria and amount of compensation of the Chairman, directors and sub-committees in both of monetary compensation such as the directors' annual compensations and meeting allowances and non-monetary compensation such as medical welfares for Thonburi Hospital which is the same criteria as hospital managements.

- (4) The shareholders have the right to consider and approve the appointment of each director in order for the shareholders to appoint the director that are truly needed.
- (5) In the shareholders' meeting, the Company invites the auditor and legal adviser to act as the independent witness in the vote counting.
- (6) Equal rights for all shareholders to propose the agenda of the shareholders' meeting and send questions in advance including sending names of candidates for appointment of directors.

The Company has notified the shareholders in the SET's website and Company's website to propose agendas for the 2019 Annual General Meeting of shareholders and to propose the names of candidates who have qualification to be appointed as the Company's director between 16 October 2018 to 15 January 2019 including to send questions for the shareholders' meeting between 16 October 2018 to 19 April 2019 by mail or e-mail in advance.

- (7) Policy on facilitating and promoting the shareholders and institutional investors to attend the shareholders' meeting.

The Company opens the registration 2 hours in advance, prepares the meeting venue and procures its officers to provide services, uses the barcode system for registration and vote counting for convenience, prepares stamp duty without charge. The Company also facilitates shareholders who cannot attend the meeting by preparing the proxy form according to the notification of Department of Business Development for Proxy Form A, Proxy Form B and Proxy Form C (for custodian) to such shareholders to proxy their rights to any persons or the Company's independent directors to vote on their behalf.

- (8) The Company has given importance on the quality of invitation letter of the 2019 Annual General Meeting of shareholders' meeting as follows:
 - 8.1 To clearly determine agendas such as the agenda on appointment of each director, agenda on approval of compensation of directors and sub-committees and other compensations.
 - 8.2 To provide profile of candidate to be appoint as director for shareholders' consideration.
 - 8.3 To provide details of auditor including audit fees for shareholders' consideration in advance.
 - 8.4 To notify the dividend policy, the proposed dividend amount including the reason and information.
 - 8.5 To inform reason and rational of each agenda.



- (9) The Company has given importance of the minutes of the 2019 Annual General Meeting of shareholders' meeting as follows:
 - 9.1 To record the voting method and to inform the vote counting to shareholders in advance and to use the ballot.
 - 9.2 To record the questions and answers which the Chairman of the meeting has given the opportunity for shareholders to make any questions or suggestion to allow shareholders who are not attending the meeting to acknowledge.
 - 9.3 To record resolutions of each agenda whether approved, not approved or abstain.
 - 9.4 To record the participation of directors to reflect the responsibilities to the shareholders.
 - 9.5 To disclose the shareholders' resolution together with the voting result within next day before 9.00 AM by sending the disclosure through the SET's website.
 - 9.6 After each shareholders' meeting, the Company will collect the details of the meeting consisting of agendas, resolutions, voting including questions and answers of shareholders to produce "minutes of shareholders' meeting to disclose on the Company's website within 14 days from the date of the meeting which is in accordance with the rules of the Office of SEC and the SET.
- (10) The participation in the shareholders' meeting of the Chairman of the Board of Directors, the Chairman of sub-committee and senior managements.

The Company has encouraged its directors and managements to attend the Company's shareholders' meeting for the responsibility to the shareholders. In the previous year, the Chairman of the Board of Directors, the Chief Executive Officer, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee have attended the meeting to provide answers to the shareholders' questions.
- (11) The Company has selected the meeting venue close to the headquarter which have public transport and it can travel both by car, boat, private car and also have adequate parking allowing shareholders to travel to the meeting conveniently.
- (12) The Company had the free float as of 30 December 2019 of 45.24% (more than 40% of the total issued shares with voting).

Section 2: Equitable Treatment of Shareholders

- (1) The Company has disclosed the voting right, informed the rules and procedures on the attending the shareholders' meeting in the invitation letter and on the date of the meeting, the moderator shall inform the meeting's rules and voting procedure for shareholders acknowledgement in the meeting and it has also recorded the rules and procedure on voting in the minutes of meeting every time.
- (2) The Company has determined the policy on inside information of executives, employees and directors for their acknowledgement and compliance to prevent the securities trading by using the Company's inside information. The Company shall not provide undisclosed information to any shareholders and shall provide equality on the Company's information to prevent any conflict of interest and using inside information for themselves or others in a wrongful way of which it has been disclosed to employees, executives and directors for their acknowledgement.
- (3) The Company has disclosed the information on related party transaction sufficiently including the opinion of the Board of Directors, opinion of independent advisor for shareholders' consideration before the shareholders' meeting.
- (4) The related party transactions have been made with fairness in accordance with market price and normal market conditions.





- (5) The Company has provided documents and recommendation of proxy in the invitation letter and has also facilitated the shareholders who cannot attend the meeting by providing the proxy form together with the invitation letter and providing stamp duty for the proxy in front of the meeting room without charge including not determine any special rules that will cause difficulties in attending the meeting.
- (6) The Company has given opportunity to the shareholders to receive up-to-date information through the Company's website.

Section 3: Roles of Stakeholders

The Company has realized on the important of role of stakeholders and has treated all stakeholders fairly whether internal stakeholders such as directors, employees and executive directors of the Company and external stakeholders such as shareholders, customers, business partners, creditors, competitors, social and environment, government sector and relevant organizations including rights under the laws or contractual obligations. The Board of Directors has determined the guideline for transparency and fairness to all stakeholders as follows:

- 1. To determine policy to treat each stakeholder by taking into account the right of stakeholders according to the laws or contractual obligations that made with the Company and it shall not take any actions that may violate the right of such stakeholders and to determine the compensation measure if the stakeholder suffers from any loss arising from the violation of rights.
- 2. To determine the policy on treatment with the stakeholders of each group and to provide channel to communicate with stakeholders of each group appropriately and sufficiently.
- 3. To develop mechanism for participation of stakeholders to support the Company's performance in order to create sustainable stability for the business and disclose important information relevant to those stakeholders sufficiently in order to be able to perform the duty of the said participation effectively.
- 4. To determine the policy on whistleblowing and complaint to the Board of Directors on the issue of illegal action, accuracy of financial report, failure of internal control system or unethical behavior and to determine to mechanism to protect the right of such whistleblower.
- 5. To determine the policy on corporate social responsibility, particularly the issue that may have direct impact to the business operation to ensure that relevant parties are confident that the business operations of the Company have considered environmental and social factors for sustainable development.

Whistle Blower Policy

The Company has given the opportunity to directors, executives, employees and internal and external stakeholders of the Company and its subsidiaries to report suspected illegal acts, complaints or recommendations relating to illegal or unethical acts, incorrectness of financial reports, corruption or deficiency in internal control system of the Company or its subsidiaries. The Company shall investigate and find facts relating to such report, complaint or recommendation in order to determine appropriate measures or actions. Such information can be reported via the following channels:





Via Phone	Head of the Internal Audit Department 081-613-3539
Via E-mail	BOD@thg.co.th or AC@thg.co.th or Internal Audit Department IA@thg.co.th
Via Website	www.thg.co.th
Via Mail	Submit Whistleblower Report Form To " Recipient of Whistleblower " Board of Directors, Chairman of the Audit Committee, Head of the Internal Audit Department Thonburi Healthcare Group Public Company Limited Thonburi Hospital Building 34/1 Itsaraparp Road, Ban Chang Lo, Bangkok Noi, Bangkok 10700

Whistleblower Procedures

The internal audit department shall preliminarily monitor, collect, search for facts and verify the information and prepare summary on complaints to the Chief Executive Officer. The Chief Executive Officer shall set-up Investigating Committee to verify the information and investigate. Members of the Investigating Committee who shall participate and observe in considering the complaints include Director of Human Resource Department or a representative of the unit, supervisor of the informant who shall not have any conflict of interest with the informant, a representative from the Risk Management Committee, Secretary of the Audit Committee or a representative from the Audit Committee.

Following the investigation, the Internal Audit Department shall prepare a report and propose measures for complaints to the Audit Committee. In case of complaints relating to reputation, image or financial positions of the Company or any matter contrary to policies on the Company's business operations or relating to high-level executives, the Audit Committee shall propose such complaints to the Board of Directors for consideration.

Whistleblower Protection Policy and Confidentiality

The Board of Directors has set a policy and procedures for protection of whistleblowers. Information from whistleblowers shall be kept confidential. The person obtaining information from performance of his/her duty relating to such matter shall keep information, complaint and documentary evidence of whistleblowers confidential. Information should not be disclosed to non-related persons, unless the information is required to be disclosed according to the laws.

Section 4: Disclosure of Information and Transparency

The company has a policy to accurately, completely and transparently disclose significant information about the company, including financial and non-financial information or other information that may affect the company's stock price or investors' or stakeholders' decision making. Such action shall meet with all the measures and regulations set by SET and SEC in order to ensure that all stakeholders has the right to equitably receive information. Such information can be viewed on the company's website at <http://www.thg.co.th>

The company has a policy to prevent and eliminate conflict of interest in the future and to consider and ensure that the connected transaction of the company and/or subsidiaries with those who may have conflict of interest comply fully with related laws and regulations.

The company will ensure that its directors, executives and/or major shareholders are not involved with other businesses that are of the same nature or competing directly with the company or reducing the





company's competitiveness or having connected transaction under which directors, executives and/or major shareholders may have conflict of interest or affect the company's best interests. In case an of the company's directors, executives and/or major shareholders hold stake in other companies which are of the same nature, they shall report to the company to allow the company and the Audit Committee to review and decide whether such action affects the company's best benefits. If a director candidate is involved with other businesses which have the same nature of and compete with the company, or becomes a partner in an ordinary partnership or a partner without limit in a partnership or becomes a director of a private company or other business that operates business of the same nature as the company and competes with the company, he shall report to the general shareholders' meeting before the meeting resolves to appoint the person as a director.

The company gives high importance to good internal control system and has assigned the Internal Control Department to supervise the operation of each business. This will prevent errors and ensure transparency in its operations. The department will regularly review and submit a report to the Audit Committee for consideration.

Investor Relations

The Company has established Investor Relations Department to manage and prepare annual investor relations plan and systematically discloses the Company's information in order to benefit shareholders, investors and analysts. In 2019, the Company organized investor relations activities to present strategies, business information, operating performance, progress on investment in projects, and business trends which would be beneficial for decision-making by investors. The Company's executives were given opportunities to meet various types of investors including local investors, foreign investors, retail investors, analysts, and investment advisors in order to provide the Company's information to everyone with transparency. Such activities received great supports from senior executives, including Chief Executive Officer and Chief Financial Officer, who regularly joined the Investor Relations Department in meeting and providing the Company's information to investors. The details of investor meetings are as set out below:

Type of Meeting	No. of Meeting
1. Announcement of quarterly operating performance	4
2. Participation in SET Opportunity Day organized by the Stock Exchange of Thailand	4
3. Company presentation to local investors (Domestic roadshow/conference)	3
4. Company presentation to foreign investors (International roadshow/conference)	1
5. Company visit, conference call and site visit for investors and analysts	16
Total	28

Shareholders and investors may contact "Investor Relations Department" at:

Email: ir@thg.co.th

Telephone: 095-3705728





Section 5: Responsibility of the Board of Directors

The company has set the corporate governance policy by considering significant factors, including the responsibility of directors. Related policies are as follows:

Composition, qualifications, responsibilities, term, and meetings of the Board of Directors

Composition, qualifications, responsibilities, term, and meetings of the Board of Directors are in accordance with Charter of the Board of Directors, which is reviewed on a regular basis. The Board of Directors' Meeting No. 7/2019 held on 13 August 2019 had reviewed and amended the Charter of the Board of Directors.

The Board of Directors focus on the performance of the Independent Director of which it shall be independent from the management team and shareholders who have controlling power and shall not have business relationship with the Company in the way that may have limitation on providing independent opinion. In addition, the term of Independent Director shall not be more than three 3 consecutive terms or not more than 9 years in total without exception.

The Chairman of the Board of Directors determines date, time and venue for the board of directors' meetings. The meeting dates are set in advance for the year and informed to the Board of Directors at the beginning of the year. For each meeting, notice to the meeting and supporting documents for the meeting will be send to directors at least 7 days prior to the date of meeting, except in the event of urgent matters that are required to protect rights or benefits of the Company, notice to the meeting may be sent via other methods or the date of meeting may be earlier than such prescribed notice period.

Division of responsibilities between the Board of Directors and the management

The company has clearly set the scope of responsibility of the Board of Directors, the Chairman of the Board of Directors and Chief Executive Officer. The Chairman of the Board shall not be the same person as the Chief Executive Officer in order to clearly segregate the responsibility in supervising and management.

Summary of key authorization between Board of Directors and Executives

	Board of Directors	Executive Committee	Chief Executive Officer
Annual Budget	unlimited	not more than 100 million baht	agree
Investment or new business expansion	more than 100 million baht	not more than 100 million baht	not more than 10 million baht
Purchasing or selling items outside the annual budget	more than 100 million baht	not more than 10 million baht	not more than 5 million baht
Acquisition and disposal of fixed assets	more than 50 million baht	not more than 50 million baht	not more than 10 million baht
Authority to sign checks	unlimited	None	None

Note: The approval of the transaction is in accordance with the notification of the capital market supervisory board No. TorChor 20/2551 re: rules on entering into material transactions, acquisition or disposal of assets notification of the board of governors of the Stock Exchange of Thailand re: disclosure of information and other acts of listed companies concerning the acquisition or disposition of assets, B.E. 2547 and amended. In addition, the notification of the capital market supervisory board No. ThorJor. 21/2551 re: rules on connected transactions and the notification of the board of governors of the Stock Exchange of Thailand re: disclosure of information and other acts of listed companies concerning the connected transactions, B.E. 2546 and amended.





The Board of Directors has monitored the management team to comply with goal, strategy and measure determined by the Board of Directors through the performance of 4 sub-committees which have been assigned to monitor the performance of the management team. In year 2019, the Board of Directors has held 9 meetings in order for the management team to report the operating result, problems and difficulty of projects to the Board of Directors' meeting.

Chairman of the Executive Committee and Acting Chief Executive Officer has communicated the strategy as determined by the Board of Directors to departments and subsidiaries for acknowledgment, monitoring and management in accordance with such guideline. In year 2019, the Executive Committee has held 11 meetings in order for the business units to report their operating result, problem and difficulty of projects which will jointly solve such problem and for closely monitoring the business operation.

In addition, the Board of Directors has held the meeting to determine the strategy plan of the group of Company and to determine short-term strategy plan, medium-term strategy plan and long-term strategy plan during 23-24 August 2019 of which Acting Chief Executive Officer has used the strategy determined by the Board of Directors to conduct the workshop with relevant departments and subsidiaries to determine the business plan of year 2020.

The meeting of non-executive directors

The Board of Directors has determined the non-executive directors to have private meeting as it deems appropriate without the executive directors and management team attending the meeting in order to provide the opportunity to discuss on any issues relating to the Company's business or other matters independently. In 2019, there had 1 meeting of non-executive directors held on 4 July 2019.

Self-Assessment of the Board of Directors, Sub-committees and individual directors' performance

The Company has organized the performance assessment of the Board of Directors every year at least once a year by using the guideline in accordance with self-assessment form of the Stock Exchange of Thailand to improve to in line with the charters of each committee of which it shall be used as the framework to review the performance, problem and difficulty that occurred in the previous year and to improve the performance.

Performance Assessment Method

1. The Company Secretary provides the self-assessment form to the Company's director by position and duty divided into 3 categories:
 - 1.1 Performance Assessment Form of the entire Board of Directors
 - 1.2 Performance Assessment Form of each Sub-committee
 - 1.3 Performance Assessment Form of the individual director
2. The Company's director shall complete the assessment form and return the completed form to the Company Secretary. For the assessment of individual director, the Company Secretary shall collect and separate into 2 parts by the following:
 - 2.1 The Assessment Form of each member of the Nomination and Remuneration Committee shall be provided to the Chairman of the Board of Director for review before delivery to the Company Secretary to summarize the result.
 - 2.2 The Assessment Form of individual director of other directors shall be provided to the Nomination and Remuneration Committee for review before delivery to the Company Secretary to summarize the result.





3. The Company Secretary shall summarize the result of assessment of the Company's directors and shall report such result to the Board of Directors for acknowledgment in order to disclose in the annual report and disclosure system of the Company.

Criteria of Performance Assessment

Criteria	Entire Board of Directors	Each Sub-committee	Individual Director
(1) Board structure and qualifications	√	√	√
(2) Roles, duties and responsibilities of the board	√	√	√
(3) The board meeting	√	√	√
(4) Duties of Directors	√	-	-
(5) Relationship with management	√	-	-
(6) Director's self-improvement and management training	√	-	-

The result of assessment form in 3 categories can be divided into 4 levels as follows:

- 0: Strongly disagree or never conducted
- 1: Disagree or seldom conducted
- 2: Fair or moderately conducted
- 3: Agree or well conducted
- 4: Strongly agree or excellently conducted

Summary of the assessment of each committee in 2019 as follows:

Assesment	Average Score (Full Score = 4 points)
Board of Directors (group type)	3.37
Board of Directors (individual director)	3.42
Audit Committee	3.8
Risk Management Committee	3.2
Nomination and Remuneration Committee	3.9
Corporate Governance and Business Ethics Committee	3.8

Assessment of acting Chief Executive Officer's performance

The Company has determined the performance assessment of the acting Chief Executive Officer on annual basis by the Nomination and Remuneration Committee to review the performance with target and annual plan by using the criteria according to the guideline of the SET consisting of the following topics:

- Leadership
- Compliance with Strategy
- Relationship with the Board of Directors
- Management and relationship with officers
- Knowledge on products and services
- Strategy Determination
- Plan and Financial Result
- Relationship with outside
- Succession plan
- Personality

The overall result of assessment of the acting Chief Executive Officer for the year 2019 was "Good".



Director Development

The Company requires a new director orientation every time and to have director's manual, useful information for directors including a lecture on the Company's business to build up knowledge and understanding of business and operations, as well as policies and guidelines for corporate governance principle of the Company. In year 2019, the Company has organized one orientation for new director on 24 October 2019.

The Company wishes the directors to develop their knowledge and skills in the performance of duties regarding the business of the company, good corporate governance principle and other training courses that are useful for the duties. The Company encourages the directors to attend training courses held by the Thai Institute of Directors and other institutions in the relevant courses.

In 2019, the Company has not appointed new directors and has promoted directors to attend seminars and training programs of Thai Institute of Directors, the Stock Exchange of Thailand or other independent organizations.

Director	Course	Organized by
Miss Nalin Vanasin	1) Strategic Board Master Class (SBM) 6/2019	IOD
	2) Corporate Governance for Executives (CGE) Class 13/2019	IOD
	3) Risk Management Program for Corporate Leaders (RCL) Class 16/2019	IOD
	4) THON's TOP Executives Acceleration Program	Sasin*
Dr. Tanatip Suppradit	THON's TOP Executives Acceleration Program	Sasin*
Dr. Linda Kraivit	THON's TOP Executives Acceleration Program	Sasin*
Mr. Chalermkul Apibunyopas	THON's TOP Executives Acceleration Program	Sasin*
Dr. Aasis Unnanuntana	THON's TOP Executives Acceleration Program	Sasin*

*Sasin: Sasin Graduate Institute of Business Administration of Chulalongkorn University

Succession Plan

The Company has a plan to select qualified personnel for all key positions with appropriate and transparent to ensure that the Company will have professional management. The human resources department will prepare the successor plan of the Chairman of Executive Committee, managing director and the management of the Company to propose to the Board of Directors for consideration as Policy for Succession Plan in Corporate Governance and Business Code of Conduct Handbook.

2. Sub-committees

The Board of Directors has appointed various committees to scrutinize and supervise the Company's operations in order to ensure that the Board of Directors will perform its duties effectively and for the best benefit. To comply with the rules and regulations of the SEC and SET, each committee will have the same tenure as the Board of Directors. The Sub-committees of the Company consist of 4 committees: the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Governance and Business Ethics Committee.



Audit Committee

As of 1 February 2020, the Audit Committee consist of 3 independent directors as follows:

- | | |
|---------------------------|---------------------------------|
| 1. Mrs.Kannika Ngamsoppee | Chairman of the Audit Committee |
| 2. Mr.Virachai Srikajon | Member of the Audit Committee |
| 3. Dr.Linda Kraivit | Member of the Audit Committee |

Note: Audit committee has qualification required by Securities and Exchange Commissions (SEC) and Stock Exchange of Thailand (SET) to review the operations of the company, Financial report, internal control system, Auditor selections include to consideration related party. Mrs. Kannika Ngamsophee chairman of the Audit Committee with sufficient knowledge and experience to review the credibility of the financial statements.

Mrs. Hathaichanok Pangnoi is the Secretary of the Audit Committee

Duties and Responsibilities of the Audit Committee

(1) Financial Report and Auditing

- (1.1) To review the Company's financial report and its subsidiaries to ensure that they are accurate and reliable, including adequate disclosure. To coordinate with external auditors and executives who are responsible for quarterly and annual financial reporting.
- (1.2) To consider, select nominate and dismiss any persons who have independency to act as the auditor of the Company and to determine the compensation of such person including to attend the meeting with the auditor without the management attending such meeting at least 1 time per annum to acknowledge the material financial information, audit result and to discuss on any problem that may find from the performance of the auditor.

(2) Internal Control

- (2.1) To review the Company to have its internal control system adequately and effectively.
- (2.2) To review the Company to have its risk management system and measure on risk management adequately.
- (2.3) To review the accuracy of references and self-assessment form in relation to anti-corruption measure of the Company in accordance with the Thailand's Private Sector Collective Action Coalition Against Corruption.
- (2.4) To review and monitor the management to have process on whistleblowing and complaint

(3) Internal Audit

- (3.1) To review the Company to have its internal audit system adequately and effectively including to supervise the Internal Audit Department to perform its duties in accordance with the internal audit standard.
- (3.2) To consider the independency of the Internal Audit group.
- (3.3) To approve the appointment, transfer, dismissal and evaluation of performance of head department of the Internal Audit Department including to consider compensation, manpower and resources that are necessary to the performance of the Internal Audit Department.
- (3.4) To consider and approve the Charter of the Internal Audit Department.
- (3.5) To consider and evaluate the annual internal audit plan to ensure that such plan is in line with classification and level of risks of the Company.
- (3.6) To review the internal audit report which will be proposed to the management team including to review the opinion of the management team on the issues arising from





the internal audit which have been presented and reported as well as to follow up on it to ensure that the management team complies with such suggestions adequately and within the appropriate timeline.

(3.7) To approve the engagement and to determine the compensation of the internal audit provider in case of out-sourcing.

(4) Compliance with Relevant Laws

(4.1) To review the Company to comply with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand and other laws relating to the Company's business.

(4.2) To consider the connected transaction or transaction that may have the conflict of interest to comply with the laws and regulations of the Stock Exchange of Thailand to ensure that such transaction is reasonable and for the best benefits of the Company.

(4.3) To verify after receiving the notification from the auditor that there have suspicious circumstances that the director, the management team or person who are responsible for the operation of the Company, may commit an offence related to their duties and responsibilities pursuant to the Section 281/2 paragraph 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act, and to inform the preliminary result of investigation to the Office of the Securities and Exchange Commission and the audit within 30 days from the date of the receipt of notification by the auditor.

(5) Other Duties

(5.1) To review and revise the Charter of the Audit Committee by considering of the revision on any issues as it deems necessary and appropriate and to propose to the Board of Directors for approval.

(5.2) The Audit Committee can ask for advice from any external and independent advisors, if necessary, whereby all expenses shall be borne by the Company.

(5.3) To meet executives and employees and to access relevant information without restriction.

Risk Management Committee

As of 1 February 2020, the Risk Management Committee consist of 4 directors as follows:

- | | | |
|----|---------------------------|--|
| 1. | Dr. Linda Kraivit | Chairman of Risk Management Committee |
| 2. | Mr.Chalermkul Apibunyopas | Vice chairman of Risk Management Committee |
| 3. | Mrs. Kannika Ngamsophee | Member of Risk Management Committee |
| 4. | Dr. Tanatip Suppradit | Member of Risk Management Committee |

Mrs. Hathaichanok Pangnoi is the Secretary of the Risk Management Committee

Duties and Responsibilities of the Risk Management Committee

- (1) To define the risk management framework, the risk management structure of the Company and its subsidiaries.
- (2) To acknowledge and provide recommendations to policies, strategies and guidelines for risk management at the Company and its subsidiaries level.
- (3) To establish a risk assessment framework for the Company and its subsidiaries and to procure to have the risk management report continuously.





- (4) To consider and identify significant risks of the Company's business operations, such as investment risks, business operational risk, management risk, financial risk, data security risk, laws and regulations risk as well as to suggest on how to protect and to manage the risk approach in the acceptable level by determining the policy and providing advice and guidance on risk management related to the business operation of the Company appropriately and effectively including to provide recommendation to the Board of Directors and management team on risk management.
- (5) To establish risk management and risk management plan and review risk management plan as well as overall risk management process. To follow up and review the risk management process including the risk management of the Company and its subsidiaries.
- (6) To supervise and support risk management to succeed by focusing on the awareness of each factor of risks to support the appropriate decision making. The Risk Management Committee is responsible for monitoring and evaluating the implementation of risk management framework of the Company and its subsidiaries and for adjusting its operation plan to minimize the risk to suit the business operation of the Company.
- (7) To acknowledge any major risks and to report the risk assessment results and operating result to reduce the risks to Board of Directors regularly. In the case of significant issues, which have a significant impact on the Company's financial status and operating result, it shall report to the Board of Directors for consideration as soon as possible.
- (8) To consider whether the management has responded appropriately to the risk.
- (9) To promote the implementation of policies and guidelines for risk management throughout the Company and its subsidiaries
- (10) To promote the development of human resources and create the awareness of the risks and controls of the Company and its subsidiaries continuously.
- (11) To perform any other duties assigned by the Board of Directors.

Nomination and Remuneration Committee

As of 1 February 2020, the Nomination and Remuneration Committee consist of 2 independent directors as follows:

- | | | |
|----|-----------------------|---|
| 1. | Mr. Virachai Srikajon | Chairman of Nomination and Remuneration Committee |
| 2. | Dr. Linda Kraivit | Member of Nomination and Remuneration Committee |

Note: Mr. Timothy Emen Lertsmitivanta has submitted the resignation letter to resign from the director, the member of the Nomination and Remuneration Committee because he had many responsibilities, with effective from 23 October 2019. The Chairman of the Nomination and Remuneration Committee was under the process of candidate selection in replacement of the resigned director.

Dr. Suwadee Puntpanich is the Secretary of the Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

- (1) To set policy, criteria and procedure for nomination of the Board of Directors and Chief Executive Officer.
- (2) To determine the policy, criteria and methods of remuneration in both monetary and non-monetary form of the Board of Directors, sub-committee and Chief Executive Officer of the Company with appropriate to their responsibility and in line with the Company's operating results and market conditions for obtaining the approval from the Board of Directors and subsequently propose for approval from the shareholders meeting.





present to the Board of Directors and/or the shareholders' meeting for approval as the case may be for consideration of acting as the director and the Chief Executive Officer.

- (4) To determine the necessary and appropriate remuneration in both monetary and non-monetary in order to motivate and retain the Board of Directors, sub-committee and Chief Executive Officer.
- (5) To supervise the Board of Directors to have the right components to fit the environment and the situation which will be changed. The Board of Directors must be composed of persons with knowledge, ability and experience in various fields.
- (6) To set guidelines and evaluate the performance of directors and Chief Executive Officer for consideration of the annual remuneration by taking into account of the responsibilities and the risks involved including the increasing of equity value of shareholders for the long-term as one of key assessment.
- (7) To disclose policies and details of the recruitment process, policy on compensation and to disclose details of various types of compensation, including the preparation of the compensation report with at least the details of the operational goals and the remuneration of the Nomination and Remuneration Committee are required in the Company's annual report.
- (8) To appoint or to request for advice from external independent advisor, if necessary and the cost shall be borne by the Company.
- (9) To perform other duties assigned by the Board of Directors.

Corporate Governance and Business Ethics Committee

As of 1 February 2020, the Corporate Governance and Business Ethics Committee consist of 3 independent directors as follows:

1. Mr. Chalermkul Apibunyopas Chairman of Corporate Governance and Business Ethics Committee
2. Dr. Linda Kraivit ¹⁾ Member of the Corporate Governance and Business Ethics Committee
3. Mr. Sita Meksawan ³⁾ Member of the Corporate Governance and Business Ethics Committee

Note:

- 1) The Board of Directors no.3/2019 held on 15 March 2019 has resolved to appoint Dr. Linda Kraivit as the member of the Corporate Governance and Business Ethics Committee
- 2) Mr. Timothy Emen Lertsmitivanta and Dr. Eugene D.M.B. Kroon resigned from the position of director and member of Corporate Governance and Business Ethics Committee due to having other duties which requires more responsibilities. The effective date is on 23 October 2019.
- 3) The Board of Directors no.8/2019 held on 24 October 2019 has resolved to appoint Mr. Sita Meksawan as the member of the Corporate Governance and Business Ethics Committee in replacement.

Mrs. Lamaiphun Krissawanon is the Secretary of the Corporate Governance and Business Ethics Committee

Duties and responsibilities of the Corporate Governance and Ethics Committee

- (1) To formulate the policies and guidelines of good corporate governance and business ethics of the Company's group to comply with international practices, relevant regulatory agencies and/or relevant laws for the Board of Directors' approval.
- (2) To set guidelines and monitor those in order to encourage the Company's group to be in compliance with the policies and regulations in good corporate governance and business ethics.
- (3) To promote and encourage directors and executives to understand and comply with good corporate governance policies and business ethics at all times and encourage executives to promote understanding and compliance to employees of all levels of the Company.





- (4) To review the good corporate governance policies and business ethics, including this charter, on an ongoing basis and at least once a year to develop and upgrade the corporate governance standards of the Company's group.
- (5) To appoint subcommittees in order to support the operations related to the good corporate governance policies and business ethics as required.
- (6) To review charter of the Corporate Governance and Ethics Committee regularly and perform tasks as assigned by the Board of Directors relating to corporate governance and business ethics.
- (7) To appoint or to request for advice from external independent advisor, if necessary and the cost shall be borne by the Company.

3. Nomination of Directors and Senior Managements

The selection of persons to be nominated as the director and executive of the Company, a nominated person shall have qualification pursuant to the Section 68 of the Public Company Limited Act B.E. 2535 (1992) and the Company's Articles of Association and shall not have any characteristics prohibited by the Notification of the Capital Market Supervisory Board No. 28/2551 regarding the request for approval and approval for offering of newly issued shares dated 15 December 2008. The policy and criteria of the nomination and appointment of directors and executives are as follows:

(1) Board of Directors

Qualification of the board of directors

1. A director must be a person with knowledge and experience which will benefit the business, having honesty, integrity and ethical business practice, devoting adequate time to apply his/her best knowledge and ability to perform duties for the Company.
2. A director must satisfy all qualifications required, having no prohibited characters as set forth in the Public Company Limited Act B.E. 2535 (including the amendment) ("Public Limited Company Act") B.E. 2535 (including the amendment) ("Securities Act") and notifications, regulations and/or relevant rules. He/she must not possess the character which shows the lack of qualifications to be trusted by the Company in management of the entity where shareholders are the public as described by the Securities and Exchange Commission and the Stock Exchange of Thailand and/or the Capital Market Advisory Board. He/she must be a person being listed in the database of directors and management board of the listed company as state in the Capital Market Advisory Board's notification, regarding the criteria of displaying list of directors and management board of the listed companies.
3. A director cannot engage in a business of same nature and is in competition with the Company; or become a partner or a director in other juristic person having the same business and is in competition with the Company whether for his/her own benefit or the others unless such engagement is noticed in the meeting of shareholders prior to the appointment. A director may hold a director ship in another company, under the condition that such position will not impede his/her performance in the Company, and it is in line with the guideline specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.
4. A director shall give notice to the Company without delay, if he/she has interest in the contract, whether made directly or indirectly by the Company or in case of increase or decrease of shareholding.





An independent director shall not act as an executive and shall be independence from the management and shareholders who have controlling power including not have any business relationship with the Company in a manner that it will have limitation on providing independent opinion. The independent director shall have the qualifications pursuant to the Notification of the Capital Market Supervisory Board as follows:

- 1) Hold up to 1% of the total voting shares of the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company. The calculation of shareholding shall include shares held by related persons of the independent director.
- 2) Not being or was appointed as a director who involve in business management, employee, advisor who has fixed salary or controlling person of the Company, parent company, subsidiary companies, associated companies, sister companies, major shareholders or controlling persons of the Company unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee. These prohibited characters shall not include independent director who acted as government officer or advisor of government which is a major shareholder or controlling person of the Company.
- 3) Not being a related person by blood or registration under laws, such as father, mother, spouse, sibling or children including spouses of children of other directors, executives, major shareholders, controlling person, or other persons who will be nominated as director, executive or controlling person of the Company and its subsidiaries.
- 4) Not having or had business relationship with the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company which may disturb any expression of independent opinion including not being or having been significant shareholder or controlling person of person who has business relationship with the Company, parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company unless such relationship is terminated for not less than two years before being appointed as member of the Audit Committee. In addition, he or she shall not have any conflict of interest, whether direct or indirect, in relation to financial or management of the Company, group companies, associated companies or any persons that may have conflict of interest resulting in he or she cannot provide independent opinion.

The business relationship according to the first paragraph, including normal business transaction, lease or lease out of property, transaction relating to asset or service, or provision or acceptance of financial support through lending or borrowing, provision of guaranty, provision of security for obligations, and any other similar transactions, which create obligations to the Company or its counter party in the amount of 3% of the net tangible assets of the Company or Baht 20 million and above, whichever amount is lower. The calculation of such obligations shall be in accordance with the methods of calculation for related party transactions prescribed under the Notification of the Capital Market Supervisory Board relating to related party transactions, mutatis mutandis. However, in calculating such obligations, any obligations which arise during one year before the entry into the business relationship with the same person shall be included.

- 5) Not being or was an auditor of the Company , parent company, subsidiary companies, associated companies, major shareholders, controlling persons of the Company or juristic





persons which have may have conflict of interest and not being significant shareholder, controlling person, managing partner of audit firm of the auditor of Company , parent company, subsidiary companies, associated companies, major shareholders, controlling persons of the Company unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee.

- 6) Not being or was a professional advisor including providing legal advisor service or financial advisor service which receives service fess greater than two million Baht per year from the Company , parent company, subsidiary companies, associated companies, major shareholders, controlling persons of the Company and not being significant shareholder, controlling person or managing partner of such professional advisor unless he or she has discharged from such position for not less than two years before being appointed as member of the Audit Committee.
- 7) Not being a director who act as representative for protecting the benefit of the Company's directors, major shareholders or shareholders who have relationship with major shareholders. In addition, he or she shall provide recommendation or report independently as assigned without taking into account of any benefits that may limit he or she in providing independent opinion.
- 8) Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 % of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries.
- 9) Not having any characteristic which make him or her incapable of expressing independent opinions with regard to the Company's business.
- 10) The Audit Committee shall be the independent director of the Company which have the qualification pursuant to the regulations of the Office of the Securities and Exchanges Commission ("**SEC**").

After being appointed as the independent director which have the qualifications as set out in Clause 1) to Clause 10) herein, the independent director may be assigned by the Board of Directors to make any decision on the business operation of the Company, subsidiaries, associated companies, subsidiaries at same level, juristic person that may have conflict of interest, major shareholder, controlling person whereby the making decision shall be exercised as the collective decision.

Policy and criteria on selection of director

1. Selection of new director
 - 1.1. To consider the appropriation of number, composition and diversity of the Board of Directors structure by taking into account necessary skill which does not have in the Board of Directors such as professional skill, gender, age, specialization that in line with the Company's business and in line with the Company's strategy in order for the completeness and strengthen of the Board of Directors' composition to lead the Company to achieve the business objectives in accordance with the good corporate governance principle.





- 1.2. To select a qualified person as determined by the laws, regulatory bodies, the Company and notifications.
- 1.3. To select an honorable person who have knowledge, leadership, opinion and decision making with information and reason including moral and ethics and not in the blacklist.
2. Renewal of retired director by rotation, it shall consider profile and past performance during holding the director position as follows:
 - 2.1. To review the Company's information, meeting agendas and provide opinion which is beneficial to the Company
 - 2.2. To dedicate time to the Company and join the activities and meetings

Selection and appointment of director process

In selection of director, the Nomination and Remuneration shall perform the followings:

1. To prepare Board Skill Matrix to determine the qualification of candidate director in accordance with the policy and criteria for selection of director.
2. To consider a person who has the qualification that is beneficial and appropriate to the Company's business operation in all aspects and transparency as follows:
 - 2.1. To nominate from the list of qualified persons as proposed in advance by the shareholders in the Annual General Meeting of shareholders of which it has notified to the shareholders through SET portal and the Company's website.
 - 2.2. To nominate from a person under the database of IOD Chartered Director
 - 2.3. To nominate from management in the organization and person from external organization who have qualification in accordance with the requirements.
3. The Nomination and Remuneration Committee shall invite, interview and discuss with the qualified person according to the requirements to ensure that such person is willing to be appointed as the director if such person has been appointed by the Board of Directors or the shareholders' meeting, as the case may be.
4. The Nomination and Remuneration Committee proposes qualified person according to the selection's criteria to the Board of Directors for approval of the appointment or for proposing to the shareholders' meeting for approval of each person by:
 - 4.1. One shareholder shall be one vote to one share.
 - 4.2. Each shareholder may use all of its votes as set out in Clause 1 to appoint one person or many persons to be the directors, but the votes cannot be separated.
 - 4.3. The person who receives the highest vote shall be appointed as the director and any person who receives the vote lower than the first person may be appointed as the director if there have vacancies of director position according to the number of directors to be appointed in such meeting.

If the number of persons who will be appointed in the second ranking have the equal vote more than the number of directors to be appointed in such meeting, the Chairman of the meeting shall have the final decision.

5. To appoint the director in accordance with the Company's Articles of Association
If there have vacancy due to other reason other than the retirement by rotation such as resignation. The Nomination and Remuneration Committee shall consider and select the qualified person to propose to the Board of Directors for approval of the appointment of new





regulatory bodies. Such person who being a director shall have the term equal to the remaining term of the replaced director.

Recruitment of Senior Executives as defined by the Office of the SEC

1. The executive must be knowledgeable, capable and experienced persons who will be beneficial to the Company's business operations, honesty, ethics in business operations and time to dedicate knowledge, ability and duty to the Company fully.
2. The executives must have complete qualifications and no prohibited characteristics under the law governing public limited company, securities and exchange and other laws related to the business of the Company. In addition, there must not be any characteristic that indicates the lack of appropriate to be trusted to manage the business with the public as a shareholder as prescribed by the SEC.
3. The executive must notify the Company without delay if there is special interest in the contract made by the Company whether directly or indirectly, or to increase or decrease share in the Company or its subsidiaries.

The process of recruiting and appointing executives according to the definitions of the Office of the SEC

The Human Resources Department shall recruit and select qualified, skilled, experienced and knowledgeable people in the right business and then approached that person to ensure that they are willing to take on management positions if appointed by the authorized persons by:

- 1) In the case of appointment of the Chief Executive Officer, such persons shall be selected by the Nomination and Remuneration Committee before proposing to the Board of Directors for approval.
- 2) In the case of appointment of the Director of Operation Section, and Chief Financial Officer, it shall be proposed to the Executive Committee for approval.

4. Policy for management of subsidiary and associated companies

The Company has a policy to invest in subsidiary or associated company which support the Company's business operations and of which investment would create synergy, generate additional revenue streams, and increase profitability of the Company. The Company will consider proportion of investment, expected profitability, possible risks and financial status of the target companies prior to making investment decision. Any investment decision must be approved by the authorized person according to the authorization procedure. The company shall appoint suitably qualified and appropriate experience representative as director of investee company in order to set key policies and for good corporate governance of subsidiaries and associated company.

Policy for management of subsidiary and associated company

1. The Company has set guidelines in exercising rights by its representatives in shareholders' meeting of subsidiary and associated company to be consistent with the proportion of shareholding in subsidiary and associated company. This is also for compliance with Guidelines for Good Corporate Governance and maintain maximum benefits to the Company, its subsidiaries and associated companies, and other shareholders.
2. The Company determines management structure of subsidiaries and associated companies in order to oversee management and operations of its subsidiaries and associated companies as if they were units of the Company. To look after its investment, the





Company shall have the following procedures for monitoring the management of its subsidiaries and associated companies:

- (1) Nomination of its representative as director of subsidiary and associated company
- (2) Roles and responsibilities of director of subsidiary and associated company
3. The Company's director will continually monitor the financial status and operating result of the Company's subsidiaries and associated companies to in line the business plan and budget and also monitor its subsidiaries to disclose related party transaction and acquisition or disposal of assets to the Company in accordance with the relevant Notifications of the Capital Market Supervisory Board and the Board of the Stock Exchange of Thailand.
4. The Company's director shall procure its subsidiaries to have the appropriate and sufficient internal control system to protect any frauds that may have including providing channel for directors and executives of the Company to access the subsidiaries' information for monitoring their operating result and financial status, related party transaction between subsidiary and director and executive of subsidiary and entering into significant transaction of subsidiary efficiently and implementing of work checking system by internal audit and independent directors of the Company to ensure that subsidiaries continually comply with the work procedures.
5. Directors and management of subsidiary must disclose and deliver information regarding personal of interest, including interest of their related persons, in relation to any transaction or in other business which might raise conflict of interest with the Company, subsidiary, board of directors of subsidiary or person authorized by subsidiary within the period of time as prescribed by subsidiary. Such information shall be used as supporting information for decision making or passing any approval by considering overall benefits of subsidiary and the Company as critical factors. Directors and management of subsidiary shall not participate in the consideration of any matter of which they have personal interest or conflict of interest.
6. Directors and management of subsidiary, including any person related to such directors and management, have the duty to inform to the board of directors of subsidiary relationship and transaction with subsidiary which might raise conflict of interest and avoid entering into transaction which might raise conflict of interest with subsidiary. The board of directors of subsidiary has the duty to inform such matter to the Company for acknowledgement.

The following acts, which result in directors, management or any person related to subsidiary gaining financial benefits other than that ordinarily received or cause damages to subsidiary, are presumed to be material conflict of interest with subsidiary:

 - (a) any transaction between subsidiary and director, management or any connected person which is not in compliance with rules regarding connected transactions;
 - (b) use of known information of the Company and subsidiary, except information which has been publicly disclosed; or
 - (c) use of asset or business opportunity of the Company and subsidiary in a way which violates the rules or general practice as prescribed by the Capital Market Supervisory Board.
7. Subsidiaries must report a business plan, expand a business, cooperation with other entrepreneur to the company and report quarterly. The company has an authority to request the subsidiary to clarify or submit an enclosure for consider. The Subsidiary must comply strictly.
8. If the Company finds any material issue, it may request subsidiary to clarify and/or deliver document as supporting information for its consideration.
9. Directors, management of, or any person related to, subsidiary may enter into a transaction with subsidiary only upon receiving approval from the Board of Directors of the Company or the





Company's shareholders meeting as required based on transaction size calculated pursuant to the rules of the Connected Transaction Notifications. Exceptions apply where transaction is with terms and conditions similar to transaction with other counterparties under the same circumstances, the position as director, management or related person, as the case may be, do not have influence on the transaction, and trade terms and conditions of the transaction have been approved by the Board of Directors of the Company or in line with principles as approved by the Board of Directors.

Policy for financial control of subsidiary and associated company

1. Subsidiary and associated company have duties to submit to the Company monthly operating results and quarterly financial statements reviewed by auditor, including supporting information used for the preparation of such financial statements of subsidiary and associated company. Subsidiary and associated company shall give consent to the Company for the use of such information for the purpose of preparing consolidated financial statements, or quarterly or annual operating results, as the case may be.
2. Subsidiary and associated company responsibilities to performance report and summary results an operating quarterly. Include to follow implementation plan for report to the company.
3. Subsidiary and associated company have duties to report significant financial issues to the Company upon discovering the issues or upon request of the Company to review and report

5. Use of Internal Information

To ensure that the investors of the Company receive the reliable information equally and punctually. Therefore, the Company set the Insider Trading Policy as the following details:

1. Roles and Responsibilities

- (1) The Board of Directors has delegated responsibility to the Audit Committee for overseeing this Policy to ensure that board of directors and executives comply with the established rules and guidelines in trading the company's Securities.
- (2) The Company's secretary has responsibility for providing recommendation to the Company's directors, executives and officers in compliance with this policy including communicating and providing knowledges and understanding and providing responses for any inquiries or interpretations if there have any doubts and notifying the blackout period in advance to support the persons who have obligation to comply with the regulations.
- (3) All executives are responsible for ensuring that every person who reports to them is made aware of and understands this Policy.
- (4) Board of directors, executives and employees must strictly adhere to this Policy when trading the company's Securities in the Stock Exchange of Thailand (SET) or Trading Center as well as communicate this Policy to their spouses and minor children.

2. Procedures

(1) Insider Trading Prohibition

Legal Person must comply with the insider trading prohibition as defined in Section 241 of the Securities and Exchange Act, B. E. 2535: " In the purchase or sale of securities which are listed in the Securities Exchange or traded in an over-the-counter center, no person, whether directly or indirectly, shall purchase or sell, offer to or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed in the





Securities Exchange or traded in an over-the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts."

(2) Blackout Period

To suggest the person prescribed by law to be cautious when trading the company's securities before disclosing information to the public.

3. Guidelines for Confidentiality, Information Security and Insider Trading Prevention

All staff of the Company have to acknowledge the process of information security to protect the confidential information as well as the wrongful insider trading.

(1) Guidelines for Confidentiality

- A) Set the confidentiality of the information, which are disclosed and undisclosed information that internal information sharing must be within the framework and responsibilities.
- B) Security and concealment of customer and commercial information. The Company shall secure and conceal the customer information and commercial information secretly and shall not disclose to the employees of the Company as well as the outsiders who have no concern unless it is law regulation to disclose which shall be the disclosure for the propose of lawsuit or the Executive Committee approves for the disclosure.

(2) Information Security

If such information has not been disclosed to the public yet, the selected persons of the Company are not permitted to disclose such inside information to other persons without permission. This is for fairness and equality of using the inside information of the Company which will increase the confidence to the shareholders, investors and relevant parties. The Company has determined the prohibition that the selected persons of the Company are not permitted to disclose inside information of the Company which is fact that may significantly change the price of securities and such information is not disclosed to the public whether for trading of securities or inviting other persons to purchase, sell or offer to purchase or offer to sell the shares of the Company, whether by himself or by agent, for his own or other benefit. If there is unlawful using of inside information for the benefit of trading securities of the Company whether for speculating or creating advantage for any group of people, such action shall be deemed illegal under the Securities and Exchanges Act and discipline under the Company's policy.

(3) Protection Internal Information

A. The report of securities holding

The Board of Directors and the executives position in accounting or financial line shall report the securities holding of oneself, spouse and minor children of majority according to the regulation of The SEC Act B.E. 2535 (including the amendment) (" The SEC Act") , the notification of The Office of the Securities and Exchange Commission and the relevant notification of SEC. The report shall be submitted to company secretary before submitting to The Office of the Securities and





Exchange Commission or the SET by requesting the Company Secretary to prepare summary report to propose to the Board of Directors for acknowledgement.

B. The report of changes in securities holders

The Company assigns the directors, executives as well as the persons holding the position in accounting or financial line who is responsible for the operation, executives, auditors, employees, spouse and minor children of majority of these people to report the amendment of securities holder to the Office of the Securities and Exchange Commission ("SEC") according to The SEC Act B.E. 2535 (as the amendment) and submit the copy of report to company secretary on the same day of the submission to the SEC.

4. Preventive measure of Computer system and information security

- (1) Restrict the access to the disclose information only for the top level of executives and disclose to the employee as appropriate. Inform the employee that the information is confidential and has limitation on the use.
- (2) Set the security system in the workplace to prevent the access and the use of file data and confidential file.
- (3) The owner of information that is not yet disclosed to the public shall emphasize the relevant person to follow the security process strictly.

5. Penalty for insider trading

The offender shall be punished by law.

6. Audit Fee

(1) Audit Fee

The company paid the audit fee for the auditor of the company's group in the fiscal year 2019 in the amount of THB 12,720,000 as the following details:

	PricewaterhouseCoopers ABAS Limited	Other Auditors
• Company	THB 4,200,000	-
• Subsidiaries	THB 8,500,000	THB 20,000
Total	THB 12,700,000	THB 20,000

(2) Non-audit Fee

-None-

7. Compliance with Good Corporate Governance Principle on other matters

- (1) In 2018, the Company has significant non-compliance with the good corporate governance principle for the listed companies as follows:

(1.1) Selection of Independent Director to hold the Chairman position

The Board of Directors did not select the independent director to hold the Chairman of the Company due to it could not select independent director who has qualifications, experiences, knowledges and skills in business which are in line with the Company's strategy.

(1.2) Disclosure of the remunerations of the Chief Executive Officer

A person who hold the Chief Executive Officer position does not need to disclose the information.





- (1.3) Determination of policy for the directors and senior managements to inform the Board of Directors or a person authorized by the Board of Directors regarding the trading of the Company's securities at least 1 day before the trading day.

The Board of Directors is of the view that this requirement does not have flexibility and may be difficult to comply with it.

- (1.4) Determination of policy on the quorum of the Board of Directors for calling resolution which shall have at least 2/3 of the total number of directors

The quorum of the Board of Directors for calling resolution shall have at least ½ of the total number of directors of which it shall have more flexibility. However, in the previous time, the directors normally attended the meeting not less than 2/3 of the total number of directors.

- (2) Compliance with the new Corporate Governance Code of the Office of the SEC

According to the Board of Directors no.9/2018 held on 9 August 2018 has resolved to acknowledge the 8 principles and guidelines of CG code of the Office of the SEC. The Board of Directors has approved to adopt such principles and guidelines of CG code with the Company's business by assigning The Corporate Governance and Business Ethics Committee to consider. The Corporate Governance and Business Ethics Committee has evaluated the performance in accordance with the Corporate Governance Code and has revised the Corporate Governance Handbook by determining the process and working plan for adaptation and has proposed for approval from the Board of Directors no.7/2019 held on 13 August 2019 in order for the directors, managements and employees of the Company to comply with it.





Risk Factors

1. Business Risk

1.1 Risk from economic fluctuations

At present, competition is increasing for healthcare services market due to many amalgamations of major market players, resulting in a cost advantage. In addition, there are various channels for provision of services. New operators entering into the market has resulted in lower market share for the existing operators. Such factor has caused higher competition in provision of services and price competition to attract customers. There is a possibility of new market players from ASEAN countries expanding their services to Thailand as a result of the establishment of ASEAN Economic Community (AEC). Such competition is inevitable and may have impact on the Company's operations.

Economic conditions may also have impact on consumers' purchasing power. Although healthcare is one of the four basic needs, economic impacts do affect consumer's purchasing power. Customers of private hospitals may prefer to defer or minimize their hospital visits either by delaying treatment, choosing non-emergency medical services instead, shortening hospital stay, curbing medical bills by visiting public hospitals or other private facilities offering cheaper services. However, we have closely monitored the situation to assess possible risks that could affect our operation as well as to prepare ourselves in order to come up with appropriate risk management measures. Besides, we are able to treat more complicated diseases when comparing with other hospitals charging similar fees. The fees proposed by us are affordable by the majority. All of these are factors that help attracting a regular stream of patients and thereby reduce the hospital's impact from economic volatility.

2. Operation risk

2.1 Risk from future changes of applicable standards and regulations

Our business is governed by Ministry of Public Health and other related government agencies. Changing in regulation interpretation or a new policy that tends to be more restricted and aims to protect patients suffering damage from healthcare or medical service with a purpose to quickly settle compensation with the damaged party without need to prove the liability, may affect our operation in the future. However, the Company and hospitals under our network will pursue and comply with significant hospital accreditation systems, namely, the Hospital Accreditation (HA) system and the ISO9001: 2015. Under the HA, a committee to oversee treatment quality is set up to ensure that medical practices are corresponding to safety and environmental standards and to also manage various risks especially risks relating to medical services and treatments to minimize effects from legislative changes relating to health and environment.

2.2 Competition risk

The private hospital business is highly competitive. Not only do we compete with other private hospitals in the same rank, but also with expansion of service by public hospitals who provide extra-hour clinics or operate a private-style hospital under its wing, all of which jeopardize our customer base. At present, there is increasing competition in the healthcare services market due to many amalgamations of major market players, resulting in a cost advantage. In addition, there are various channels for provision of services. New operators entering into the market has resulted in lower market share for the existing operators. Such factor has caused higher competition in provision of services and price competition to attract customers.

To increase service efficiency and expand competitiveness, we regularly enhance the capacity of our medical personnel who enable us to treat complicated diseases when compared to competitors offering the same price ranges. In addition, we have a plan to develop the step-down care for recovering patients who need to stay in hospitals for more than two nights to curb their expenses and our costs. Besides, we provide the service of Home Healthcare and Senior Care and Living too. In order to provide treatment of highly complicated diseases, we have a plan to expand our Excellent Center units of which demands remain high compared to available services. Besides, we work as a



contractor to manage public hospitals to increase profit margin because being a contractor does not require us to invest in any equipment.

2.3 Risk from healthcare policies issued by the public sector

We enjoy revenues from general patients, this revenue accounted for 70% of the total revenues. However, if the public sector promotes other types of healthcare policies such as expanding people entitling for the universal healthcare coverage, the number of general patients may fall. Realizing this risk, we closely monitor the public-sector policy as well as possible policy changes. Before the public sector announces or amends any policy, it will however seek opinions and recommendations from hospitals through an association of private hospitals and groups of private hospitals who are contractual parties to the government's social security scheme in order to minimize our impact from the change of public policy that could materially affect our performance. In addition, we participate in the public-sector program through which we admit patients who are government officials whose medical bills are reimbursed by Department of Comptroller-General. We also have a plan to generate more incomes from general patients or those who pay from their own pockets and contractual parties where we strive to enhance the capacity of our Excellence Center to treat highly-complicated diseases increasingly suffered by the public. This refers to the Heart Center, the Bone and Joint Surgery Center, the Brain and Neurological Center as well as patients requiring intensive and critical care where we have a lot of medical doctors with expertise in the field. The hospital continues to enhance quality of our medical treatment as well as our medical personnel to increase service efficiency and to add values to our services.

2.4 Risk from the lack of medical personnel

Medical services need to depend on qualified medical personnel in various fields, who at present are produced in a limited number. Besides, with the expansion of medical services, there are demands for quality personnel with years of experiences who take time to acquire proper knowledge and capability. That is why the company could be affected by the shortage of medical personnel in the future. Yet, the company is collaborating with Siam University to offer a registered nurse undergraduate program to produce competent personnel who can accommodate our need. So far, however, we haven't yet encountered the shortage of medical personnel thanks largely to our compensation and welfare policy and our dedication to promote the right working environment. Besides, the company offers a training policy with a purpose to strengthen skills and widen the horizon, which results in staff commitment. With these policies, we believe we could minimize our risk from the shortage of medical personnel.

2.5 Risk from dependence on specialists

The hospital service is a business that actively depends on specialized medical personnel who provide effective treatments to patients. At present, medical personnel could not meet ongoing demands. As the hospital business is highly competitive, this could affect our business as we may be exposed to a higher risk of losing our medical personnel or attracting specialists.

However, as our hospital was founded for more than four decades ago, is supported by an extended network and has earned a highly reputable image and recognition in the healthcare industry together with the fact that the hospital is run by a group of established doctors, it has been widely accepted by medical doctors for academic competency and management style. The hospital is also known for security and stability and thus can make medical staff who may want to join us become more confident. In addition, the company has collaborated with Siam University to set up a faculty of medicine to make it easy to recruit and develop medical staff.

The hospital also maintains a policy to offer proper remunerations to our personnel while continuing to train them on a regular basis. In addition, there is a clear career path system and training of new knowledge offered to induce staff to stay with the hospital in the long run. This includes special awards given to people with long years of services, allowing staff to freely express their opinions and underlining welfare and security of our personnel to maintain and boost their morale.



2.6 Risk of contract renewal to manage the Pattaya City Hospital and the Phuket Provincial Administration Organization Hospital as a contractor and renewal of contract to manage the Heart Center at Bangphli Hospital and the Phatara-Thonburi Hospital because all contracts are short-term.

In 2019 the hospital earned, on average, 8.6% of the total revenues from management services of hospitals and heart centers. No contract renewal means the hospital's revenues could fall. Yet, we have experiences managing in the hospital management and in management of specialty clinics such as heart center. The Company has passed assessment from the National Health Security Office (NHSO) and is qualified to service gold card patients. Therefore, our hospitals are ready for medical staff recruitment. The Company is proficient in creating forecast, cost management, and has expertise and experience in hospital management service. In addition, the Company has experience in managing specialty clinics such as heart center. Hence, there are not enough qualified competitors in this market. The company is also seeking for hospitals to manage specialized treatment centers such as the Heart Center continuously.

2.7 Risk from being sued for damage incurred from medical services

Since our business is to provide medical services, we are exposed to a litigation risk brought by patients or related parties who may not be satisfied with our treatment or who suffer from impacts relating to treatment provided by the hospital's medical doctors and specialists. The hospital or doctors may have to compensate the party who brings up the case, which may affect the hospital's reputation and operation.

Based on this risk, we regularly monitor changes of rules and regulations as well as exercise strict compliance while regularly improving our services. We also select and attract experienced personnel with the right expertise. Besides, we have bought insurance to provide liability protection resulted from business and incurred at the insured premise to reduce certain impacts from possible litigation. At the other front, we conduct a regular service assessment especially of treatment quality and satisfaction to the service to monitor our efficiency and to protect ourselves from the litigation.

2.8 Risk from technological change of medical equipment

As diseases are increasingly complicated, treatment requires sophisticated medical equipment more than any time in our history. The company has given the highest priority to quality of our diagnosis and treatments, leading us to investing in medical equipment. However, with a rapid change of medical technology and since medical devices are costly, this may affect the cost effectiveness of our investment.

That is why the hospital has formulated approval steps when making an investment decision. This starts from having the committee that manages medical devices conduct a study of the investment's cost-effectiveness. The committee consists of experts from various fields who collaboratively determine a medical equipment purchasing policy and who set aside an annual budget for new medical devices. The committee also sets a guideline on how to select equipment, assesses their cost-effectiveness before proposing the investment to the Board on the basis of the formulated procedures.

2.9 Risk from investment expansion

The company plans to expand investment in the medical treatment business and the healthcare solution provider business. they could affect the company's investment cash flow, income structure and performance from uncontrollable factors such as Thailand's economic condition, its political change, the government's healthcare policy and competitions in the domestic healthcare market. These factors may affect operation under the investment plan or, worse, success of these projects. To reduce the risk, the company has thoroughly analyzed each project's feasibility to ensure that it has experiences in the projects or that the projects can be further developed on the basis of the existing experiences.





With experiences in the private hospital business for more than four decades together a pool of well-recognized medical and public health personnel, the company feels that these factors will help minimize our expansion risk.

2.10 Risk of project construction by the Company and its subsidiaries not being completed according to schedule

The Company has expanded its business to healthcare solution provider services by the Company's subsidiaries. At present, there a project of Thonburi Wellbeing Co., Ltd. under construction providing Senior Care and Living, namely Thonburi Health Village Project. There is a risk of the project not being completed according to schedule and/or cost overruns due to various reasons such as approvals from relevant authorities required for construction, differences in construction area of project, changing of customers' needs as well as an increase of the project's cost according to the extended construction period, etc. Therefore, the company has the risk management of such investment project continuously as follows:

- Update on progress of the projects shall be reported to the Executive Committee on a monthly basis. In case there is risk of project being delayed or cost overrun, the Executive Committee, together with the working team, shall jointly consider a solution which will provide utmost benefits to the Company;
- The Company's subsidiary shall prepare progress report on risk management of the project and submit the report to the Risk Management Committee for acknowledgement and recommendations with regards to managing risks. The report shall also be presented to the Board of Directors.

3. Financial Risk

3.1 Risk from medical bill payment

According to medical service ethics, the hospital will provide medical services to patients before charging them a fee, which exposes the hospital to a risk of failure to charge a post-service fee in full.

The group however has a guideline to minimize this risk by requiring the Finance Department to inform an estimated cost to a patient in advance as well as by checking their rights to see which types of medical bills the patient can reimburse to enable him/her to assess possible expenses before getting the treatment. After the treatment, the company will inform the patient an incurred expense and will issue a medical bill every three days to allow a liable client to learn about his expenses at every stage. In addition, the Finance Department whose duty includes debt management will consider risks and proper solutions to the hospital's customers. It will collaborate with the Legal Department if there is any outstanding or overdue.

3.2 Risk of volatility in interest rate

As of 31 December 2018, the Company has a long-term facility from financial institution. The interest rate on such facility is a floating rate with reference to the Minimum Loan Rate (MLR). Hence, if there is significant change in the reference rate, there might be significant impact on the Company's financial costs and net profit. However, the company is able to comply with all loan agreements and maintain financial conditions at a level that is better than the terms of the contract. Furthermore, there will be a cash flow reserve for advance payment at all times. Thus, the financial risk of the company is at a controlled level.



Management Discussion and Analysis

Overview of 2019

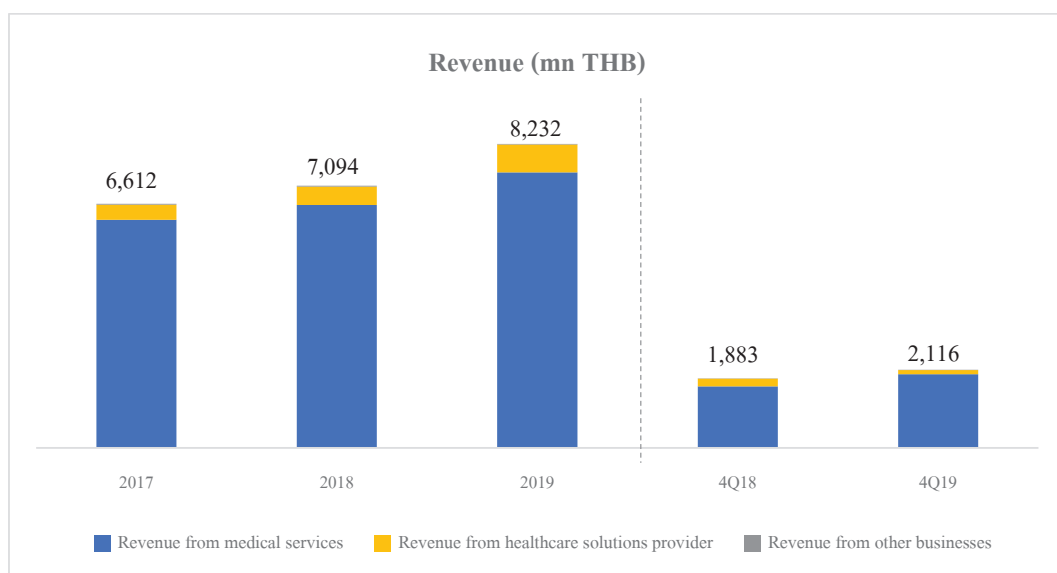
In 2019, Thonburi Healthcare Group PLC. (THG) saw YoY revenue growth from core business which is domestic hospital. The growth was mainly driven by higher patient volume from higher medical intensity, and new excellence centers and more specialist doctors at Thonburi and Thonburi 2 Hospitals. Also, the revenue growth was from newly opened hospital in 2019 which was Thonburi Bamrungmuang. In 2019, it generated THB905mn with good patient volume from Diabetic Wound Care Center, IVF Center, and Digital Dental Center. Currently, IPD wards with 47 beds are fully occupied with a plan to expand wards and clinics to support medical tourism trend.

Hospital management business saw a decrease in revenue because revenue from overseas consulting service decreased while domestic hospital management was steady. THG continued to discuss with partners and explore possibility to provide consulting service to overseas hospitals that can be new revenue streams and business expansion opportunity. Heart centers had opportunity for continuous growth as heart centers at Phthalung and Thonburi 2 Hospital were approved in 2019 to serve referred patients with universal health coverage.

Overseas hospital, Welly Hospital in China, saw an improvement from last year with lower loss as patient's volume increased. Ar Yu International Hospital in Myanmar started its full operations for IPD and OPD in March 2019 with higher patient volumes from trust. In the beginning stage of operations, the hospital made loss mainly from investment in staff, system and service quality, but it is expected to improve along with growing Myanmar market.

In 2019, customer of Jin Wellbeing County continued to transfer the active living units since its start in late 2018. In 2019, 88 units were transferred. Thonburi Burana Hospital was opened in February 2020 and Jin Wellness Institute will be next. It is expected that the hospitals and Wellness center could help attract customers to use the services and buy active living units.

Significant revenue growth from the new hospital also contributed to YoY profit growth despite higher costs and expenses, namely doctor fees, drugs, cost of project development, and depreciation and amortization, which were in line with revenue growth. In 2020, it is expected that THG will maintain business growth with focus on increasing patient volume and capability in existing hospitals for medical service which is the core business. THG will also continue to develop new hospitals, namely Thonburi Bamrungmuang and Thonburi Thungsong. Jin Wellbeing County that was completed and ready for residents will be combined with services from Thonburi Burana Hospital and Jin Wellness Institute to help drive THG's revenue growth.





Key developments in 2019

1. Grand opening of Thonburi Bamrungmuang Hospital

On 24 January 2019, a grand opening of Thonburi Bamrungmuang Hospital was held in Bangkok. Initially, the centers that open are Diabetic Wound Care, Check Up, and Digital Dental. Other centers were also recently opened, such as IVF Center, Orthopedic Center, Skin and Aesthetic Center and Jin Wellness.

2. Grand opening of Ar Yu International Hospital

On 17 March 2019, a grand opening of Ar Yu International Hospital was held in Yangon, Myanmar. This hospital is under a JV that THG joins with local partners. It now serves OPD and IPD patients and is in process of 2nd phase expansion.

3. Grand opening of Thonburi Thungsong Hospital

On 19 November 2019, a grand opening of Thonburi Thungsong Hospital was held in Nakorn Srithammarat. OPD and IPD are now in operation with Orthopedic clinic, Obstetrician-Gynecologist clinic and Pediatric clinic in the initial phase.

4. THG recognized reserves for employees' benefit of THB76mn after tax, according to acts of labor protection issue 7, 2019. Companies must pay to retired employees who work for them for 20 years and more continuously, and not less than last pay rate equal to 400 days.
5. THG disposed an investment in Rajthanee Hospital PLC. And booked under other income of THB278mn, or THB222mn of net profit after tax.

Summary of FY2019 performance compared to FY2018

Revenue

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. Total revenue was THB8,232mn, increasing by 16% from domestic hospital revenue and revenue recognized from active living unit transfer of Jin Wellbeing County.

Medical Service Business had revenue of THB7,461mn, increasing by 13.4%.

- Domestic hospitals comprise of Thonburi Hospital, Thonburi Hospital 2, Rajyindee Hospital, Thonburi Bamrungmuang Hospital and Thonburi Thungsong Hospital. Total revenue was THB6,754mn, increasing by 16.3% mainly from
 - 1) operations of Thonburi Bamrungmuang Hospital contributed to 13.5% increase
 - 2) new clinics and centers contributed to higher patient volume
 - 3) higher medical intensity contributed to higher pay per bill
- Hospital management business revenue was THB440mn, decreasing by 10.9%, mainly from reduced hospital management contract value by THB33mn because the contract ended in 1Q18.
- Excellence center business revenue was THB267mn, decreasing by 3.3%, mainly from lower patient volume.

Healthcare solutions provider Business

It comprises of senior living project, dental equipment and supplies provider, chained drug stores and home healthcare. The revenue was THB756mn, increasing by 53.7%, from revenue recognized from active living unit transferred at Jin Wellbeing County. In 2019, 88 units were transferred. To date since 4Q18, total of 107 units were transferred.





Costs

Total cost was THB6,366mn, increasing by 22.8%, along with revenue growth. Main cost was from medical service business which is THG's group core business. The costs of the 3 businesses are classified as follows:

Cost of medical service was THB5,861mn, increasing by 21.2% mainly from

1) the increase of doctor fees, nurse and staff costs, drugs & medical supplies, by THB656mn, or 13.6%

2) the increase of depreciation and amortization, increasing by THB228mn or 4.7%

- THB118mn or 2.4% from completion of Thonburi Bamrungmuang Hospital and Thonburi Thungsong Hospital's construction, and from purchase of medical equipment

- THB110mn or 2.3% from reclassification of an amortization from Thonburi Bamrungmuang's hospital leasehold right from administrative expenses to cost of hospital operation

Cost of healthcare solutions provider was THB492mn, increasing by 46.4%, mainly from

1) the increase of unit cost of active living at Jin Wellbeing County that was in line with revenue growth

2) the decrease of dental equipment cost that was more than revenue decrease because goods sold this year had higher gross profit margin than last year

Selling, general and administrative expenses

SG&A and management remuneration was THB1,397mn, increasing by 1.3%, mainly from the increase of THB104mn or 7.5% in staff cost because of the operation of a new hospital and project development.

However, selling and admin expenses decrease from last year because

1) the decrease in marketing expenses by THB52mn, or 3.8%

2) the decrease or 8.2% in amortization of Thonburi Bamrungmuang Hospital's leasehold right because it was reclassified to cost of hospital operation sold instead

Finance cost

It was THB216mn, increasing by 50.0% while the interest-bearing debt as at 31 December 2019 was THB8,976mn, higher than THB6,196mn last year. THG managed loans and balance of short-term and long-term loan to an appropriate level. Average interest rate decreased from 2.9% to 2.8%

Profit

Gross profit was THB1,870mn, decreasing by 2.3%. Gross profit margin was 22.7% decreasing from 26.9% last year mainly due to the decrease in revenue from overseas consulting services.

Net profit attributable to the parent was THB462mn, increasing by 32.8%. Net profit margin (parent) was 5.6% increasing from 4.9% mainly due to the disposal of investment.





Summary of 4Q19 performance compared to 4Q18

THG saw a total revenue of THB2,116mn, increasing by 12.4% with following details.

- 1) **Medical Service Business** had revenue of THB1,992mn, increasing by 19.6%.
 - Domestic hospitals had revenue of THB1,818mn, increasing by 24.4% from the operation of Thonburi Bamrungmuang Hospital.
 - Hospital management business revenue was THB111mn, maintained from last year.
 - Excellence center business revenue was THB63mn, decreasing by 31.5%, mainly due to the contract end with a hospital at the end of 2018.
- 2) **Healthcare solutions provider** had revenue of THB117mn, decreasing by 44.5% because units sold at Jin Wellbeing County in 4Q19 was 5 units, lower than 19 units in 4Q18.

Total cost was THB1,660mn, increasing by 18.7%, in line with revenue growth. Main cost was from medical service that increased along with the revenue growth.

SG&A and management remuneration was THB300mn, decreasing by 25.4%, mainly because after the beginning of Thonburi Bamrungmuang Hospital, its expenses for preparing the operations were reclassified to cost of hospital operation. The administrative expenses decreased by THB92.2mn, or 22.1%.

Finance cost was THB68mn, increasing by 74.4%, due to more loans when compared to last year. THG is managing the finance cost to be at an appropriate level.

Gross profit margin was 21.6%, decreasing from 25.8% last year because Thonburi Thungsong Hospital was just opened and cost of hospital management business was higher when compared to revenue growth.

Net profit attributable to the parent was THB82mn, increasing by more than 100%. Net profit margin (parent) was 3.9%, increasing from 1.2%, mainly because Thonburi Bamrungmuang Hospital had an improvement in the performance.





Financial Highlights

	Consolidated financial statements					
Profit and loss statements (million baht)	4Q19	4Q18	YoY Change	FY2019	FY2018	YoY Change
Revenue from medical service	1,992	1,665	19.6%	7,461	6,579	13.4%
Revenue from Healthcare solution provider	117	211	-44.5%	756	492	53.7%
Revenue from other businesses	7	7	0.0%	15	23	-34.8%
Total revenue	2,116	1,883	12.4%	8,232	7,094	16.0%
Cost from medical service	(1,580)	(1,244)	27.0%	(5,861)	(4,834)	21.2%
Cost from Healthcare solution provider	(77)	(150)	-48.7%	(492)	(336)	46.4%
Cost from other businesses	(3)	(4)	-25.0%	(13)	(15)	-13.3%
Total cost	(1,660)	(1,398)	18.7%	(6,366)	(5,185)	22.8%
Gross profit	456	485	-6.0%	1,866	1,909	-2.3%
Selling, general and admin expenses	(300)	(402)	-25.4%	(1,397)	(1,379)	1.3%
EBITDA	347	197	76.1%	1,419	1,094	29.7%
Normalized EBITDA	347	197	76.1%	1,236	1,012	22.1%
Finance cost	(68)	(39)	74.4%	(216)	(144)	50.0%
Net profit	80	30	166.7%	459	367	25.1%
Normalized net profit	80	30	166.7%	314	302	4.0%
Net profit - parent	82	22	272.7%	462	348	32.8%
Normalized net profit - parent	82	22	272.7%	311	282	10.3%

Margin	4Q19	4Q18	FY2019	FY2018
Gross profit margin	21.6%	25.8%	22.7%	26.9%
EBITDA margin	16.4%	10.5%	17.2%	15.4%
Normalized EBITDA margin	16.4%	10.5%	15.0%	14.3%
Net profit margin - parent	3.9%	1.2%	5.6%	4.9%
Normalized net profit margin - parent	3.9%	1.2%	3.8%	4.0%

Note: normalized values exclude

- 1) Profit from disposal of investment in Rajthanee Rojana Co., Ltd. of THB52mn in 1Q18
- 2) Other revenue from write-off of long-standing tax payable of THB29mn in 1Q18
- 3) Profit from the disposal of investment in Rajthanee Hospital PCL of THB278mn in 2Q19
- 4) Reserve employees' benefit of THB95mn in 2Q19



Financial status

Assets

As of 31 December 2019, THG had total assets of THB20,285mn, increasing from THB17,927mn as of 31 December 2018.

Current assets increased from

- trade receivables and other receivables by THB449mn because of higher patient volume causing receivables to increase along with revenue. Other receivables increased from subsidiaries renting out land.
- inventory by THB252mn from completed units in Jin Wellbeing County
- cost of project development by THB106mn, from Jin Wellbeing County and Thonburi Health Village

Non-current assets increased from

- net investment in joint venture by THB198mn because THG invested more in Ar Yu International Hospital in Myanmar since 2Q19 and recognized its loss
- Property, plant and equipment, and advance payment for fixed assets by THB1,364mn, due to construction of a Thonburi Bamrungmuang Hospital, Thonburi Thungsong Hospital, Thonburi Burana Hospital, Jin Wellness Institute, medical equipment and office furniture.

Liabilities

As of 31 December 2019, THG had total liabilities of THB11,503mn, increasing from THB9,201mn as of 31 December 2018. Most of them were short-term and long-term debt from financial institutions. Net increase of debt from financial institutions was THB2,692mn for investment and project development.

Equity

As of 31 December 2019, THG had total equity of THB8,782mn, increasing from THB8,726mn as of 31 December 2018. The increase was from higher net profit despite dividend payment to shareholders twice this year, totaling THB382mn.

	Consolidated financial statements		
<i>Statements of financial position (million baht)</i>	31 December 2019	31 December 2018	Change
Current assets	5,025	4,268	17.7%
Non-current assets	15,260	13,659	11.7%
Total assets	20,285	17,927	13.2%
Current liabilities	5,127	5,325	-3.7%
Non-current liabilities	6,376	3,876	64.5%
Total liabilities	11,503	9,201	25.0%
Total equity	8,782	8,726	0.6%

	Consolidated financial statements	
<i>Financial ratios</i>	2019	2018
Current ratio (times)	1.0	0.8
Return on assets (%)	4.2%	3.9%
Assets turnover (times)	0.5	0.5
Return on equity (%)	5.6%	4.2%
Debt/ equity (times)	1.3	1.1
Interest bearing debt/ EBITDA (times)	6.3	5.7
Debt service coverage ratio (DSCR) (times)	2.2	2.0
Interest coverage ratios (times)	3.7	4.4



Capital management in 2019 compared to 2018

- **Net cash used in operating activities** was THB171mn, using 3.4% less, because of completion of Jin Wellbeing County project resulting in lower investment.
- **Net cash used in investing activities** was THB2,161mn, using 18.3% more, because THG and subsidiaries purchased more fixed assets.
- **Net cash generated from financing activities** was THB2,253mn, increasing by 4.1% because THG and subsidiaries borrowed from financial institutions to invest in projects.

	Consolidated financial statements	
<i>Statement of cashflow (million baht)</i>	2019	2018
Net cash used in operating activities	(171)	(177)
Net cash used in investing activities	(2,161)	(1,827)
Net cash generated from financing activities	2,253	2,164
Net decrease in cash and cash equivalents	(79)	160
Cash and cash equivalents at the end of period	663	742



Report on the Board of Directors' Responsibility towards the Financial Statements



The Board of Directors recognizes the importance of the Corporate Governance Management Policy and the preparing process of the financial statement and financial information as reported in the annual report enable to ensures that the statements are prepared in accordance with the Thai generally accepted accounting standards, using appropriate and consistent accounting policy and sufficient information is disclosed in the notes to financial statements. The Board of Directors has appointed the Audit Committee, which comprises independent directors, to be responsible for the quality of financial reports and internal control. This also provide a reasonable assurance on the reliability of the financial statement and effectiveness of internal control such as safeguarding of assets connected or potential conflict of interest transactions and the compliance to applicable laws and regulations, which the Audit Committee's opinion is stated in the Audit Committee Report.

At the Board of Directors' meeting on 27 February 2020, which every Audit Committee members, management and internal audit department attended to evaluate the sufficiency of the Company's internal control system for the year 2019. The system, set by the management which compliance with the SET regulations and COSO guideline. The Board agreed with the Audit Committee that the Group's quarterly and the annual financial statement for the year 2019 (which has been audited by the external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficient of the Company and subsidiaries' internal control system in "Internal Control" section.

Furthermore, the Board encourages the Management in continuous developing the Company Group's quality of internal control system, risk management and good corporate governance. The adequate and appropriate supervision should also be in place to enable the achievement of the established objective and goal.

Dr. Boon Vanasin
Chairman

Dr. Tanatip Suppradit
Acting CEO





THONBURI HEALTHCARE GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019





Independent Auditor's Report

To the Shareholders and the Board of Directors of Thonburi Healthcare Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Thonburi Healthcare Group Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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



Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of investment in subsidiaries and joint ventures</p> <p><i>Refer to Note 4 'Critical accounting estimates and judgements, Note 16 'Investments in subsidiaries (net)' and Note 17 'Investment in joint ventures (net)' to the separate financial statements</i></p> <p>As at 31 December 2019, the Company had investments in subsidiaries (net) and investment in joint ventures (net) of Baht 5,470.02 million and Baht 1,580.66 million, respectively in the separate financial statements.</p> <p>The management reviewed the impairment of the investments in subsidiaries and joint ventures by using value in used method with considering the future business plan of subsidiaries and joint ventures and also future cash flows projection. Key assumptions used applied in the impairment testing were revenue growth rate, estimated expense, economic forecast and the discount rate used in cash flows projection.</p> <p>From the impairment assessment of such investments, the management found that the recoverable amount of investment in subsidiaries was greater than the book value, therefore the additional allowance for impairment of investment in subsidiaries was not required this year. However, from reviewed the impairment of investment in joint ventures, the recoverable amount of investment in joint ventures was lower than the book value, therefore the loss on impairment of investment in joint ventures of Baht 100.00 million was additionally recognised in the 2019 separate statements of comprehensive income.</p> <p>I focussed on this area due to the complexity of impairment assessment. It also involved significant management judgments in forecasting future market, economic conditions and key assumption used in estimating future cash flows projection.</p>	<p>I tested management's impairment assessment in investments in subsidiaries and joint ventures to evaluate whether the allowance for impairment was appropriate by performing as follows.</p> <ul style="list-style-type: none"> Assessing the subsidiaries and joint ventures' operating results and financial position for the year ended 31 December 2019 Evaluating the past performance of each subsidiary and joint ventures Inquiring management for the appropriateness of valuation method used in impairment testing and the reasonableness of the assumptions used Testing the accuracy of the information that management used for preparing future business plan, also evaluating the reasonableness of the assumptions used in cash flows projection related to the revenue growth rate and economic forecast by comparing with the market growth rate in the same industry Assessing the reasonableness of discount rate used by management in preparing the cash flows projection by comparing with discount rate that calculated by my internal valuation expert to evaluate whether the discount rate used by management was in the acceptable range <p>As a result of these procedures, I found that the management's key assumptions used in determining the allowance for impairment in investment in subsidiaries and joint ventures were reasonable based on available evidence and the current situations.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p><i>Refer to Note 2.26 'Accounting policies - Revenue recognition' to the consolidated and separate financial statements</i></p> <p>There are various types of revenue from the hospital business of the Group, such as medical treatments, doctors' fees, in-patient room, and sales of medicines and medical supplies. There are also different discount conditions applied for each agreement signed. The Group recognises revenues from the hospital business when services are rendered or when medicines and medical supplies are delivered.</p> <p>I focussed on this area because the amount of revenue from the hospital business was material to the financial statements. And there were a large number of various revenue transactions occurring every day. I also focussed on the internal controls over revenue cycle testing to support the audit of accuracy and completeness of revenue from the hospital business.</p>	<p>I assessed the overall risks in the revenue cycle and applied the following procedures by:</p> <ul style="list-style-type: none">• Understanding the information and technology systems for the hospital business operation and accounting systems• Understanding and testing a sample of the Group's internal controls that it had designed over the revenue cycle• Testing a sample of revenue from sales and services transactions for each type of revenue carried out during the year, together with their related documents, and• Testing the journal entries relating to revenue transactions from sales and services to determine any unusual revenue transactions. <p>Based on the procedures above, I found that the Group complied with its internal controls as designed. The revenue recognition was in accordance with the accounting policy and the available evidence.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.





Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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



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

PricewaterhouseCoopers ABAS Ltd.



Sudwin Panyawongkhanti
Certified Public Accountant (Thailand) No. 3534
Bangkok
27 February 2020





Thonburi Healthcare Group Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	24	2,705,137,327	2,740,861,663	2,580,000,000	2,583,000,000
Trade and other accounts payable	25	1,597,685,887	2,059,487,144	693,024,828	685,533,528
Current portion of					
- Long-term loans from financial institutions	26	665,000,000	400,000,000	580,000,000	400,000,000
- Finance lease liabilities (net)	27	37,790,665	3,151,914	5,604,389	2,857,376
- Liabilities under leasehold rights	22	1,000,000	1,000,000	-	-
Accrued income tax		65,931,808	72,376,170	61,804,391	63,448,438
Value added tax (net)		26,941,176	26,039,496	12,841,454	12,489,439
Other current liabilities - Withholding tax payable		24,443,823	14,009,944	7,948,062	6,758,239
- Others		13,147,963	8,056,405	5,179,413	5,021,410
Total current liabilities		5,127,078,669	5,324,982,736	3,946,402,537	3,759,108,430
Non-current liabilities					
Long-term loans from financial institutions	26	5,480,812,245	3,043,716,325	4,636,777,823	3,043,716,325
Fixed assets payable	25	-	155,280,815	-	-
Finance lease liabilities (net)	27	97,376,740	8,167,427	9,213,927	8,089,257
Liabilities under leasehold rights	22	61,200,000	1,000,000	-	-
Deferred tax liabilities (net)	23	283,054,412	322,343,332	77,617,688	104,900,073
Employee benefit obligations	28	447,562,090	333,680,082	346,172,692	270,616,985
Other non-current liabilities		6,419,302	11,676,217	160,000	160,000
Total non-current liabilities		6,376,424,789	3,876,064,208	5,071,942,130	3,427,482,640
Total liabilities		11,503,503,458	9,201,046,944	9,018,344,667	7,186,591,070

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	662,477,914	741,504,076	420,609,717	388,585,485
Short-term investments at					
financial institutions		27,784	22,356	-	-
Short-term investments	8	76,281,722	144,044,436	20,448,211	21,530,466
Trade and other accounts receivable (net)	9	1,325,490,361	872,255,812	915,494,833	849,403,556
Short-term loans to related parties	38 c)	36,599,881	40,106,960	5,691,557,468	4,013,084,205
Inventories (net)	10	1,378,511,897	1,126,925,897	85,888,530	81,279,727
Cost of developing holistic care project	11	1,413,281,747	1,307,083,724	-	-
Value added tax (net)		25,960,171	15,611,482	-	-
Current portion of prepaid rental	22	3,448,287	3,448,287	-	-
Non-current assets classified as held-for-sale	12	84,162,048	-	-	-
Other current assets		18,675,379	16,819,293	199,586	2,411,939
Total current assets		5,024,917,191	4,267,821,323	7,134,198,345	5,356,295,388
Non-current assets					
Restricted deposits at financial institutions	13	8,692,289	8,706,447	-	-
Long-term investments in equity securities	14	483,905,506	580,559,741	483,905,506	580,559,741
Investments in associates (net)	15 a)	565,681,130	483,357,203	432,487,302	390,689,500
Investments in subsidiaries (net)	16 a)	-	-	5,470,016,139	5,320,016,139
Investments in joint ventures (net)	17	1,266,065,713	1,088,453,056	1,580,663,372	1,429,120,653
Other long-term investments (net)	18	170,863,465	172,447,736	116,716,296	118,300,567
Investment properties (net)	19	1,812,284,138	1,813,601,994	-	-
Property, plant and equipment (net)	20	8,255,833,161	6,848,766,181	3,735,648,839	3,688,312,009
Advance payment for fixed assets		34,860,043	77,631,816	4,636,915	369,807
Intangible assets (net)	21	181,961,136	142,616,698	69,483,641	72,200,749
Land leasehold rights and leased buildings (net)	22	2,232,117,700	2,271,893,072	10,597,260	11,397,260
Down payment for land leasehold rights	22	3,000,000	2,000,000	-	-
Deferred tax assets (net)	23	171,655,146	120,322,614	-	-
Prepaid rental	22	50,365,460	53,813,747	-	-
Other non-current assets		22,790,065	14,937,853	631,600	532,178
Total non-current assets		15,260,074,952	13,659,110,158	11,904,796,870	11,601,498,603
Total assets		20,284,992,143	17,926,931,481	19,038,985,215	16,957,793,991

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.





Thonburi Healthcare Group Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	29				
Authorised share capital					
849,080,000 ordinary shares of Baht 1 each		849,080,000	849,080,000	849,080,000	849,080,000
Issued and fully paid-up share capital					
849,080,000 ordinary shares of Baht 1 each		849,080,000	849,080,000	849,080,000	849,080,000
Share premium on issue of ordinary shares (net)	29	6,861,242,864	6,861,242,864	6,861,242,864	6,861,242,864
Retained earnings					
Appropriated - legal reserve	30	112,524,039	112,524,039	112,524,039	112,524,039
Unappropriated		1,158,459,033	1,066,997,493	1,836,340,519	1,509,503,153
Surplus (deficit) from additional investments in subsidiaries		(1,099,805,884)	(1,099,805,884)	-	-
Other components of equity		414,127,156	426,881,040	361,453,126	438,852,865
Equity attributable to owners of the parent		8,295,627,208	8,216,919,552	10,020,640,548	9,771,202,921
Non-controlling interests	32	485,861,477	508,964,985	-	-
Total equity		8,781,488,685	8,725,884,537	10,020,640,548	9,771,202,921
Total liabilities and equity		20,284,992,143	17,926,931,481	19,038,985,215	16,957,793,991

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues					
Revenue from hospital operations		6,750,091,809	5,794,962,004	5,161,073,226	5,107,172,377
Revenue from sales of goods		317,815,344	396,425,369	-	-
Revenue from other services		735,926,071	819,996,592	444,827,162	493,758,986
Revenue from sales of condominium unit		428,325,994	82,807,876	-	-
Cost of hospital operations	34	(5,234,688,290)	(4,156,424,472)	(3,783,562,713)	(3,629,680,215)
Cost of goods sold	34	(202,629,791)	(272,488,886)	-	-
Cost of other services	34	(647,095,777)	(698,899,236)	(437,370,266)	(443,570,170)
Cost of condominium unit sold		(281,261,233)	(57,765,006)	-	-
Gross profit		1,866,484,127	1,908,614,241	1,384,967,409	1,527,680,978
Other income	33	416,463,536	201,601,030	591,486,708	273,212,744
Profit before expense		2,282,937,663	2,110,215,271	1,976,454,117	1,800,893,722
Selling expenses	34	(223,529,243)	(264,276,345)	(73,434,112)	(81,023,799)
Administrative expenses	34	(1,173,590,621)	(1,114,266,920)	(694,986,109)	(638,624,786)
Loss on impairment of investment in joint venture and other long-term investments		(2,384,978)	-	(102,384,978)	-
Other gains (losses)		(7,854,674)	(1,019,119)	(10,109,841)	(2,593,380)
- Net loss on exchange rate		(2,362,891)	(10,825,535)	(604,781)	(181,759)
Other expenses		(216,083,581)	(144,097,391)	(233,540,236)	(159,271,311)
Finance costs	35				
Share of profit from investments in associates	15 a)	50,594,633	40,872,483	-	-
Share of loss from investments in joint ventures	17	(117,850,009)	(133,216,058)	-	-
Profit before income tax		599,886,299	483,386,386	861,394,060	919,198,687
Income tax	36	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)
Profit for the year		469,766,375	366,679,130	692,287,000	758,727,649

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.



Thonburi Healthcare Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Other comprehensive income					
Item that will not be subsequently reclassified to profit or loss					
- Remeasurements of employee benefit obligations	28	6,581,882	(80,772,079)	16,636,366	(77,012,344)
Item that will be subsequently reclassified to profit or loss					
- Unrealised gain (loss) on measurement of available-for-sale investments	8, 14	(93,403,791)	(138,811,729)	(92,590,582)	(139,424,493)
- Share of other comprehensive income of joint ventures accounted for using the equity method	17	63,919,947	(18,652,915)	-	-
Income tax relating to components of other comprehensive income	23	17,364,382	43,916,762	15,190,843	43,287,367
Other comprehensive income (expense) for the year - net of tax		<u>(5,537,580)</u>	<u>(194,319,961)</u>	<u>(60,763,373)</u>	<u>(173,149,470)</u>
Total comprehensive income for the year		<u>454,228,795</u>	<u>172,359,169</u>	<u>631,523,627</u>	<u>585,578,179</u>
Profit attributable to:					
Owners of the parent		462,387,421	347,599,923	692,287,000	758,727,649
Non-controlling interests		<u>(2,621,046)</u>	<u>19,079,207</u>	<u>-</u>	<u>-</u>
		<u>459,766,375</u>	<u>366,679,130</u>	<u>692,287,000</u>	<u>758,727,649</u>
Total comprehensive income attributable to:					
Owners of the parent		460,793,656	153,910,534	631,523,627	585,578,179
Non-controlling interests		<u>(6,564,861)</u>	<u>18,448,635</u>	<u>-</u>	<u>-</u>
		<u>454,228,795</u>	<u>172,359,169</u>	<u>631,523,627</u>	<u>585,578,179</u>
Basic earnings per share					
Basic earnings per share to attributable to owners of the parent (Baht)	37	<u>0.55</u>	<u>0.41</u>	<u>0.82</u>	<u>0.89</u>
Weighted average number of ordinary shares (shares)		<u>849,080,000</u>	<u>849,080,000</u>	<u>849,080,000</u>	<u>849,080,000</u>

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.



Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements (Baht)												
Attributable to owners of the parent												
Other components of equity												
Other comprehensive income												
Share of other												
	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated - legal reserve	Unappropriated	Surplus (deficit) from additional investments in subsidiaries	Unrealised gain (loss) on measurement of available-for-sale investments	Share of other comprehensive income of joint ventures accounted for using the equity method	Income tax relating to components of other comprehensive income	Total other components of equity	Total owners of the parent	Non- controlling interests	Total equity
Opening balance as at 1 January 2018												
	849,080,000	6,861,242,864	112,524,039	1,138,693,486	(1,099,295,760)	667,061,498	4,691,437	(130,846,422)	540,906,513	8,403,151,142	261,652,498	8,664,803,640
Changes in equity for the year 2018												
Dividend payment	31	-	-	(339,632,000)	-	-	-	-	-	(339,632,000)	-	(339,632,000)
Loss on additionally invested in subsidiary		-	-	-	(510,124)	-	-	-	-	(510,124)	-	(510,124)
Increase (decrease) in non-controlling interests from												
- dividend payment of subsidiary	32	-	-	-	-	-	-	-	-	-	(9,263,298)	(9,263,298)
- investment in subsidiary	32	-	-	-	-	-	-	-	-	-	261,284,525	261,284,525
- change in shareholding interest in subsidiary		-	-	-	-	-	-	-	-	-	(23,157,375)	(23,157,375)
Total comprehensive income for the year		-	-	267,936,007	-	(139,131,678)	(18,652,915)	43,759,120	(114,025,473)	153,910,534	18,448,635	172,359,169
Closing balance as at 31 December 2018												
	849,080,000	6,861,242,864	112,524,039	1,066,997,493	(1,099,805,884)	527,929,820	(13,961,478)	(87,087,302)	426,881,040	8,216,919,552	508,964,985	8,725,884,537

The accompanying notes on pages 19 to 111 are an integral part of these consolidated and separate financial statements.





Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements (Baht)													
Attributable to owners of the parent													
Other components of equity													
Other comprehensive income													
Share of other comprehensive income of joint ventures accounted for using the equity method													
Income tax relating to components of other comprehensive income													
Total other components of equity													
Total owners of the parent													
Non-controlling interests													
Total equity													
Notes	Authorised, issued and fully paid-up share capital	Share premium on ordinary shares	Retained earnings Appropriated - legal reserve	Unappropriated	Surplus (deficit) from additional investments in subsidiaries	Unrealised gain (loss) on measurement of available-for-sale investments	Income of joint ventures accounted for using the equity method	Income tax relating to components of other comprehensive income	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity	
	849,080,000	6,861,242,864	112,524,039	1,066,997,493	(1,099,805,884)	527,929,820	(13,961,478)	(87,087,302)	426,881,040	8,216,919,552	508,964,985	8,725,884,537	
31	-	-	-	(382,086,000)	-	-	-	-	-	(382,086,000)	-	(382,086,000)	
32	-	-	-	-	-	-	-	-	-	-	(16,673,937)	(16,673,937)	
32	-	-	-	-	-	-	-	-	-	-	135,290	135,290	
Total comprehensive income for the year											(6,564,861)	454,228,795	
Closing balance as at 31 December 2019											8,295,627,208	485,861,477	8,781,488,685

Thonburi Healthcare Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Separate financial statements (Baht)									
		Other components of equity							
		Other comprehensive income				Income tax			
		Unrealised gain (loss) on measurement of available-for-sale investments		comprehensive income		Total other components of equity			
		Retained earnings		Unappropriated					
		Appropriated - legal reserve							
		Share premium on ordinary shares							
Authorised, issued and fully paid-up share capital									
Notes									
Opening balance as at 1 January 2018									
Changes in equity for the year 2018									
Dividend payment									
Total comprehensive income for the year									
Closing balance as at 31 December 2018									
Opening balance as at 1 January 2019									
Changes in equity for the year 2019									
Dividend payment									
Total comprehensive income for the year									
Closing balance as at 31 December 2019									



Thonburi Healthcare Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal of subsidiaries)					
Trade and other accounts receivable		(477,389,923)	(165,179,656)	(32,632,515)	(29,071,984)
Inventories		(244,357,607)	(931,521,187)	(4,206,450)	8,749,330
Cost of developing holistic care project		(99,493,443)	(307,451,846)	-	-
Other current assets		(1,768,586)	893,174	2,212,353	2,065,026
Other non-current assets		(4,927,949)	(3,795,156)	(89,422)	(35,235)
Trade and other accounts payable		(259,033,393)	407,032,230	5,371,954	28,697,148
Value added tax		(9,447,009)	(8,183,334)	352,015	1,340,341
Other current liabilities		11,525,437	3,113,759	1,347,826	(2,284,987)
Other non-current liabilities		(1,256,915)	301,325	-	-
Employee benefit obligations paid	28	(28,262,079)	(18,644,470)	(22,275,086)	(16,253,700)
Cash generated from operating activities		241,717,153	109,648,973	1,036,980,913	1,147,988,129
Interest income received		2,261,627	1,608,631	125,840,792	52,684,236
Finance costs paid		(202,408,014)	(130,064,213)	(225,376,604)	(145,730,066)
Income tax paid		(212,834,119)	(158,054,285)	(182,842,649)	(144,894,671)
Net cash generated from (used in) operating activities		(171,263,353)	(176,859,904)	754,602,452	910,047,688

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.

Thonburi Healthcare Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

Notes	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before income tax	589,886,299	483,386,386	861,384,060	919,198,687
Adjustments				
- Allowance for (reversal of) doubtful accounts in trade and other accounts receivable	9	21,408,675	17,337,216	10,621,180
- obsolete inventories	10	(446,304)	(721,048)	18,925
- impairment of property, plant and equipment	20	(4,819,475)	9,601,882	-
- impairment of other long-term investment	18	2,394,978	-	-
- impairment of investment in joint ventures	17	-	2,384,978	-
Gain from investment in a subsidiary	16 d)	-	100,000,000	-
(Gain) loss on disposal of				
- short-term investments	33	(2,828,290)	(5,995,314)	(5,995,314)
- other long-term investments	33	(277,881,368)	(52,479,110)	(52,479,110)
Unrealised loss on exchange rate		3,632,921	3,632,921	-
Loss from liquidation of investment in a subsidiary		135,290	-	-
Share of profit from investments in associates	15 a)	(50,594,633)	(40,872,483)	-
Share of loss from investments in joint ventures	17 b)	117,850,009	133,216,658	-
Write-off of bad debts	9	7,238,793	-	7,238,793
Depreciation	19, 20, 34	463,875,806	323,115,352	268,014,061
Amortisation	21, 22, 34	148,949,254	143,091,724	11,742,370
Amortisation of prepaid rental		3,448,287	2,586,215	-
Write-off of tax payable		-	(28,846,154)	-
Net gain (loss) on disposal of property, plant and equipment and intangible assets		(532,101)	(506,961)	(91,099)
Loss on write-off of property, plant and equipment and intangible assets		8,139,136	864,463	338,194
Loss from write-off of non-refundable deposit		-	360,000	-
Employee benefit obligations	28	146,545,568	42,718,928	116,467,159
Dividend income	33	(32,340,368)	(29,928,725)	(74,135,007)
Interest income	33	(5,987,771)	(2,155,273)	(183,109,613)
Finance costs	35	216,933,581	144,097,381	233,540,236
		1,356,148,609	1,133,084,114	1,086,909,238
				1,154,790,960

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.



Thonburi Healthcare Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

Notes	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities				
(Increase) decrease in short-term investments at financial institutions	(5,428)	(5,372)	-	-
Short-term investments - proceeds	163,695,540	100,000,000	-	100,000,000
Short-term investments - payments	(95,000,000)	(100,000,000)	-	-
(Increase) decrease in restricted deposits				
at financial institutions	14,158	1,225,696	-	2,552,700
Long-term investments in equity securities - proceeds	283,027,276	1,896	283,027,276	1,896
Investments in associates - payments	(51,787,802)	(5,778,000)	(51,787,802)	(5,778,000)
Investments in subsidiaries - payments	-	(34,723,853)	(150,000,000)	(311,988,226)
Investments in joint ventures - payment	(251,542,719)	(479,946,997)	(251,542,719)	(479,946,997)
Other long-term investments - proceeds	-	82,173,910	-	82,173,910
Other long-term investments - payments	(800,707)	(5,600,000)	(800,707)	-
Cash payments for purchase of				
- property, plant and equipment	(2,153,047,297)	(1,229,814,757)	(320,200,543)	(317,330,020)
- intangible assets	(75,664,717)	(57,051,150)	(8,592,552)	(5,764,730)
- land leasehold rights and leased buildings	(32,600,000)	(32,000,000)	-	-
Cash payments for purchase assets of Bannung Maung Plaza Co., Ltd.	-	(5,295,726)	-	-
Proceeds from disposals of property, plant and equipment (net) and intangible assets (net)	1,415,206	1,051,982	392,211	498,594
Prepaid rental - payment	-	(68,991,300)	-	-
Short-term loan to related companies				
- proceeds	-	-	820,019,658	5,000,000
- payments	-	(40,106,960)	(2,502,000,000)	(2,188,106,960)
Dividend received from investments in subsidiaries, associates, other companies and available-for-sale	51,517,152	47,947,264	73,243,215	59,893,966
Net cash used in investing activities	(2,160,789,338)	(1,826,913,367)	(2,107,751,993)	(3,038,803,867)

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.



Notes	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(35,724,336)	2,611,804,988	(3,000,000)	2,583,000,000
Short-term loans from a related party - proceeds	-	-	15,000,000	-
Short-term loans from a related party - payments	-	-	(15,000,000)	-
Long-term loans from financial institutions - proceeds	3,120,000,000	-	2,200,000,000	-
Long-term loans from financial institutions - payments	(425,000,000)	(100,000,000)	(425,000,000)	(100,000,000)
Cash payments for prepaid front-end fee	(4,750,000)	-	(3,650,000)	-
Finance lease liabilities payment	(4,873,183)	(3,266,113)	(3,310,371)	(2,854,265)
Dividends paid	(379,865,866)	(335,628,177)	(379,865,866)	(335,628,177)
Dividends of subsidiaries paid to non-controlling interests	(16,760,066)	(9,501,313)	-	-
Net cash generated from financing activities	2,253,026,529	2,163,408,385	1,385,173,763	2,144,516,558
Net increase (decrease) in cash and cash equivalents	(79,026,162)	158,635,114	32,024,222	15,780,379
Cash and cash equivalents at the beginning of the year	741,504,076	581,868,962	386,556,495	372,825,116
Cash and cash equivalents at the end of the year	662,477,914	741,504,076	420,609,717	386,556,495

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.



Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

1 General information

Thonburi Healthcare Group Public Company Limited ("the Company") is a public company limited which listed in the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The addresses of the Company's registered offices are as follows:

Head office : 34/1, Issaraphap Road, Banchanglor, Bangkoknoi, Bangkok 10700
Branch 1 : 43/4, Borommaratchachonnani Road, Salahtamasop, Thawiathana, Bangkok 10170
Branch 2 : 18, Anuphaphuketkam Road, Taladyai, Muang Phuket, Phuket 83000
Branch 3 : 261/40 Moo 10, Nongprue Banglamung, Chonburi 20150

The Company's principal business operation is to provide hospital operations. The Company's subsidiaries' principal business operations are described in Note 16. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

According to letter from the Stock Exchange of Thailand (SET) dated 7 December 2017, the SET's Board of Governors approved the ordinary shares of Thonburi Healthcare Group Public Company Limited in The Stock Exchange of Thailand, and classified in Services / Health Care Services under named "THG".

The consolidated and separate financial statements were authorised for issue by the board of directors on 27 February 2020.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except where otherwise disclosed in the accounting policies.

The preparation of the consolidated and separate financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Thonburi Healthcare Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

Notes	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Non-cash transactions				
Receivable from sales of equipment	22,500	22,500	-	-
Payables from purchase during the year				
- property plant and equipment	470,032,635	896,562,227	45,345,642	44,944,550
- intangible assets	1,982,534	15,889,300	132,680	-
- land leasehold rights	61,200,000	-	-	-
- fixed asset under finance lease liabilities (net)	126,761,682	2,034,039	6,729,059	1,526,873
- intangible asset under finance lease liabilities (net)	669,062	-	-	-
Retention payable	141,400,085	69,708,079	6,338,752	12,972,451
Dividend payable - other companies	14,814,924	12,680,839	14,418,279	12,198,145
Transfer land to cost of development holistic care project	6,704,580	27,602,093	-	-
Transfer land to inventory	6,792,089	-	-	-
Transfer liabilities under finance lease (net)	-	87,611	-	-
Reclassify from long-term loan to short-term loan	-	-	-	81,300,000

The accompanying notes on pages 18 to 114 are an integral part of these consolidated and separate financial statements.



2.2	Accounting policies (Cont'd)	
	2.2.1 New and amended financial reporting standards that are relevant and have significant impacts to the Group	
2.2	New and amended financial reporting standards that are relevant and have significant impacts to the Group	
	2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019	
a)	Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers	
	The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.	
	The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.	
	The adoption of TFRS 15 mainly affects the Group's accounting treatment significantly including real estate business due to the selling price included various premium such as free furniture, medical services, transfer fee, common expenses, etc. In case that the Group has not delivered the premium and has not provided services to customers yet, the Group has to improve revenue from the sales of real estate for such premium and record the such amount as deferred revenue from condominium unit sold. For transfer fee and common expenses are considered as consideration paid by the Group to the customers. Therefore, the Group has classified such expenses by deducting revenue from sales of condominium units.	
	The Group's management assessed and considered that the impact from adoption of Thai Financial Reporting Standards no.15 do not have a significant impact on the Group. So, management considered not to adjust impact from Thai Financial Reporting Standards no.15 that affected to brought forward retained earnings as at 1 January 2019.	
	The following tables show the amounts of affected line items in the current year from the adoption of TFRS 15 compared to the previous revenue recognition standards.	
	Statement of financial position	Consolidated financial statements
		As at 31 December 2019
	Trade and other accounts payable	Amounts under the previous financial reporting standards
		Amounts as reported Baht
		Impacts from TFRS 15 Baht
		Baht
		1,597,685,887 (16,549,445) 1,581,136,442
		Consolidated financial statements
		For the year ended 31 December 2019
		Amounts under the previous financial reporting standards
		Amounts as reported Baht
		Impacts from TFRS 15 Baht
		Baht
		428,325,994 19,062,941 447,388,935
		317,815,344 1,456,607 319,271,951
		(281,261,233) 2,191,241 (279,069,992)
		(223,529,243) (105,343) (328,872,586)
		(1,173,580,621) (6,056,000) (1,179,636,621)
		Administrative expenses
		Revenue from sales of condominium unit
		Revenue from sales of goods
		Cost of condominium unit sold
		Selling expenses
		Administrative expenses
		Revenue from sales of condominium unit
		Revenue from sales of goods
		Cost of condominium unit sold
		Selling expenses
		Administrative expenses



Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Significant accounting policies (Cont'd)

2.3 Foreign currency translation

- (a) Functional and presentation currency
- The consolidated financial statements are presented in Thai Baht, which is the Company's and the Group's functional and the Company's the Group's presentation currency.
- (b) Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.
- When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in the profit or loss.
- (c) Group companies
- The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
 - Income and expenses for each statement of comprehensive income are translated at average exchange rates and
 - All resulting exchange differences are recognised as a separate component of equity in the statement of comprehensive income.
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the dosing rate.

2.4 Cash and cash equivalents

In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from date of acquisition and are not used as collateral.

In the consolidated and separate statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year-end which is generally based on collection experience and analysis of aged receivables at the end of period. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within administrative expenses.

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2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group. (Cont'd)

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

- TAS 12 Income tax
- TAS 19 Employee benefits
- TAS 23 Borrowing cost
- TAS 28 Investments in associates and joint ventures
- IFRS 3 Business combinations
- IFRS 11 Joint arrangements
- IFRIC 23 Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to IFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to IFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in the joint operation.

IFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, is that detection risk should be ignored;
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group did not early adopt new and amended financial reporting standards that are effective on 1 January 2020. The Group's management is currently assessing the impact of such financial reporting standards on the Group.





2 Accounting policies (Cont'd)

2.6 Inventories

Inventories are stated in the statement of financial position on the following basis:

- Medicines and medical supplies and medical equipment are stated at the lower of weighted average cost or net realisable value.
- Supplies are stated at weighted average cost and recognised in cost of hospital operations whenever consumed.
- Finished goods are stated at the lower of weighted average cost or net realisable value.
- Condominium unit for sales are stated at the lower of specific cost method or net realisable value.

The cost of purchase comprises both the purchase price, construction cost and other direct cost which related to construction and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebate from discount coupon. Net realisable value is the estimate of the selling price in the ordinary course of business less cost of completions and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories and recognised within cost of hospital operations, cost of goods sold and cost of condominium unit sold.

2.7 Cost of developing holistic care project

Cost of developing holistic care project is stated at cost less allowance for loss on projects. Costs include cost of land, cost of land development, costs of constructions of real estate projects and infrastructure and related borrowing costs.

The Group recognises the transfer from cost of developing holistic care project into inventories when the construction is completed.

2.8 Non-current assets classified as held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

2.9 Investments in subsidiaries, associates and joint ventures

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases in such subsidiaries.

The Group applies the acquisition method to account for business combinations, except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measure are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

2 Accounting policies (Cont'd)

2.9 Investments in subsidiaries, associates and joint ventures (Cont'd)

a) Subsidiaries (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less allowance for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries is set out in Note 16.

b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

d) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).





2 Accounting policies (Cont'd)

2.9 Investments in subsidiaries, associates and joint ventures (Cont'd)

e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

g) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associates and joint ventures is recognise in profit or loss

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

h) Separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.10 Other investments

Investments other than investments in subsidiaries, associates and joint arrangements are classified into the following three categories: (1) available-for-sale investments (2) held-to-maturity investments and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

(3) General investments are investments in non-marketable equity securities.

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of available-for-sale investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Thai Bond Dealing Center. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is greater than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

In the event the Group reclassifies investments from one type to another, such investments will be re-valued to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gain or loss in the profit or loss or recorded as surplus (deficit) from changes in the value of investments in equity, depending on the type of investment that is reclassified.

2.11 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land and building held under operating leases is classified and accounted for by the Group as investment property when the rate of the definition of investment property is met. The operating lease is accounted for as if it were a financial lease.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment properties are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspend if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.





2 Accounting policies (Cont'd)

2.11 Investment Property (Cont'd)

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings 20 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land and unutilised land in operation have not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset to their residual value over the estimate useful lives as follows:

Buildings 10 - 50 Years
Building improvement and utilities systems 5 - 20 Years
Medical tools and equipment 4 - 10 Years
Tools and equipment 5 - 10 Years
Furniture and office equipment 3 - 10 Years
Motor vehicles 5 - 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses, respectively, in the profit or loss.

2.13 Goodwill

Goodwill on acquisitions of subsidiaries (Note 2.9) is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2 Accounting policies (Cont'd)

2.14 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 5 to 10 years.

2.15 Land leasehold rights and leased buildings

Acquired land leasehold rights and leased buildings is identifiable and is recorded at the acquisition cost and other cost paid for the land and buildings to be ready to use. The cost is amortised over the estimated useful life follow the lease contract.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is a weighted average interest rate applicable to the outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of assets, the amount of borrowing costs eligible for capitalisation on the asset is determined at the actual borrowing cost incurred on the borrowing during the period less any investment income on the temporary investments of those borrowings.

2.17 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.





2 Accounting policies (Cont'd)

2.18 Accounting for long-term leases

Finance leases - where the Group is the lessee

Leases of property, plant and equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to principal and to finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease is depreciated over the shorter of the useful life of the asset or lease term.

Operating leases - where the Group is the lessee

Leases where the lessor has substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Operating leases - where the Group is the lessor

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with the Group's investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.19 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.20 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 Accounting policies (Cont'd)

2.20 Current and deferred income taxes (Cont'd)

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, deferred income tax is not recognised for temporary differences arise from:

- Initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- Investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

The Group recognises a liability and an expense for bonuses and employee benefit obligations. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group's employee benefits comprise of defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity through trustee-administered funds. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan comprise of retirement benefit and long service award. Typically defined benefit plan defined an amount of pension benefit that an employee will receive which usually dependent on one or more factors such as age, years of service, compensation, discount rate and value of award.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurement gains and losses arising from experience adjustments or changes in actuarial assumptions are recognised as follows:

- For retirement benefit, charged or credited to equity in other comprehensive income in the period which they arise.
- For long service award, charged to profit or loss in which they arise.

Past-service costs are recognised immediately in profit or loss.





2 Accounting policies (Cont'd)

2.22 Provident fund

The Group established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530 by joining a registered - pooled fund which was approved by Ministry of Finance. The fund is held in a separate trustee - administered fund.

Under the provident fund plan, the employees must contribute 3%, 4% and 5% of their basic salary and the Group also contributes 3%, 4% and 5% of the employees' basic salary. The fund appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulations issued under the Provident Fund Act B.E. 2530.

The Group's contributions to the provident fund are charged to profit or loss in the year to which they relate.

2.23 Provisions - general

The Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions exclude the employee benefit obligations. The accounting policy for employee benefit obligations are mentioned in note 2.21.

2.24 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments at financial institutions, short-term investments, trade and other accounts receivable (net), short-term loans to related companies, certain parts of other current assets, restricted deposits at financial institutions and other non-current assets. Financial liabilities carried on the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other accounts payable, short-term loans from related parties, certain parts of other current liabilities, long-term loans from financial institutions and finance lease liabilities (net). The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

2.25 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.26 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Revenue from hospital operations of the Group, consisting of medical fees, hospital room sales, and medicine sales, are recognised as revenue when services have been rendered or medicine delivered.

2 Accounting policies (Cont'd)

2.26 Revenue recognition (Cont'd)

Revenue from sale of goods are recognised when control of the products has transferred which is when the products are shipped to the specific location.

Revenue from services of the Group is recognised based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Revenue of subsidiary from development of hospital operation software. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Revenue of subsidiary from sales of condominium units are recognised upon the control of the title ships to buyer. Installment under the contract is shown as deposits and advance received from customers.

Other revenues are recognised on the following bases:

- Consultation and management income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Dividend income is recognised when the Group's right to receive dividend is established.
- Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Rental income is recognised by using straight line method over the contractual period.
- Membership income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Other income is recognised when the Group has right to received.

2.27 Finance costs

Finance costs comprise interest expense from borrowings from financial institutions, borrowings from related parties, interest expense from finance lease liabilities and loans guarantee fees from borrowings.

2.28 Dividend payment

Dividends and interim dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders and board of directors, respectively.



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2 Accounting policies (Cont'd)

2.29 Segment reporting

Consolidated financial statements

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's business operations are in the same geographic area which is in Thailand. These has been presented segment information by business only.

Separate financial statements

The Company operates only one segment which is hospital operation that consists of inpatient department and outpatient department and is in the one geographic area which is Thailand. Managements consider to present its business operations in one segment which is hospital operation. Hence, revenue, profit from operations and assets are presented as segment in financial statements.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk, foreign exchange risk and interest rate risk.

3.1.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underline business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.2 Credit risk

Credit risk is the risk that one party will fail to fulfill the obligations specified in the contract and caused the other party financial damage.

The Group's revenue mainly is medical service. To manage credit risk, the Group has set the threshold level of reliability of customers. In addition, trade receivables are mostly insurance companies who are stable and doing business together for a long time. Therefore, the management considered that the credit risk on trade receivables is low.

3.1.3 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in market foreign exchange rate.

The Group has exposure to foreign currency exchange fluctuations on import purchasing of goods. The Group has made forward exchange contracts to hedge the risk of fluctuations in foreign currency exchange rates as appropriate with situation at the moment.

3.1.4 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its future cash flow. The Group has no significant interest-bearing assets. Hence, the management consider that the Group has low interest rate risk. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The management believe that effect of interest rate fluctuation on long-term borrowing agreements with financial institutions will not materially affect the Group.

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.4 Interest rate risk (Cont'd)

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 December 2019 and 2018 as follows: (Cont'd)

	2018											
	Consolidated financial statements						Separate financial statements					
	Fixed interest rate			Non-interest bearing rate Baht	Floating interest rate Baht	Interest (%)	Fixed interest rate			Non-interest bearing rate Baht	Floating interest rate Baht	Interest (%)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht				Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets												
Cash and cash equivalents	3,257,290	-	-	160,988,833	741,504,076	0.12 - 1.10	2,620,252	-	237,872,854	148,092,389	388,585,495	0.12 - 1.00
Short-term investments at financial institutions	22,356	-	-	-	22,356	1.00 - 1.05	-	-	-	21,530,466	21,530,466	-
Short-term investments	-	-	-	144,044,436	144,044,436	-	-	-	-	-	-	-
Trade and other accounts receivable (net)	-	-	-	852,030,938	852,030,938	-	-	-	-	841,966,398	841,966,398	-
Short-term loan to related parties	40,106,960	-	-	-	40,106,960	as agreed	4,013,084,205	-	-	-	4,013,084,205	as agreed
Restricted deposits at financial institutions	8,280,347	-	-	-	8,706,447	0.37 - 1.05	-	-	-	-	-	-
	51,666,953	-	-	1,157,044,207	1,786,415,213		4,015,704,457	-	237,872,854	1,011,589,253	5,265,166,564	
Financial liabilities												
Bank overdrafts and short-term loans from financial institutions	2,720,896,896	-	-	-	2,740,861,663	Ref. Interest rate Financial Market and MLR	2,583,000,000	-	-	-	2,583,000,000	Ref. Interest rate Financial Market and MLR
Trade and other accounts payable	-	-	-	1,962,845,026	1,962,845,026	as agreed	-	-	-	667,525,114	667,525,114	-
Fixed assets payable	-	155,280,815	-	-	155,280,815	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	-	3,443,716,325	-	3,443,716,325	MLR	-	-	3,443,716,325	-	3,443,716,325	MLR
Finance lease liabilities (net)	3,151,914	8,167,427	-	2,000,000	11,319,341	3.85 - 7.03	2,857,376	8,089,257	-	-	10,946,633	3.85 - 5.28
Liabilities under land leasehold rights	2,724,048,810	163,448,242	-	-	2,000,000	-	-	-	-	-	-	-
			-	3,463,681,092	8,316,023,170		2,585,857,376	8,089,257	-	667,525,114	6,706,188,072	



4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Employee benefit obligations

The present value of employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 28.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimate losses which are expected to occur for uncollectable accounts receivable. The Group considers allowance for doubtful accounts based on historical collection experience and analysis of receivable at year-end.

Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilization of the past tax losses and assessed the estimation on a conservative basis.

Allowance for impairment of investment

In determining an allowance for impairment of investment, the managements need to make judgements and estimates the impairment loss when the indications of impairment arise (Note 16, 17 and 18).

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the plant and equipment and to review estimate useful lives and salvage 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 loss in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenue and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Provisions

The Group has liabilities that may arise from being sued for damages. The management uses judgment to assess the outcome of the case in which the Group has been charged. If the management considers that there may be damage occurred, the Group recorded a provision for losses that might arise in such circumstances. If management determines and believes that the group will not be damaged, the Group does not record contingent liabilities as at the end of the accounting period.

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 39.4.

3.3 Fair value estimation

The table below presents financial assets and liabilities that are measured at fair value, excluding where its value is approximating the carrying amount.

The different levels have been defined as follows:

- Level 1: The fair of financial instruments is based on the current bid price by reference to security market.
- Level 2: The fair value of financial instruments is determined using significant observable input and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data

	Level	Fair value		Separate financial statements	
		Consolidated financial statements		2019	2018
		Baht	Baht	Baht	Baht
Assets					
as at 31 December					
Available-for-sale investments					
(Note 8, 14)	1	560,187,228	724,604,177	504,353,717	602,080,207

There were no transfers between levels 1 and 2 during the year.

The Group discloses fair value of investment properties and long-term loans from financial institutions in Note 19 and 26, respectively.



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5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.



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6 Segment information

The Group's business operations involve five principle segments : (1) hospital operations (2) hospital management (3) healthcare solution provider (4) development and sales of hospital operation software and (5) property development. Below is a certain part of the consolidated financial statements of the Group for the years ended 31 December 2019 and 2018:

	Certain part of the consolidated statements of comprehensive income for the years ended 31 December 2019 and 2018 (Baht)									
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from hospital operations	6,766,607,378	5,802,701,768	-	-	-	-	-	-	6,750,091,809	5,794,962,004
Revenue from sale of goods	-	-	-	-	328,073,199	431,929,887	-	-	317,815,344	396,425,389
Revenue from other services	2,822,000	14,386,434	718,310,805	770,897,627	10,330,020	12,651,519	32,468,989	32,688,155	735,926,071	819,995,592
Revenue from sales of condominium unit	-	-	-	-	428,325,994	82,807,876	-	-	428,325,994	82,807,876
Cost of hospital operations	(5,194,848,622)	(4,160,658,902)	-	-	-	-	-	-	(5,234,688,290)	(4,196,424,472)
Cost of goods sold	-	-	-	-	(205,188,091)	(290,706,168)	-	-	(202,629,791)	(272,488,896)
Cost of other services	(2,822,000)	(17,265,924)	(645,742,068)	(675,868,615)	(7,686,953)	(6,027,636)	(16,721,150)	(16,223,330)	(647,095,771)	(698,889,236)
Cost of condominium unit sold	-	-	-	-	(284,635,912)	(57,765,006)	-	-	(281,261,233)	(57,765,006)
Segment income	1,571,758,756	1,639,163,376	72,568,737	96,039,012	269,218,257	172,890,482	15,747,839	16,464,825	1,866,484,127	1,908,614,241
Unallocated revenues and expenses :										
Other income	-	-	-	-	-	-	-	-	416,453,536	201,601,030
Selling and administrative expenses	-	-	-	-	-	-	-	-	(1,397,109,864)	(1,378,543,265)
Loss on impairment of investment	-	-	-	-	-	-	-	-	(2,384,978)	-
Net gain (loss) on exchange rate	-	-	-	-	-	-	-	-	(7,854,674)	(1,019,119)
Other expenses	-	-	-	-	-	-	-	-	(2,362,891)	(10,825,535)
Finance costs	-	-	-	-	-	-	-	-	(216,083,581)	(144,087,391)
Share of profit (loss) from investment in	-	-	-	-	-	-	-	-	50,594,633	40,872,483
- associates	-	-	-	-	-	-	-	-	(117,850,009)	(133,216,058)
- joint ventures	-	-	-	-	-	-	-	-	(130,119,924)	(116,707,256)
Income tax	-	-	-	-	-	-	-	-	459,766,375	366,679,130
Net profit for the year	-	-	-	-	755,116,420	513,356,488	-	-	744,858,565	477,851,959
Timing of revenue recognition:										
At a point in time	6,769,429,378	5,817,088,202	718,310,805	770,897,627	11,612,793	14,032,804	32,468,989	32,688,155	7,487,300,653	6,616,339,882
Over time	-	-	-	-	-	-	-	-	(18,386,906)	-
	6,769,429,378	5,817,088,202	718,310,805	770,897,627	11,612,793	14,032,804	32,468,989	32,688,155	8,232,159,218	7,094,191,841

For separate financial statements, the Company's revenue are recognised overtime.

The segment revenue information for the year ended 31 December 2018 has been prepared in accordance with TAS 11 and TAS 18 (old revenue recognition standards). Therefore, the segment revenue information presented in the current and prior years are not comparable. The comparable revenue information is disclosed in note 2.2.1





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6 Segment information (Cont'd)

The Group's business operations involve five principle segments : (1) hospital operations (2) hospital management (3) healthcare solution provider (4) development and sales of hospital operation software and (5) property development. Below is a certain part of the consolidated financial statements of the Group for the years ended 31 December 2019 and 2018. (Cont'd)

Certain part of the consolidated statements of financial position as at 31 December 2019 and 2018 (Baht)														
	Hospital operations		Hospital management		Healthcare solution provider		Development and sales of hospital operation software		Property development		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Segment assets	9,441,807,754	6,467,779,152	576,599,606	661,423,512	3,490,906,666	3,259,650,479	30,489,048	23,778,432	4,988,480	10,455,139	827,093,183	927,029,602	14,371,164,737	11,350,116,316
Investments at equity method	2,013,150,674	1,809,810,153									(181,403,831)	(257,989,894)	1,831,746,843	1,551,810,259
Unallocated assets	13,248,992,315	12,591,918,962	168,174,607	149,432,050	841,503,643	487,473,641	300,000	2,805	1,846,487,548	1,822,565,548	(12,023,377,550)	(10,026,388,100)	4,082,080,563	5,025,004,906
	24,703,950,743	20,869,508,267	744,774,213	810,855,562	4,332,410,309	3,747,124,120	30,789,048	23,781,237	1,851,476,028	1,833,020,687	(11,377,688,198)	(9,357,358,392)	20,284,992,143	17,926,931,481
Total assets														
Segment liabilities	5,223,933,831	4,012,275,687	147,747,038	176,881,041	254,575,525	615,672,536	14,467,528	8,996,570	5,108,527	5,244,914	(150,549,111)	(89,553,991)	5,495,283,338	4,729,516,757
Unallocated liabilities	7,553,682,245	5,014,553,691	51,185,405	119,948,441	2,991,191,405	2,156,352,808	26,096,895	26,074,360	1,715,386,943	1,674,385,832	(6,329,322,773)	(4,519,784,945)	6,008,220,120	4,471,530,187
	12,777,616,076	9,026,829,378	198,932,443	296,829,482	3,245,766,930	2,772,025,344	40,564,423	35,070,930	1,720,495,470	1,679,630,746	(6,479,871,884)	(4,609,338,936)	11,503,503,458	9,201,046,944
Total liabilities														





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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	8,414,689	12,698,409	5,922,102	10,178,909
Cheque on hand	1,598,033	1,493,920	1,543,580	975,315
Cash at banks	476,389,220	577,277,953	291,235,324	237,872,854
- savings accounts				
- current accounts	172,864,129	146,776,504	119,262,422	136,938,165
- 3-month fixed deposit	3,411,843	3,257,290	2,646,289	2,620,252
	662,477,914	741,504,076	420,609,717	388,585,495

As at 31 December 2019 and 2018, cash at banks carry interest at the rates as follows:

	Consolidated financial statements		Separate financial statements	
	2019 % per annum	2018 % per annum	2019 % per annum	2018 % per annum
Cash at banks - savings accounts	0.10 to 0.97	0.12 to 1.00	0.10 to 0.97	0.12 to 1.00
- 3-month fixed deposit	0.60 to 1.10	0.80 to 1.10	1.00	1.00

8 Short-term investments

As at 31 December 2019 and 2018, the short-term investments of the Group and the Company represent the short-term available-for-sale investments in debt and equity securities issued by financial institutions.

The movements of short-term investments for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Investment in debt securities				
Cost at the beginning of the year	134,865,837	127,942,325	14,194,831	108,199,517
Add: Additions from acquiring subsidiary during the year	-	928,198	-	-
Add: Additions during the year	95,000,000	100,000,000	-	-
Less: Disposals during the year	(160,867,250)	(94,004,686)	-	(94,004,686)
Cost at the end of the year	68,998,587	134,865,837	14,194,831	14,194,831
Unrealised gain on measurement of available-for-sale investments	2,026,235	2,641,184	996,480	814,134
Unrealised gain on measurement of available-for-sale investments from acquiring subsidiary	-	15,914	-	-
Book value as at 31 December	71,024,822	137,522,935	15,191,311	15,008,965

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8 Short-term investments (Cont'd)

The movements of short-term investments for the years ended 31 December 2019 and 2018 are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Investment in equity securities				
Cost at the beginning of the year	6,248,671	6,248,671	6,248,671	6,248,671
Add: Additions during the year	-	-	-	-
Less: Disposals during the year	-	-	-	-
Cost at the end of the year	6,248,671	6,248,671	6,248,671	6,248,671
Unrealised gain (loss) on measurement of available-for-sale investments	(991,771)	272,830	(991,771)	272,830
Book value as at 31 December	5,256,900	6,521,501	5,256,900	6,521,501
Total short-term investments	76,281,722	144,044,436	20,448,211	21,530,466

As at 31 December 2019, the book value of short-term investments in debt securities of the Group amounting to Baht 71,024,822 (2018 : Baht 137,522,935) and for the Company amounting to Baht 15,191,311 (2018 : Baht 15,008,965) are investments in mutual funds of financial institutions in Thailand which are classified by management as available-for-sale investments unless they will need to be sold to raise operating capital of the Group and the Company.

As at 31 December 2019, the book value of short-term investments in equity securities of the Group and the Company amounting to Baht 5,256,900 (2018 : Baht 6,521,501) are investments in ordinary shares of listed companies in Stock Exchange in Thailand which are classified by management as available-for-sale investments unless they will need to be sold to raise operating capital of the Group and the Company.

The Group recognised gain on disposal of investment in securities amounting to Baht 2,828,290 for the year ended 31 December 2019 (2018 : the Group and the Company had gain on disposal of investment in securities amounting to Baht 5,995,314) (Note 33).

During the year 2019, the Group and the Company received dividend income from short-term investments amounting to Baht 139,100 (2018 : Baht 136,750) (Note 33).

The fair values of short-term investments - available-for-sale investments are based on security market using the rate at the end of accounting period. The fair values are within level 1 of the fair value hierarchy.



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Trade and other accounts receivable (net) (Cont'd)				
Outstanding balance of trade accounts receivable classified by aging are as follows: (Cont'd)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Trade account receivable - related companies (net)				
Not yet due	373,435	6,550	6,335,432	2,208,221
Overdue				
1 - 90 days	18,060,342	85,475	12,298,461	7,460,675
91 - 180 days		1,700	10,646,021	1,756,272
181 - 365 days	12,612,315	11,233,166	5,649,601	5,721,010
Over 365 days	4,046,854	-	4,046,854	3,260,604
	35,092,946	11,326,891	38,976,369	20,417,782
Less: Allowance for doubtful accounts				
	35,092,946	11,326,891	38,976,369	20,417,782
Unbilled trade accounts receivable	22,221,064	41,123,013	17,023,200	19,463,591
Less: Allowance for doubtful accounts	(4,255,800)	-	(4,255,800)	-
	17,965,264	41,123,013	12,767,400	19,463,591
Trade account receivable - related companies (net)	53,058,210	52,449,904	51,743,769	39,882,373
The movements of the allowance for doubtful accounts of trade accounts receivable - other companies for the years ended 31 December 2019 and 2018 comprise the following:				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts at the beginning of the year	(28,812,693)	(17,120,843)	(22,969,214)	(12,348,034)
Add: Additions during the year	(24,319,534)	(15,765,202)	(17,232,943)	(11,115,386)
Less: Written-off during the year	2,194,374	138,601	1,905,373	-
Less: Reversal during the year	-	-	-	-
- repayments	4,972,285	3,934,751	2,246,154	494,206
Allowance for doubtful accounts at the end of the year	(45,956,566)	(28,812,693)	(36,050,630)	(22,969,214)
During the year ended 31 December 2019, the Group and the Company have written-off bad debt amounting to Baht 7,238,793 (2018 : the Group and the Company have not written-off any bad debt).				

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Trade and other accounts receivable (net)					
	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable					
- other companies (net)	38 a)	1,200,792,304	783,198,630	390,428,048	398,741,443
- related companies (net)		53,058,210	52,449,504	51,743,769	39,882,373
		<u>1,253,850,514</u>	<u>835,648,534</u>	<u>442,171,817</u>	<u>438,623,816</u>
Other accounts receivable					
- other companies	38 a)	7,389,256	5,805,603	3,264,586	3,393,670
- related companies		39,867,384	10,015,600	13,580,442	8,685,811
		<u>47,256,640</u>	<u>15,821,203</u>	<u>16,845,028</u>	<u>12,617,481</u>
Interests receivable					
- other companies	38 a)	14,822	13,935	-	-
- related companies		4,146,081	547,286	492,529,770	435,386,791
		<u>4,161,503</u>	<u>561,201</u>	<u>492,529,770</u>	<u>435,386,791</u>
Less Allowance for doubtful Accounts					
- related companies	38 a)	-	-	(44,661,690)	(44,661,690)
		<u>4,161,503</u>	<u>561,201</u>	<u>447,868,080</u>	<u>390,725,101</u>
Dividend receivable					
- related company	38 a)	891,792	-	891,792	-
Advance payment		1,779,040	4,237,504	1,009,010	591,263
- other companies		17,550,872	15,987,370	6,709,106	6,845,895
Prepaid expenses		<u>1,325,490,361</u>	<u>872,255,812</u>	<u>915,484,833</u>	<u>849,403,556</u>
Outstanding balance of trade accounts receivable classified by aging are as follows:					
Trade accounts receivable					
- other companies (net)					
No/very due		338,471,329	301,890,634	127,351,002	156,791,363
Overdue					
1 - 90 days		144,291,852	77,324,790	23,334,885	36,896,303
91 - 180 days		45,026,743	13,737,916	5,182,027	3,040,988
181 - 365 days		52,509,993	14,066,628	28,399,391	8,289,826
Over 365 days		<u>37,654,992</u>	<u>31,046,675</u>	<u>31,143,401</u>	<u>26,811,970</u>
		<u>617,954,909</u>	<u>438,070,343</u>	<u>215,380,706</u>	<u>231,930,450</u>
Less Allowance for doubtful accounts					
(45,965,668)			(28,812,693)	(36,050,630)	(22,869,214)
Unbilled trade accounts receivable		571,969,341	409,257,650	179,330,076	208,861,236
		<u>628,802,963</u>	<u>373,940,980</u>	<u>211,097,972</u>	<u>189,880,207</u>
Trade accounts receivable					
- other companies (net)		1,200,792,304	783,198,630	390,428,048	398,741,443



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10 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Medicines and medical supplies	150,540,035	114,654,120	79,353,576	74,694,978
Medical equipment	88,080,275	94,885,230	-	-
Supplies	9,358,641	7,575,327	6,596,517	7,049,665
Condominium unit for sale	1,137,716,735	913,370,443	-	-
Less: Allowance for obsolete inventories	(1,266,570)	(1,244,389)	-	-
- medicines and medical supplies	(7,137,481)	(7,282,613)	-	-
- medical equipment	(61,563)	(464,916)	(61,563)	(464,916)
- supplies	1,281,625	5,382,695	-	-
Goods in transit - medical equipment	1,378,511,897	1,126,925,897	85,886,530	81,279,727

- Allowance for obsolete inventories-medicine and medical supplies and supplies are recognised as cost of hospital operations in profit or loss.
- Allowance for obsolete inventories-medical equipment are recognised as cost of goods sold in profit or loss.

11 Cost of developing holistic care project

Subsidiary - Thonburi Wellbeing Co., Ltd. has done a Healthcare Mixed Used Development project that consists of clinic, medical complex, senior living residences and rehabilitation center for patients in the same area which under in Healthcare Solution Provider segment.

Cost of developing holistic care project as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Land under development	1,092,761,605	1,024,340,366
Construction in progress and other related costs	308,521,050	257,680,024
Capitalised Interest	11,999,092	25,063,334
	1,413,281,747	1,307,083,724

12 Non-current assets classified as held-for-sale

	Consolidated financial statements	
	2019 Baht	2018 Baht
Land	84,162,048	-
	84,162,048	-

In March 2019, a subsidiary made land sale and purchase agreement with Rachphattana Real Estate Co., Ltd. which is a related company in amounting to Baht 9630 million. The subsidiary reclassified such land from property, plant and equipment to non-current assets classified as held-for-sale with their carrying amount. As at 31 December 2019, the subsidiary received deposit from a related company in amounting to Baht 1,000,000 (Note 23) with all conditions of payment for land within December 2019. However, the purchaser request to extend the payment period due to experiencing a slowdown in real estate. The Board of Directors Meeting of the Company no. 2/2020 on 27 February 2020, has resolved to extend the payment period for another 12 months from the expiration date specified in land sales and purchase agreement. For the remaining deposits of land, land cost and other conditions shall be in accordance with the original contract in all respects.

In November 2019, a subsidiary made land sale and purchase agreement with a third party in amounting to Baht 4.22 million. The subsidiary reclassified such land from investment properties to non-current assets classified as held-for-sale with their carrying amount. As at 31 December 2019, the subsidiary received deposit from the third party in amounting to Baht 423,062 (Note 23).

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13 Restricted deposits at financial institutions

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash at banks - savings account	426,100	426,100	-	-
- 3-month fixed deposit	1,980,000	1,980,000	-	-
- 12-month fixed deposit	6,286,189	6,300,347	-	-
	8,692,289	8,706,447	-	-

Interest rate (% per annum)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash at banks - savings account	0.22 to 0.38	0.37 to 0.38	-	-
- 3-month fixed deposit	0.60 to 0.80	0.80 to 1.00	-	-
- 12-month fixed deposit	0.80 to 1.05	0.90 to 1.05	-	-

As at 31 December 2019 and 2018, restricted deposits at financial institutions of the Group are deposits of the subsidiaries in Baht currency. The Group pledged these deposits as collateral against the bank overdrafts and bank guarantees (Note 24 and 40).

14 Long-term investments in equity securities

Available-for-sale investments of the Group and the Company represent the investments in ordinary shares of the listed companies in the Stock Exchange of Thailand which are classified as available-for-sales investments unless they will need to be sold to raise operating capital of the Group and the Company. The movements of available-for-sale investments for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Investments in ordinary shares		
Cost at the beginning of the year	604,701,090	604,702,886
Less: Decrease from capital reduction	-	(1,896)
Less: Disposals during the year	(222,000,000)	-
Cost at the end of the year	382,701,090	604,701,090
Unrealised gain on measurement of available-for-sale investments	101,204,416	(24,141,349)
Book value as at 31 December	483,905,506	580,559,741

For the year ended 31 December 2019, the Company has gain on disposals of long-term investments in equity securities amounting to Baht 277,881,368 (Note 33) which came from the reclassification of unrealised gain on measurement of available-for sale investments of Baht 216,854,092 from previously recognised in other comprehensive income to profit or loss (For the year ended 31 December 2018 : Nil).

During the year 2019, the Company received dividend income from long-term investments in equity securities amounting to Baht 17,823,014 (2018 : Baht 16,007,056) (Note 33).

The fair values of available-for-sale investments are based on the last bid price reference from the securities market. The fair values are within level 1 of the fair value hierarchy.





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15 Investments in associates (net)

- a) As at 31 December 2019 and 2018, investments in associates (net) comprise the following:

Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Consolidated financial statements Investments (Equity method)		Share of profit For the year ended 31 December	
				2019 Baht	2018 Baht	2019 Percentage	2018 Percentage	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.52	332,190,785	317,817,773	27,966,794	29,310,922
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	325,091,250	270,909,375	31.87	31.87	233,490,345	165,539,430	22,627,839	11,561,561
								565,681,130	483,357,203	50,594,633	40,872,483
Separate financial statements											
Cost method											
				2019		2018					
Company name	Place of business/ country of incorporation	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Investments Baht		Allowance for impairment of Investments Baht	
Ubonrak Co., Ltd.	Thailand	Private hospital activities	Baht	112,500,000	112,500,000	34.52	34.52	272,762,500	272,762,500	-	272,762,500
Sirivej Chanthaburi Public Company Limited	Thailand	Private hospital activities	Baht	325,091,250	270,909,375	31.87	31.87	159,724,802	107,927,000	-	107,927,000
								432,487,302	380,689,500	-	380,689,500

The management has reviewed allowance for impairment of investments in associates by considering from the past performance and are expected to occur in the future including other factors.



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15 Investments in associates (net) (Cont'd)

- b) The movements in book value of investments in associates (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements Equity method		Separate financial statements Cost method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning book value of the year (net)	483,357,203	454,725,259	380,689,500	374,911,500
Additions during year	51,797,802	5,778,000	51,797,802	5,778,000
Share of profit during the year (net)	50,594,633	40,872,483	-	-
Dividend income during the year	(20,068,508)	(18,018,539)	-	-
Ending book value of the year (net)	<u>565,681,130</u>	<u>483,357,203</u>	<u>432,487,302</u>	<u>380,689,500</u>

- c) The additional investment in associate - Ubonrak Co., Ltd.

In May 2018, the Company additionally invested in ordinary shares of Ubonrak Co., Ltd. by the purchase of 54,000 ordinary shares at Baht 107.00 per share from other individual, totalling Baht 5.78 million. As a result, the shareholding interest increased from 34.04% to 34.52%.

- d) Increase in investment in associate - Sirivej Chanthaburi Public Company Limited

At the Annual General Shareholders' Meeting of an associate for the year 2019 on 21 April 2019, the shareholders approved the increase in registered share capital from Baht 270,909,375 (270,909,375 ordinary shares at Baht 1.00 per share) to Baht 325,091,250 (325,019,250 ordinary shares at Baht 1.00 per share) which will be sold to existing shareholders in proportion of 5 shares to 1 new share at Baht 3.00 per share.

On 3 October 2019, the Company paid for the additional investment in Sirivej Chanthaburi Public Company Limited for 17,265,934 ordinary shares at the price of Baht 3.00 per share (par value at Baht 1.00 per share), totally of Baht 51,797,802. The associate registered the share capital increase with the Ministry of Commerce on 22 October 2019. Such additional investment did not effect to the Company's shareholding interest.

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15 Investments in associates (net) (Cont'd)

Summarised financial information for significant associates

Set out below are the summarised financial information for Ubonrak Co., Ltd. and Sirivej Chanthaburi Public Company Limited which are accounted for using the equity method.

	Ubonrak Co., Ltd.		Sirivej Chanthaburi Public Company Limited				Total	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Current assets	231	225	285	81	516	306	516	306
Non-current assets	579	500	565	522	1,144	1,022	1,144	1,022
Current liabilities	(113)	(119)	(85)	(91)	(198)	(210)	(198)	(210)
Non-current liabilities	(158)	(109)	(79)	(40)	(237)	(149)	(237)	(149)
Net assets	539	497	686	472	1,225	969	1,225	969
Revenue	798	755	618	532	1,416	1,287	1,416	1,287
Net profit	81	85	73	44	154	129	154	129
Other comprehensive income	-	-	(1)	(8)	(1)	(8)	(1)	(8)
Total comprehensive income	81	85	72	36	153	121	153	121

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for the differences in accounting policies between the Group and the associates for the year ended 31 December 2019 and 2018.



15 Investments in associates (net) (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates.

Summarised financial information	Ubonrak Co., Ltd.		Sirivej Chanthaburi Public Company Limited		Total	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Net assets as at 1 January	497	446	472	456	969	902
Capital increase during the year	-	-	162	-	162	-
Profit for the year	81	85	73	44	154	129
Other comprehensive income	-	-	(1)	(8)	(1)	(8)
Dividends	(39)	(34)	(20)	(20)	(59)	(54)
Net assets as at 31 December	539	497	686	472	1,225	969
Interest in associate (%)	34.52	34.52	31.87	31.87		
Equity in associate	186	172	218	150	404	322
Change of investment proportion	-	6	-	-	-	6
Excess of fair value to cost of investments prior to the change in shareholding interest	(34)	(40)	-	-	(34)	(40)
Goodwill	180	180	15	15	195	195
Net book value	332	318	233	165	565	483
Carrying amount of investments in associates using the equity method (Note 15 a))	332	318	233	165	565	483





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16 Investments in subsidiaries (net) and basis of consolidated preparation

a) As at 31 December 2019 and 2018, investments in subsidiaries (net) comprise the investments in ordinary shares of companies as following:

Direct Subsidiaries	Incorporated in	Nature of business	Paid-up share capital (Amount)		Shareholding interest		Separate financial statements Cost method						Dividend income	
			2019 Baht	2018 Baht	2019 Percentage	2018 Percentage	2019		2018		Investments (net)		For the year ended 31 December	
							Investments	Baht	Investments	Baht	Investments	Baht		Investments
Rayindee Hospital Public Company Limited	Thailand	Private hospital activities	430,000,000	430,000,000	56.91	56.91	238,918,787	-	238,918,787	-	238,918,787	-	22,026,063	12,236,702
Thonburi Hospital Heart Centers Company Limited	Thailand	Hospital heart center	100,000,000	100,000,000	99.98	99.98	249,880,000	-	249,880,000	-	249,880,000	-	-	-
Thonburi Wellbeing Co., Ltd. (former -Premiere Home Health Care Company Limited)	Thailand	Senior medical service and residences	1,300,000,000	1,150,000,000	99.99	99.99	1,300,000,000	-	1,300,000,000	-	1,150,000,000	-	-	-
Denial Siam Co., Ltd.	Thailand	Real estate, pharmaceutical and medical goods in specialised stores	31,932,650	31,932,650	99.43	99.43	144,526,240	113,014,473	144,526,240	(31,511,767)	113,014,473	-	-	-
Rajthamsee Realty Co., Ltd.	Thailand	Land and property development	700,000,000	700,000,000	100.00	100.00	1,051,597,350	-	1,051,597,350	-	1,051,597,350	-	-	-
Thonburi Realty Development Co., Ltd.	Thailand	Land and property development	800,000,000	800,000,000	99.78	99.78	798,256,400	(798,256,400)	798,256,400	(798,256,400)	-	-	-	-
Modular Software Expertise Co., Ltd.	Thailand	Consulting and writing computer programs	18,000,000	18,000,000	70.00	70.00	12,600,000	(4,600,000)	8,000,000	(4,600,000)	8,000,000	-	-	-
Uttaradi Thonburi Hospital Co., Ltd.	Thailand	Private hospital activities	90,000,000	90,000,000	99.99	99.99	90,000,000	-	90,000,000	-	90,000,000	-	-	-
Thonburi Bamrungmuang Hospital Co., Ltd.	Thailand	Private hospital activities	1,223,176,700	1,223,176,700	99.99	99.99	2,111,913,029	-	2,111,913,029	-	2,111,913,029	-	-	-
Thanaad Thung Song Co. Ltd	Thailand	Private hospital activities	600,000,000	600,000,000	51.12	51.12	306,692,500	-	306,692,500	-	306,692,500	-	-	-
							6,304,384,306	5,470,016,139	6,154,384,306	(834,368,167)	5,320,016,139	22,026,063	12,236,702	





16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2019 and 2018 are as follows:

Summarised statements of financial position

	2019 (Thousand Baht)		2018 (Thousand Baht)	
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.
		Total		Total
Current				
Assets	206,989	15,826	222,815	150,043
Liabilities	(63,172)	(104,066)	(167,238)	(33,659)
Total net current assets (liabilities)	143,817	(88,240)	55,577	116,384
Non-current				
Assets	552,913	769,014	1,321,927	481,768
Liabilities	(66,395)	(125,802)	(192,197)	(176)
Total net non-current assets (liabilities)	486,518	643,212	1,129,730	481,592
Net assets (liabilities)	630,335	554,972	1,185,307	597,976
				1,239,752



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16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2019 and 2018 are as follows:
(Cont'd)

Summarised statements of comprehensive income

	2019 (Thousand Baht)		2018 (Thousand Baht)	
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.
Revenue	690,782	9,166	699,948	-
Profit (loss) before income tax	41,237	(50,225)	(8,988)	(2,718)
Income tax (expenses)	(6,652)	8,117	1,465	70
Post-tax profit (loss) from continuing operations	34,585	(42,108)	(7,523)	(2,648)
Other comprehensive income	(7,328)	(896)	(8,224)	174
Total comprehensive income	27,257	(43,004)	(15,747)	(2,474)
Proportion of non-controlling interests (%)	43.09	43.57	43.09	43.57
Total comprehensive income allocated to non-controlling interests	11,745	(18,737)	(6,992)	(1,702)
Increase in non-controlling interests from investment in a subsidiary	-	-	-	261,284
Effect from changing of proportion of non-controlling interests	-	-	-	(23,157)
Dividend paid to non-controlling interests	(16,674)	-	(16,674)	-
Cumulative balance of non-controlling interests	271,583	217,688	489,271	236,425
				512,937



16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

Summarised financial statements of subsidiaries with material non-controlling interests (Cont'd)

The summarised financial statements for each subsidiary that has non-controlling interests that are material to the Group as at 31 December 2019 and 2018 are as follows:
(Cont'd)

Summarised statements of Cash flow

	2019 (Thousand Baht)		2018 (Thousand Baht)	
	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.	Rajyindee Hospital Public Company Limited	Thanarad Thung Song Co., Ltd.
	Total		Total	Total
Cash flow from operating activities				
Cash generated from operation	107,194	(38,253)	68,941	109,350
Interest received	383	166	549	234
Interest paid	-	(2,675)	(2,675)	-
Income tax paid	(11,643)	(4)	(11,647)	(7,206)
				(2)
Net cash generated from (used in) operating activities	95,934	(40,766)	55,168	102,378
Net cash generated from (used in) investing activities	(106,806)	(186,370)	(293,176)	(72,870)
Net cash generated from (used in) financing activities	(38,786)	163,661	124,875	(21,738)
Net (decrease) increase in cash and cash equivalents	(49,658)	(63,475)	113,133	7,770
Cash and cash equivalents at the beginning of the year	103,112	68,005	171,117	95,342
Cash and cash equivalents at the end of the year	53,454	4,530	57,984	103,112
				68,005

The information as above is the amount of subsidiaries that included in consolidated financial statements before elimination.





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16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

- b) The movements of investments in subsidiaries (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Separate financial statements	
	2019 Bait	2018 Bait
Beginning net book value of the year	5,320,016,139	5,013,323,639
Increase in investments in subsidiaries during the year	150,000,000	306,692,500
Ending net book value of the year	5,470,016,139	5,320,016,139

c) Consolidation preparation

- 1) Subsidiaries are fully consolidated as from the date of acquisition, (being the date on which the Group obtains control), and continue to be consolidated until the date when such control ceases.
- 2) The subsidiaries have the same accounting period end as that of the Company, for which the accounting period used in consolidation preparation was from 1 January 2019 to 31 December 2019 (2018 : from 1 January 2018 to 31 December 2018).
- 3) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

d) Investment in subsidiary - Thanaard Thung Song Co., Ltd.

On 9 April 2018, the Board of Directors' Meeting No. 4/2018 of the Company, the meeting approved the investment in Thanaard Thung Song Co., Ltd. by purchasing 55.00% of the total shares under the investment totaling Baht 240.00 million. In April 2018, the Company paid for the purchase of 5.76 million shares from a related person at a price of Baht 10.00 per share (par value), totalling Baht 57.60 million. In addition, in May 2018, the Company additionally invested by purchase of 4.00 million shares from other individual at a price of Baht 10.00 per share (par value), totalling Baht 40.00 million.

Such investment make the Group has 31.23% of shareholding interest in Thanaard Thung Song Co., Ltd. which is the direct voting shareholding interest at 23.54%, and indirect voting shareholding interest via a subsidiary - Rajyindee Hospital Public Company Limited at 7.69%.

Five out of nine directors who entitled to vote on matter considered to be significant in determining the financial and operating policies and has ability to direct the relevant activities of Thanaard Thung Song Co., Ltd. is also serve as directors of the Company and directors of a subsidiary - Rajyindee Hospital Public Company Limited which is 55.56% of voting right. Therefore, the Group considered that the investment in Thanaard Thung Song Co., Ltd. is investment in a subsidiary since 30 June 2018.

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16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

d) Investment in subsidiary - Thanaard Thung Song Co., Ltd. (Cont'd)

The fair value of total assets and total liabilities of Thanaard Thung Song Co., Ltd. as at 30 June 2018 (the date of investment) comprise of the following:

	Million Baht
Property, plant and equipment (net)	333.39
Other assets	106.63
Total liabilities	(26.99)
Net fair value of net assets as at 30 June 2018	415.03
Shareholding interest at 31.23%	129.57

Cash payment of investment in a subsidiary
Add Fair value of investment in other company (at the date of investment)
of the Company's portion at 56.91%
Add Fair value of investment in other company (at the date of investment)
of Non-controlling interest's portion at 43.09%
Add Non-controlling interest (at the date of investment)
Less Non-controlling interest of other investment
(24.13)
Less Fair value of net assets (at the date of investment)
(415.03)

Gain from investment in a subsidiary (in profit or loss)

Cash proceed from investment in a subsidiary 62.88
Less Cash payment of investment in a subsidiary (97.60)

Net cash payment of investment in a subsidiary (in statement of cash flow) (34.72)

On 5 July 2018, the Board of Directors' Meeting No. 7/2018 of Thonburi Healthcare Group Public Company Limited, the meeting approved the change in investment plan in Thanaard Thung Song Co., Ltd. from not over Baht 240.00 million to not over Baht 360.00 million in order to maintain the investment proportion of 55.00% to 60.00% after Thanaard Thung Song Co., Ltd. increase its registered capital from Baht 400.00 million to Baht 600.00 million.

During the 3rd quarter of 2018, the Company additionally purchased 12.70 million shares at a price of Baht 10.00 per share (par value), totalling of Baht 127.00 million which is 43.37% of shareholding interest.

During 4th quarter of year 2018, the Company additionally invested by purchase of 6.21 million shares at a price of Baht 10.00 per share (par value), totalling of Baht 62.09 million which is 51.12% of shareholding interest.

During the year ended 31 December 2018, the Company invested in Thanaard Thung Song Co., Ltd. totalling of Baht 306.69 million.

As at 31 December 2018, the Group has 56.43% of shareholding interest in Thanaard Thung Song Co., Ltd. which is the direct voting shareholding interest at 51.12% and indirect voting shareholding interest via a subsidiary - Rajyindee Hospital Public Company Limited 5.31%.

e) Capital increase in subsidiary - Thanaard Thung Song Co., Ltd.

On 28 April 2018, at the Annual General Shareholder's Meeting at Thanaard Thung Song Co., Ltd. has the approval of capital increase from Baht 400.00 million (40.00 million shares at Baht 10.00 each) to Baht 600.00 million (60.00 million shares at Baht 10.00 each) by issuing of 20.00 million shares at Baht 10.00 each, totalling of Baht 200.00 million. Thanaard Thung Song Co., Ltd. has registered all paid-up shares with Ministry of Commerce in November 2018.



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16 Investments in subsidiaries (net) and basis of consolidated preparation (Cont'd)

f) Liquidation of indirect subsidiary - Rajyindee Co.,Ltd

At the Extra Ordinary Shareholders' Meeting no.1/2562 of Rajyindee Co.,Ltd on 30 September 2019, the shareholders approved the liquidation of Rajyindee Co.,Ltd. The subsidiary registered the liquidation with the Ministry of Commerce on 11 October 2019 and completed liquidation on 23 December 2019.

g) Investment in subsidiary - Thonburi Wellbeing Co., Ltd

At the Board of Directors' Meeting of the Company no. 8/2562 on 24 October 2019, the Board of directors approved payment for unpaid shares capital of Thonburi Wellbeing Co., Ltd amounting to Baht 150.00 million (100.00 million ordinary shares at Baht 1.50 per share). The payment will pay into 3 installments, Baht 50.00 million per time.

The Company paid all unpaid shares capital amounting to Baht 150.00 million in November and December 2019. Such additional payment did not impact to the Group's shareholding interest.

h) Consideration of allowance for impairment of investments

As at 31 December 2019 and 2018, the Group's management has reviewed allowance for impairment of investments in subsidiaries by considering the previous loss from operation, future expected estimated loss and other factors and considered to set the allowance for impairment in amounting to Baht 834.37 million.





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17 Investments in joint ventures (net)

a) As at 31 December 2019 and 31 December 2018, investments in joint ventures (net) comprise the following:

Company name	Incorporated in	Nature of business	Percentage of shareholding		Consolidated financial statements		Share of loss		Share of other comprehensive income of joint ventures accounted for using the equity method	
			2019 Percentage	2018 Percentage	Investments (Equity method)		For the year ended 31 December		For the year ended 31 December	
					2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Waihai Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	474,707,737	478,544,800	(61,363,932)	(81,021,274)	57,526,869	(15,326,584)
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	40.00	791,357,976	589,908,256	(56,486,077)	(52,194,784)	6,393,078	(3,326,331)
					1,266,065,713	1,068,453,056	(117,850,009)	(133,216,058)	63,919,947	(18,652,915)

For the year ended 31 December 2019, share of loss from investment in joint venture - Ar Yu International Health Care Company Limited is calculated based on financial information which was prepared by management of its joint venture and was reviewed by auditor (For the year ended 31 December 2018 : was not reviewed by auditor). The Group's management views that the value of this investment would not significantly differ if the financial statements are audited by auditor.





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17 Investments in joint ventures (net) (Cont'd)

a) As at 31 December 2019 and 31 December 2018, investments in joint ventures (net) comprise the following: (Cont'd)

Company name	Incorporated in	Nature of business	Percentage of shareholding		Separate financial statements					
			2019	2018	Cost method		2018		Allowance for impairment of investment	
					Investment		Investment (net)		Investment	
			Percentage	Percentage	Baht	Baht	Baht	Baht	Baht	Baht
Weihai Welly Hospital Company Limited	People's Republic of China	Private hospital activities	58.00	58.00	782,651,204	782,651,204	682,651,204	782,651,204	-	782,651,204
Ar Yu International Health Care Company Limited	Republic of the Union of Myanmar	Private hospital activities	40.00	40.00	898,012,168	898,012,168	898,012,168	646,469,449	-	646,469,449
					1,680,663,372	1,680,663,372	1,580,663,372	1,429,120,653	-	1,429,120,653

The management has reviewed allowance for impairment of investments in joint ventures by considering from past performance, expected performance, and other factors.





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17 Investments in joint ventures (net) (Cont'd)

b) The movements of investments in joint ventures (net) for the years ended 31 December 2019 and 2018 comprise the following :

	Consolidated financial statements		Separate financial statements	
	Equity method	Cost method	Equity method	Cost method
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning net book value of the year	1,068,453,056	740,375,032	1,429,120,653	949,173,656
Increase in investments in joint ventures during the year	251,542,719	479,946,997	251,542,719	479,946,997
Share of loss during the year	(117,850,009)	(133,216,058)	-	-
Share of other comprehensive income of joint ventures accounted for using the equity method	63,919,947	(18,652,915)	-	-
Allowance for impairment of investment	-	-	(100,000,000)	-
Ending net book value of the year	1,286,065,713	1,068,453,056	1,580,663,372	1,429,120,653

c) Investment in People's Republic of China

The Company has contract with Wego Holding Company Limited to set up a "Joint venture" in the name of "Weihai Welly Hospital Company Limited" which has an objective to provide hospital operations in People's Republic of China. The contractual period is 20 years. The joint venture has been registered on 14 January 2016 with registered share capital amounting to Renminbi 250.00 million. The Company held 58.00% of registered share capital.

As at 31 December 2019 and 2018, the Company's shareholding interest in joint venture is 58.00% of registered share capital amounting to Renminbi 145.00 million (equivalent to Baht 782.65 million).

d) Investment in Republic of the Union of Myanmar

The Company has contract with GA Mone Pwint Co., Ltd., Ar Yu Ananta Medical Services Co., Ltd. and WJ International Hospital Management Co., Ltd. to set up a "Joint venture" named "Ar Yu International Healthcare Company Limited" which has an objective to provide hospital operations in Republic of the Union of Myanmar.

The joint venture has been registered on 4 April 2017 with registered share capital amounting to US dollar 100.00 million (10,000,000 ordinary shares at par value US dollar 10.00 each). The Company held 10.00% of registered share capital.

During the year 2017, the Company paid share payment for 50% of shareholding interest, amounting to US dollar 5.00 million (equivalent to Baht 166.78 million).

On 17 November 2017, the Company has contract with WJ International Hospital Management Co., Ltd. for purchase of shares in part of WJ International Hospital Management Co., Ltd. From such contract, it will make the shareholding interest in joint venture of the Company increased from 10.00% to 40.00%. However, as at 31 December 2017, the Company has not paid of such share payment.

During the 1st quarter of 2018, the Company paid for the share subscription in Ar Yu International Health Care Company Limited amounting to US Dollar 14.35 million (equivalent to Baht 458.72 million). The Company also acquired the portion held by WJ International Hospital Management Co., Ltd. amounting to US Dollar 0.65 million (equivalent to Baht 20.96 million). As a result, the Company's shareholding interest increased from 10.00% to 40.00%.

During 2018, the Company paid share payment in investment in joint venture totalling Baht 479.68 million.

As at 31 December 2018, the Company paid share payment in investment in joint venture totalling US Dollar 20.00 million (equivalent to Baht 646.47 million).

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17 Investments in joint ventures (net) (Cont'd)

d) Investment in Republic of the Union of Myanmar (Cont'd)

At Executive committee Meeting No. 1/2562 on 15 January 2019, Executive Committee has unanimous approved the investment in ordinary shares increase of joint venture according to the previous shareholding interest amounting to US dollar 8.00 million. During 2nd quarter of 2019, such joint venture call up for the share payment. The Company paid for share payment in May and July 2019 of US dollar 8.00 million (equivalent to Baht 251.54 million). Such additional investment did not impact to the Group's shareholding interest.

As at 31 December 2019, the Company paid share payment in investments in joint venture totalling US Dollar 28.00 million (equivalent to Baht 898.01 million).

e) Consideration of allowance for impairment of investment

As at 31 December 2019, the Company's management considered an allowance for impairment of investment in a joint venture - Weihai Welly Hospital Company Limited by calculating the recoverable amount of investment in a joint venture by using value in used method. The calculation is based on pre-tax cash flow projections which are based on 5-year financial budgets, which has been approved by management. Cash flow after 5-year is calculated using the following assumptions:

	Assumption used as at 31 December 2019
Revenue growth rate	5.00% to 7.00% per annum
Discount rate	8.50% per annum

These assumptions have been used to calculate the recoverable amount. The growth rate is based on the average growth rate in the hospital business. The discount rates used are pre-tax rates that reflect specific risks associated with the business.

The recoverable amount calculated from the above assumptions is lower than the book value. The Company's management considered to record loss on impairment of such investment amounting to Baht 100.00 million in the separate financial statements by presenting as impairment loss of investments in joint ventures in profit or loss.

In the event that there is a change in the discount rate, decrease or increase of 1.00% will cause the recoverable amount to be lower than the book value approximately of Baht 60.21 million and Baht 143.20 million, respectively.

Impairment of such investment is included in the hospital operations segment (Note 6).



17 Investments in joint ventures (net) (Cont'd)

Summarised financial information for joint ventures which is accounted for using the equity method.

	Weihai Welly Hospital Company Limited As at 31 December		Ar Yu International Health Care Company Limited As at 31 December		Total As at 31 December	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Current assets	69	64	42	87	111	151
Non-current assets	687	800	2,476	1,716	3,163	2,516
Current liabilities	(192)	(169)	(239)	(409)	(431)	(578)
Non-current liabilities	(31)	-	(553)	(77)	(584)	(77)
Net assets	533	695	1,726	1,317	2,259	2,012
Revenue	188	195	163	-	351	195
Net loss	(106)	(140)	(141)	(130)	(247)	(270)
Other comprehensive income	99	(26)	16	(8)	115	(34)
Total comprehensive income	(7)	(166)	(125)	(138)	(132)	(304)

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts) adjusted for the differences in accounting policies between the Group and the joint ventures for the year ended 31 December 2019 and 2018.

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17 Investments in joint ventures (net) (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised information presented to the carrying amount of its interest in joint venture.

Summarised financial information

	Weihai Welly Hospital Company Limited		Ar Yu International Health Care Company Limited		Total	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Net asset as at 1 January	(524)	(358)	(149)	(11)	(673)	(369)
Net loss during the year	(106)	(140)	(141)	(130)	(247)	(270)
Other comprehensive income during the year	99	(26)	16	(8)	115	(34)
Net asset as at 31 December	(531)	(524)	(274)	(149)	(805)	(673)
Interest in joint venture (%)	58.00	58.00	40.00	40.00		
Equity in joint venture	(307)	(304)	(110)	(60)	(417)	(364)
Investment as at 1 January	782	782	646	167	1,428	949
Additional investment during the year	-	-	252	480	252	480
Deficit of fair value to cost of investment prior to the change in shareholding interest	-	-	3	3	3	3
Net book value as at 31 December	475	478	791	590	1,266	1,068



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18 Other long-term investments (net)

As at 31 December 2019 and 2018, other long-term investments (net) comprise the following:

Consolidated financial statements					
	2019			2018	
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Investments (net) Baht
General investments of the Company	126,871,045	(4,302,097)	122,568,948	126,070,338	(1,917,119)
General investments of subsidiaries	48,294,517	-	48,294,517	48,294,517	-
	<u>175,165,562</u>	<u>(4,302,097)</u>	<u>170,863,465</u>	<u>174,364,855</u>	<u>(1,917,119)</u>
					<u>172,447,736</u>
Separate financial statements					
	2019			2018	
	Investments Baht	Allowance for impairment of investments Baht	Investments (net) Baht	Investments Baht	Investments (net) Baht
General investments of the Company	121,018,393	(4,302,097)	116,716,296	120,217,686	(1,917,119)
	<u>121,018,393</u>	<u>(4,302,097)</u>	<u>116,716,296</u>	<u>120,217,686</u>	<u>(1,917,119)</u>
					<u>118,300,567</u>

The movements of other long-term investments (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Notes	Consolidated financial statements Cost method		Separate financial statements Cost method	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning net book value of the year		172,447,736	252,542,536	118,300,567	147,995,367
Increase during the year	18 b), 18 d)	800,707	5,600,000	800,707	-
Transfer to investments in subsidiary	18 b)	-	(56,000,000)	-	-
Disposals of other long-term investment - other companies	18 c)	-	(29,694,800)	-	(29,694,800)
Loss on impairment during the year	18 e)	(2,384,978)	-	(2,384,978)	-
Ending net book value of the year		<u>170,863,465</u>	<u>172,447,736</u>	<u>116,716,296</u>	<u>118,300,567</u>





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18 Other long-term investments (net) (Cont'd)

	Consolidated financial statements						Separate financial statements					
	2019			2018			2019			2018		
	Shareholding percentage		Investments (net)	Allowance for impairment of investments		Investments (net)	Investments (net)		Allowance for impairment of investments	Investments (net)		Investments (net)
	2019	2018		Investments	Impairment		Investments	Impairment		Investments	Impairment	
	%	%		Baht	Baht		Baht	Baht		Baht	Baht	
General investments in ordinary shares												
General investments of the Company												
- Other companies												
Roi - Et Thonburi Hospital Co., Ltd.	19.88	19.88	39,343,800	-	-	39,343,800	39,343,800	-	-	39,343,800	-	39,343,800
Thanakarn Hospital Co., Ltd.	11.33	11.33	8,674,633	-	-	8,674,633	8,674,633	-	-	8,674,633	-	8,674,633
Kalasin - Thonburi Hospital Co., Ltd.	10.00	10.00	30,000,000	-	-	30,000,000	30,000,000	-	-	30,000,000	-	30,000,000
Phitsanulok Inter Medical Co., Ltd.	5.00	5.00	8,000,000	(4,255,449)	(1,917,119)	3,744,551	8,000,000	(4,255,449)	(1,917,119)	3,744,551	(1,917,119)	6,082,881
Thapakorn Hospital Co., Ltd.	0.20	0.20	136,400	(46,648)	-	89,752	136,400	(46,648)	-	89,752	-	136,400
- Related companies												
Phatara Hospital Co., Ltd.	16.67	16.67	25,000,000	-	-	25,000,000	19,147,348	-	-	19,147,348	-	19,147,348
Chumwej Hospital Public Company Limited	7.93	7.89	14,966,212	-	-	14,165,505	14,966,212	-	-	14,966,212	-	14,165,505
Computed Tomography Unupong Co., Ltd.	0.75	0.75	750,000	-	-	750,000	750,000	-	-	750,000	-	750,000
General investments of subsidiaries												
- Related companies												
Rajhara Hospital Company Limited	14.00	14.00	28,000,000	-	-	28,000,000	-	-	-	-	-	-
Siroos Hospital Public Company Limited	11.12	11.12	20,294,517	-	-	20,294,517	-	-	-	-	-	-
			175,165,562	(4,302,097)	(1,917,119)	170,863,465	174,364,855	(1,917,119)	(4,302,097)	116,716,296	(1,917,119)	118,300,567





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18 Other long-term investments (net) (Cont'd)

a) Investment in Siros Hospital Public Company Limited
In year 2018, Siros Hospital Public Company Limited increase its ordinary share which are 8,152,925 ordinary shares at Baht 1.00 in amounting to Baht 8,152,925. The Company has the rights for payment of such share capital increase but the subsidiary has not used the rights and paid share payment. So it affect its shareholding interest of subsidiary. Rajindee Hospital Public Company Limited decreased from 11.83% to 11.12%.

b) Investments in Thanarad Thung Song Company Limited
Subsidiary - Rajindee Hospital Public Company Limited
On 19 March 2018, the subsidiary - Rajindee Hospital Public Company Limited additionally paid for the investment in Thanarad Thung Song Co., Ltd. by purchase 5,600,000 ordinary shares at Baht 1.00 per share, totalling Baht 5,600,000. Such investment did not affect the Company's shareholding interest.

Thanarad Thung Song Co., Ltd. registered the paid-up share with the Ministry of Commerce on 15 June 2018. As at 30 June 2018, the subsidiary - Rajindee Hospital Public Company Limited has the shareholding interest in Thanarad Thung Song Co., Ltd. at 13.51%. By considering the shareholding interest of the Group as at 30 June 2018 and the number of directors who entitles to vote on matter considered to be significant in determining the financial and operating policies, the management of the Group considered that the investment in Thanarad Thung Song Co., Ltd. is investment in a subsidiary. Therefore, the Group transfer such investment to investment in a subsidiary (Note 16 d).

During year 2018, Thanarad Thung Song Co., Ltd. issued new ordinary shares (Note 16 e)). However, Rajindee Hospital Public Company Limited did not purchase such additional shares. Therefore, the shareholding interest as at 31 December 2018 decrease from 13.51% to 9.33%.

c) Investment in Rajthanee Rojana Hospital Co., Ltd.

On 31 March 2018, the Company disposed investment in Rajthanee Rojana Hospital Co., Ltd. to Rajthanee Hospital Public Company Limited which is a related company by sales of 2,347,826 shares at Baht 35.00 per share (cost at Baht 29.69 million), totalling Baht 82.17 million. The Company has gain on disposal of such investment amounting to Baht 52.48 million (Note 33). The Company received the payment from the disposal in April 2018.

d) Increase in other long-term investment - Chumvej Hospital Public Company Limited

At the Annual General Shareholders' Meeting of Chumvej Hospital Public Company Limited for the year 2019, on 25 March 2019, the shareholders approved the decrease in registered share capital from Baht 116,000,000 (116,000,000 ordinary shares at Baht 1.00 per share) to Baht 114,871,819 (114,871,819 ordinary shares at Baht 1.00 per share) and approved the increase in registered share capital to Baht 125,000,000 (125,000,000 ordinary shares at Baht 1.00 per share) by selling to existing shareholders in proportion of 91 existing shares to 1 new shares at Baht 1.00 per share. The payment will pay into 4 installments during the year 2019.

During the year 2019, the Company paid for 800,707 ordinary shares at Baht 1.00 per share, totalling Baht 800,707. Such additional investment resulted in the change in the Company's shareholding interest from 7.89% to 7.93%.

e) Consideration of allowance for impairment of investments

As at 31 December 2019, the Group's management has reviewed allowance for impairment of other long-term investments by considering the previous loss from operation, future expected estimated loss and other factors and consider to set the allowance for impairment amounting to Baht 4,302,097 (2018: Baht 1,917,119) for consolidated and separate financial statements.

f) Others

During the year 2019, the Group received dividend income from other long-term investments amounting to Baht 14,376,322 and the Company amounting to Baht 14,076,322 (2018 : the Group of Baht 11,784,919 and the Company of Baht 11,484,919) (Note 33).

19 Investment properties (net)

	Consolidated financial statements		
	Land Baht	Buildings Baht	Total Baht
As at 1 January 2018			
Cost	2,109,556,054	3,117,225	2,112,673,279
Less: Accumulated depreciation	-	(1,027,972)	(1,027,972)
Less: Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	1,811,668,549	2,089,253	1,813,757,802
For the year ended 31 December 2018			
Opening net book value	1,811,668,549	2,089,253	1,813,757,802
Depreciation change	-	(155,808)	(155,808)
Closing net book value	1,811,668,549	1,933,445	1,813,601,994
As at 31 December 2018			
Cost	2,109,556,054	3,117,225	2,112,673,279
Less: Accumulated depreciation	-	(1,193,760)	(1,193,760)
Less: Allowance for impairment	(297,887,505)	-	(297,887,505)
Net book value	1,811,668,549	1,933,445	1,813,601,994
For the year ended 31 December 2019			
Opening net book value	1,811,668,549	1,933,445	1,813,601,994
Write-off - cost	(294,728,021)	-	(294,728,021)
Transfer to non-current assets held-for-sale	294,728,021	-	294,728,021
Depreciation change	(1,162,048)	(155,808)	(1,317,856)
Closing net book value	1,810,506,501	1,777,637	1,812,284,138
As at 31 December 2019			
Cost	1,813,665,985	3,117,225	1,816,783,210
Less: Accumulated depreciation	-	(1,339,586)	(1,339,586)
Less: Allowance for impairment	(3,159,484)	-	(3,159,484)
Net book value	1,810,506,501	1,777,637	1,812,284,138

During the year 2019, the Group's management wrote-off investment properties which fully set allowance for impairment in previous years amounting to Baht 294,728,021.

As at 31 December 2019, the Group's management reviewed the allowance for impairment of investment properties of subsidiaries and considered to recognise allowance for impairment amounting to Baht 3,159,484 (2018: Baht 297,887,505) in the consolidated financial statements.

As at 31 December 2019 and 2018, fair values of the investment properties under land and buildings category of the Group were assessed by independent professionally qualified valuer, who has experience in the location and type of investment properties assessed. The assessment was performed using market approach for land and buildings. The fair values are within level 2 of the fair value hierarchy.

As at 31 December 2019, fair values of investment properties under land and buildings (not included the land which in the lawsuit as mentioned in Note 42) category assessed in the consolidated financial statements are Baht 3,113,130,000 (2018 : Baht 2,321,442,000).

As at 31 December 2019 and 2018, investment properties - land which have book value (net) in amounting to Baht 35.50 million in the lawsuit as mentioned in Note 42.

As at 31 December 2019 and 2018, the Company has no investment property.



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19 Investment properties (net) (Cont'd)

Amounts recognised in profit or loss that are related to investment properties (net) for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue				
Rental income	24,239,600	27,041,900	-	-
Service income	-	-	-	-
	<u>24,239,600</u>	<u>27,041,900</u>	<u>-</u>	<u>-</u>
Expense				
Direct operating expense arising from investment properties that generated rental income and service income for the year	155,808	155,808	-	-
Direct operating expense arising from investment properties that did not generate rental income and service income for the year	-	-	-	-
	<u>155,808</u>	<u>155,808</u>	<u>-</u>	<u>-</u>



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20 Property, plant and equipment (net)

	Consolidated financial statements										
	Land Baht	Unutilised land in operation Baht	Buildings Baht	Building improvements and utility system Baht	Medical tools and equipment Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Motor vehicle Baht	Assets under installation and construction in progress Baht	Total Baht
As at 1 January 2018											
Cost	1,905,156,605	155,476,062	3,084,877,261	694,285,478	1,400,775,050	230,596,957	131,620,953	170,509,647	76,286,119	97,379,812	7,946,963,944
Less: Accumulated depreciation	-	-	(1,213,572,730)	(442,763,549)	(1,024,531,588)	(172,933,796)	(102,892,224)	(91,839,241)	(64,957,329)	-	(3,113,490,457)
Allowance for impairment	-	-	-	-	-	(11,385)	-	-	-	(673,565)	(684,950)
Net book value	1,905,156,605	155,476,062	1,871,304,531	251,521,929	376,243,462	57,651,776	28,728,729	78,670,406	11,328,790	96,706,247	4,832,788,537
For the year ended 31 December 2018											
Opening net book value	1,905,156,605	155,476,062	1,871,304,531	251,521,929	376,243,462	57,651,776	28,728,729	78,670,406	11,328,790	96,706,247	4,832,788,537
Additions from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-
- cost	62,771,386	-	83,032	-	-	-	21,491	-	869,100	270,043,464	333,788,473
- accumulated depreciation	-	-	(54,687)	-	-	-	(10,599)	-	(334,018)	-	(399,304)
Additions	5,047,500	-	-	10,948,869	206,253,239	15,688,516	14,098,960	7,955,009	9,667,622	1,647,402,841	1,917,062,556
Borrowing costs	-	-	-	-	-	-	-	-	-	7,348,512	7,348,512
Transfer from advance payment for fixed assets	-	-	-	348,081	4,563,665	-	138,142	-	-	114,781,533	119,831,421
Transfer to cost of developing holistic care project	(27,602,093)	-	-	-	-	-	-	-	-	-	(27,602,093)
Transfer in (out)	-	-	22,320,538	152,159,548	54,232,698	4,007,362	10,930,660	15,285,050	-	(258,935,856)	-
Reclassify - cost	-	-	(330,286,435)	330,286,435	-	-	-	-	-	-	-
- accumulated depreciation	-	-	164,398,524	(164,398,524)	-	-	-	-	-	-	-
Disposals - cost	(22,500)	-	-	(10,672,735)	(32,239,365)	(1,753,131)	(571,781)	(1,595,651)	(800,000)	-	(47,655,163)
- accumulated depreciation	-	-	-	10,669,581	32,213,632	1,620,405	439,997	1,284,707	799,999	-	47,028,321
Write-off - cost	-	-	(42,900,045)	(22,168,849)	(2,684,105)	(1,108,491)	(11,591,345)	(280,410)	-	-	(80,733,245)
- accumulated depreciation	-	-	42,900,032	22,168,824	2,603,898	928,747	11,012,726	254,565	-	-	79,868,792
Depreciation charge	-	-	(83,465,853)	(83,625,982)	(100,864,283)	(17,120,051)	(12,952,219)	(20,402,847)	(4,528,309)	-	(322,959,544)
Impairment charge	-	-	-	(4,744,878)	-	11,385	(89,867)	(10,872)	-	(4,766,850)	(9,601,082)
Closing net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181
As at 31 December 2018											
Cost	1,945,350,898	155,476,062	2,734,094,351	1,155,186,827	1,630,901,182	247,431,213	144,647,080	191,873,645	86,022,841	1,878,020,306	10,169,004,405
Less: Accumulated depreciation	-	-	(1,089,794,714)	(657,949,650)	(1,090,578,341)	(187,504,695)	(104,402,319)	(110,702,816)	(69,019,657)	-	(3,309,952,192)
Allowance for impairment	-	-	-	(4,744,878)	-	-	(89,867)	(10,872)	-	(5,440,415)	(10,286,032)
Net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181

During 4th quarter of 2018, a subsidiary - Thonburi Wellbeing Company Limited has reclassified land which is included in property, plant and equipment that related to holistic care project to cost of developing holistic care project in purpose of developing holistic care, amounting to Baht 27.60 million due to management charged land allocation in green area and lake to be proper.





Thonburi Healthcare Group Public Company Limited
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20 Property, plant and equipment (net) (Cont'd)

	Consolidated financial statements																
	Land Baht	Unutilised land in operation Baht	Buildings Baht	Building improvements and utility system Baht	Medical tools and equipment		Tools and equipment		Furniture and office equipment		Computer		Motor vehicle		Assets under installation and construction in progress		Total Baht
					Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
For the year ended 31 December 2019																	
Opening net book value	1,945,350,898	155,476,062	1,644,299,637	492,492,299	540,322,841	59,926,518	40,154,894	81,159,957	17,003,184	1,872,579,891	6,848,766,181						
Additions	11,774,685	-	3,905,253	10,744,664	461,337,458	20,669,894	72,070,129	56,436,584	9,047,427	1,121,440,687	1,767,426,781						
Borrowing costs	-	-	-	-	-	-	-	-	-	43,950,234	43,950,234						
Transfer from advance payment for fixed assets	-	-	-	-	3,016,239	446,743	2,521,911	-	852,250	153,260,653	160,097,796						
Transfer to inventories	(6,782,089)	-	-	-	-	-	-	-	-	-	(6,782,089)						
Transfer to cost of developing holistic care project	(6,704,580)	-	-	-	-	-	-	-	-	-	(6,704,580)						
Transfer to non-current assets held-for-sale	(83,000,000)	-	-	-	-	-	-	-	-	-	(83,000,000)						
Transfer in (out)	-	-	1,366,340,955	414,121,791	96,621,848	57,370,511	86,663,959	51,623,402	-	-	-						
Reclassification - cost	-	-	(10,226,308)	33,973,811	-	(38,299,899)	14,493,855	58,541	-	-	-						
- accumulated depreciation	-	-	9,313,469	(1,821,657)	-	1,791,744	(9,277,196)	(6,360)	-	-	-						
Disposals - cost	-	-	-	(1,831,956)	(29,358,703)	(3,370,391)	(531,688)	(1,610,981)	(4,209,200)	-	-						
- accumulated depreciation	-	-	-	1,819,711	28,664,272	3,267,439	493,220	1,575,977	4,209,195	-	-						
Write-off - cost	-	-	(12,837,679)	(15,407,999)	(96,986,750)	1,824,634	(22,034,773)	(1,771,949)	(67,000)	-	-						
- accumulated depreciation	-	-	12,837,679	10,419,170	94,341,362	1,770,053	21,687,287	1,670,701	66,998	-	-						
Depreciation charge	-	-	-	(97,262,673)	(155,127,862)	(21,206,362)	(26,122,042)	(39,044,507)	(5,401,194)	-	-						
Impairment charge	-	-	(119,555,358)	-	-	(7,647)	83,882	(1,638)	-	-	-						
Closing net book value	1,860,638,914	155,476,062	2,894,077,648	851,992,039	942,830,705	80,533,969	180,203,438	150,089,727	21,501,660	1,118,488,999	8,255,833,161						
As at 31 December 2019																	
Cost	1,860,638,914	155,476,062	4,081,276,572	1,596,787,138	2,065,531,274	282,423,437	297,830,473	296,609,242	91,646,318	1,123,929,414	11,852,148,844						
Less Accumulated depreciation	-	-	(1,187,198,924)	(744,795,099)	(1,122,700,569)	(201,881,821)	(117,621,050)	(146,507,005)	(70,144,658)	-	-						
Allowance for impairment	-	-	-	-	-	(7,647)	(5,985)	(12,510)	-	(5,440,415)	(5,466,557)						
Net book value	1,860,638,914	155,476,062	2,894,077,648	851,992,039	942,830,705	80,533,969	180,203,438	150,089,727	21,501,660	1,118,488,999	8,255,833,161						





Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

20 Property, plant and equipment (net) (Cont'd)

	Separate financial statements										Total Baht
	Land Baht	Unutilised land in operation Baht	Buildings Baht	Building improvements and utility system Baht	Medical tools and equipment Baht	Tools and equipment Baht	Furniture and office equipment Baht	Computer Baht	Motor vehicle Baht	Assets under installation and construction in progress Baht	
As at 1 January 2018											
Cost	999,971,022	155,476,062	2,883,194,255	507,457,411	1,108,134,933	183,462,362	105,223,179	145,136,855	49,167,015	42,271,852	6,179,494,946
Less: Accumulated depreciation	-	-	(1,066,887,324)	(303,102,641)	(830,755,848)	(139,187,223)	(82,800,135)	(72,334,603)	(38,848,160)	-	(2,533,915,934)
Net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012
For the year ended 31 December 2018											
Opening net book value	999,971,022	155,476,062	1,816,306,931	204,354,770	277,379,085	44,275,139	22,423,044	72,802,252	10,318,855	42,271,852	3,645,579,012
Additions	-	-	-	7,692,804	93,241,118	7,207,890	6,040,778	4,219,693	4,978,286	161,984,090	285,364,659
Transfer from advance payment for fixed assets	-	-	-	348,081	4,500,000	-	89,729	-	-	-	4,937,810
Transfer in (out)	-	-	22,320,538	107,306,239	-	3,158,359	6,624,184	10,550,000	-	(149,959,320)	-
Reclassification - cost	-	-	(290,770,933)	290,770,933	-	-	-	-	-	-	-
- accumulated depreciation	-	-	139,282,955	(139,282,955)	-	-	-	-	-	-	-
Disposals - cost	-	-	-	-	(23,076,666)	(826,604)	(349,819)	(1,046,799)	(800,000)	-	(26,099,888)
- accumulated depreciation	-	-	-	-	23,062,703	773,624	324,736	737,521	799,999	-	25,698,583
Write-off - cost	-	-	(1,845,527)	-	(94,120)	(327,231)	(32,427)	(278,831)	-	-	(2,578,136)
- accumulated depreciation	-	-	1,845,521	-	85,700	191,331	20,330	253,495	-	-	2,396,377
Depreciation charge	-	-	(76,095,679)	(58,860,847)	(71,058,088)	(12,091,425)	(9,532,111)	(16,138,756)	(3,209,502)	-	(246,986,408)
Closing net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
As at 31 December 2018											
Cost	999,971,022	155,476,062	2,612,898,333	913,575,468	1,182,705,265	192,674,776	117,595,624	158,580,918	53,345,301	54,296,622	6,441,119,391
Less: Accumulated depreciation	-	-	(1,001,854,527)	(501,246,443)	(878,665,533)	(150,313,693)	(91,987,180)	(87,482,343)	(41,257,663)	-	(2,752,807,382)
Net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
For the year ended 31 December 2019											
Opening net book value	999,971,022	155,476,062	1,611,043,806	412,329,025	304,039,732	42,361,083	25,608,444	71,098,575	12,087,638	54,296,622	3,688,312,009
Additions	11,774,685	-	-	7,617,178	102,205,838	9,900,969	8,564,955	17,304,776	13,500	158,674,010	316,055,911
Transfer from advance payment for fixed assets	-	-	-	-	-	207,120	83,480	-	-	83,396	373,976
Transfer in (out)	-	-	-	123,610,687	3,300,000	2,657,681	8,925,005	19,276,700	-	(157,770,073)	-
Disposals - cost	-	-	-	(1,733,026)	(28,851,725)	(783,422)	(436,787)	(254,596)	-	-	(32,059,556)
- accumulated depreciation	-	-	-	1,733,024	28,155,030	741,992	434,122	254,586	-	-	31,318,754
Write-off - cost	-	-	-	(726,249)	(91,911,340)	(502,660)	(6,518,870)	(1,033,292)	-	-	(100,692,411)
- accumulated depreciation	-	-	-	726,244	91,710,962	465,263	6,515,707	936,041	-	-	100,354,217
Depreciation charge	-	-	(73,274,939)	(67,987,321)	(79,548,405)	(12,594,502)	(10,164,326)	(20,965,245)	(3,479,323)	-	(268,014,061)
Closing net book value	1,011,745,707	155,476,062	1,537,768,867	475,569,562	329,100,092	42,453,524	33,011,710	86,617,545	8,621,815	55,283,955	3,735,648,839
As at 31 December 2019											
Cost	1,011,745,707	155,476,062	2,612,898,333	1,042,344,058	1,167,448,038	204,154,464	128,213,387	193,874,506	53,358,801	55,283,955	6,624,797,311
Less: Accumulated depreciation	-	-	(1,075,123,466)	(566,774,496)	(838,347,946)	(161,700,940)	(95,201,677)	(107,256,961)	(44,736,986)	-	(2,889,148,472)
Net book value	1,011,745,707	155,476,062	1,537,768,867	475,569,562	329,100,092	42,453,524	33,011,710	86,617,545	8,621,815	55,283,955	3,735,648,839





Thonburi Healthcare Group Public Company Limited
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21 Intangible assets (net) (Cont'd)

	Separate financial statements		
	Software Baht	Installation Baht	Total Baht
As at 1 January 2018			
Cost	106,948,027	-	106,948,027
Less: Accumulated amortisation	(30,112,287)	-	(30,112,287)
Net book value	76,835,740	-	76,835,740
For the year ended 31 December 2018			
Opening net book value	76,835,740	-	76,835,740
Additions	2,485,630	3,279,100	5,764,730
Transfer in (out)	759,700	(759,700)	-
Disposals - cost	(7,223)	-	(7,223)
Disposals - accumulated amortisation	1,033	-	1,033
Amortisation charge	(10,393,531)	-	(10,393,531)
Closing net book value	69,681,349	2,519,400	72,200,749
As at 31 December 2018			
Cost	110,186,134	2,519,400	112,705,534
Less: Accumulated amortisation	(40,504,785)	-	(40,504,785)
Net book value	69,681,349	2,519,400	72,200,749
For the year ended 31 December 2019			
Opening net book value	69,681,349	2,519,400	72,200,749
Additions	3,561,272	4,177,140	7,738,412
Transfer from advance payment for fixed assets	486,850	-	486,850
Transfer in (out)	5,097,960	(5,097,960)	-
Disposals - cost	(117,000)	-	(117,000)
Disposals - accumulated amortisation	(10,942,370)	-	(10,942,370)
Amortisation charge	-	-	-
Closing net book value	67,885,061	1,598,580	69,483,641
As at 31 December 2019			
Cost	119,215,216	1,598,580	120,813,796
Less: Accumulated amortisation	(51,330,155)	-	(51,330,155)
Net book value	67,885,061	1,598,580	69,483,641

22 Land leasehold rights and leased buildings (net)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net book value	2,271,893,072	2,372,990,701	11,397,260	12,197,260
Addition during the year - subsidiary	91,800,000	30,000,000	-	-
Less: Amortisation charge	(131,575,372)	(131,097,629)	(800,000)	(800,000)
Closing net book value	2,232,117,700	2,271,893,072	10,597,260	11,397,260

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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20 Property, plant and equipment (net) (Cont'd)

Unutilised land in operation is land with defined purpose for hospital operation expansion. Therefore, it is not classified as investment properties and presented in property, plant and equipment in both consolidated and company financial statements. Finance lease liabilities which the Group and the Company are lessees comprise of motor vehicle and office equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost	174,639,479	16,124,943	22,583,295	14,672,384
Less: Accumulated depreciation	(22,964,986)	(4,975,922)	(8,426,340)	(4,127,136)
Net book value	151,674,493	11,149,021	14,156,955	10,545,248

As at 31 December 2018, the Company has pledged some of land which have cost amounting to Baht 16.00 million with the financial institutions as collateral against bank overdrafts and short-term loans from financial institutions of a subsidiary. However, the Company already redeemed the collateral with the financial institution in January 2019.

On 29 January 2019, a subsidiary has entered into credit facility with a financial institution amounting to Baht 155.00 million and pledged land and buildings as collateral against such credit facility.

As at 31 December 2019, land and buildings with cost amounting to Baht 942.03 million (2018: Baht 305.60 million) have been pledged with the financial institutions as collateral against bank overdrafts, borrowings from financial institutions and bank guarantees (Note 24, 26 and 40).

21 Intangible assets (net)

	Consolidated financial statements		
	Software Baht	Installation Baht	Total Baht
As at 1 January 2018			
Cost	136,873,407	1,519,400	138,392,807
Less: Accumulated amortisation	(56,163,514)	-	(56,163,514)
Net book value	80,509,893	1,519,400	82,029,293
For the year ended 31 December 2018			
Opening net book value	80,509,893	1,519,400	82,029,293
Additions	2,307,252	69,682,438	72,569,690
Transfer in (out)	3,304,060	(3,304,060)	-
Disposals - cost	(7,223)	-	(7,223)
Disposals - accumulated amortisation	1,033	-	1,033
Amortisation charge	(11,994,095)	-	(11,994,095)
Closing net book value	74,720,950	67,897,748	142,618,698
As at 31 December 2018			
Cost	142,877,526	67,897,748	210,775,274
Less: Accumulated amortisation	(68,156,576)	-	(68,156,576)
Net book value	74,720,950	67,897,748	142,618,698
For the year ended 31 December 2019			
Opening net book value	74,720,950	67,897,748	142,618,698
Additions	21,769,475	34,250,963	56,020,438
Transfer from advance for fixed assets	697,484	-	697,484
Transfer in (out)	40,873,089	(40,873,089)	-
Write-off - cost	(616,600)	-	(616,600)
Write-off - accumulated amortisation	614,998	-	614,998
Amortisation charge	(17,373,882)	-	(17,373,882)
Closing net book value	120,685,514	61,275,622	181,961,136
As at 31 December 2019			
Cost	205,600,974	61,275,622	266,876,596
Less: Accumulated amortisation	(84,915,460)	-	(84,915,460)
Net book value	120,685,514	61,275,622	181,961,136



22 Land leasehold rights and leased building (net) (Cont'd)

Parent - Thonburi Healthcare Group Public Company Limited

- Land leasehold rights - Thonburi hospital, branch 1

The Company's land leasehold right covers a period of 25 years commencing 22 April 2008. The payment for the land leasehold right was made in 2008 amounting to Baht 20,000,000, which has been recorded as land leasehold rights and the Company has to pay the annual land rental. The rental rate is Baht 720,000 per annum. The Company has to comply with the conditions in respect of the land leasehold right as provided in the agreement.

Subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd.

- Land leasehold rights and leased buildings - Scho building

In November 2017, the Company has been received land leasehold rights and leased buildings which is belonged to Thai Red Cross Society from Bamrung Maung Plaza Co., Ltd. The rights are as follows:

- Land leasehold rights and leased buildings has period for 19 years 4 months since 1 November 2017.
- Leased buildings has period for 15 years 2 months since 1 November 2017.

The Company has to comply with the conditions and pay annual rental at the rates and conditions specified in the agreement.

On 10 April 2018, a subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd. made an additional memorandum for attaching with land rental and development agreement and buildings rental (for commercial) agreement with Thai Red Cross Society. The significant matters are as follows.

Memoandum for land rental and development agreement

- Change the objective from "commercial buildings for rent" to "hospital operation and commercial business"
- The Company agree to develop a shopping center and the accommodation to be a hospital which will have development cost at least Baht 330.00 million according to the model approved by Thai Red Cross Society.
- Additional payment for the change of objective amounting to Baht 30.00 million at the memorandum signing date.
- Payment for the amount which came from the profit allocation by the method which specified in the agreement on the maturity date of the agreement.
- Payment for the remaining rental expense amounting to Baht 49.20 million to Thai Red Cross Society on the memorandum signing date.
- Payment for remuneration expense amounting to Baht 91.80 million which will be divided into 3 installments at Baht 30.60 million per period according to the time which specified in the memorandum.

Memoandum for buildings rental agreement (for commercial)

- Payment for the remaining rental expense amounting to Baht 19.79 million to Thai Red Cross Society on the memorandum signing date.

During 2nd quarter of 2018, a subsidiary paid for the additional leasehold right amounting to Baht 30.00 million and paid for the remaining rental expense totalling Baht 68.99 million. A subsidiary recognised such rental payment as prepaid rental and amortised over the lease term.

During 2019, a subsidiary paid for the additional leasehold rights amounting to Baht 30.60 million as specified in the additional memorandum.

As at 31 December 2019, a subsidiary has liabilities under land leasehold rights amounting to Baht 61.20 million.



22 Land leasehold rights and leased building (net) (Cont'd)

Subsidiary - Thonburi Wellbeing Co., Ltd.

- Land leasehold rights

Land leasehold rights of a subsidiary amounting to Baht 5,625,000 covers a period of 50 years commencing 1 March 2017. The subsidiary paid for the land leasehold rights in May 2017 amounting to Baht 2,625,000 and has to pay the remaining payments at Baht 1,000,000 per annum for 3 years. The subsidiary has to pay the annual land rental. The rental rate is Baht 2,400,000 per annum for year 1 to 10 is Baht 2,400,000, 4,800,000 per annum for year 11 to 20 is Baht 4,944,000 per annum, for year 21 to 30 is Baht 5,092,320 per annum, for year 31 to 40 is Baht 5,295,960 per annum and for year 41 to 50 is Baht 5,598,000 per annum. The subsidiary has to comply with the conditions in respect of the land leasehold rights as provided in the agreement.

During the year 2019, a subsidiary paid for land leasehold rights amounting to Baht 1,000,000.

As at 31 December 2019, a subsidiary has remaining liability under land leasehold right amounting to Baht 1,000,000 (2018 : Baht 2,000,000).

Operating commitments from land leasehold rights and leased buildings is disclosed in Note 39.

- Down payment for land leasehold rights

In March 2018 and January 2019, a subsidiary - Thonburi Wellbeing Co., Ltd. paid for land leasehold right to other individual amounting to Baht 1,000,000 and Baht 1,000,000, respectively. As at 31 December 2019, a subsidiary recognised such amount as down payment for land leasehold rights, totalling Baht 3,000,000 (2018 : Baht 2,000,000).

23 Deferred tax assets (net)

Deferred tax assets (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
- Deferred tax assets to be recovered within 12 months	16,872,468	11,140,182	8,574,316	6,236,112
- Deferred tax assets to be recovered after more than 12 months	259,139,613	173,052,936	69,563,865	55,049,711
	276,012,081	184,193,118	78,138,181	61,285,823
Deferred tax liabilities:				
- Deferred tax liabilities to be settled within 12 months	(28,616,877)	(19,804,372)	(9,530,705)	(7,480,682)
- Deferred tax liabilities to be settled after more than 12 months	(358,794,470)	(386,409,464)	(146,225,164)	(158,705,214)
	(387,411,347)	(386,213,836)	(155,755,869)	(166,185,896)
	(111,399,266)	(202,020,718)	(77,617,688)	(104,900,073)
Deferred tax assets (liabilities) (net)				
Deferred tax assets (liabilities) (net) which presented in statements of financial position				
- Deferred tax assets (net)	171,655,146	120,322,614	-	-
- Deferred tax liabilities (net)	(283,054,412)	(322,343,332)	(77,617,688)	(104,900,073)
	(111,399,266)	(202,020,718)	(77,617,688)	(104,900,073)





Thonburi Healthcare Group Public Company Limited
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23 Deferred tax assets (net) (Cont'd)

The movements of deferred tax assets (liabilities) (net) for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance of the year	(202,020,718)	(311,314,514)	(104,900,073)	(146,317,681)
Increase (decrease) from acquiring subsidiary during the year (Note 16 d))	-	21,917	-	-
Increase (decrease) to profit or loss (Note 36)	73,257,070	65,355,117	12,091,542	(1,869,759)
Increase (decrease) to other comprehensive income	17,364,382	43,916,762	15,190,843	43,287,367
Closing balance of the year	(111,399,266)	(202,020,718)	(77,617,688)	(104,900,073)
As at 31 December 2019 and 2018, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%.				
	Consolidated financial statements			
	Increase (decrease) from acquiring subsidiary		Increase (decrease) to other comprehensive income	
	1 January 2019 Baht	31 December 2019 Baht	1 January 2019 Baht	31 December 2019 Baht
Deferred tax assets				
Provision for obsolete inventories	138,983	-	(83,159)	55,824
Employee benefit obligations	66,776,021	-	24,040,860	89,500,505
Finance lease liabilities	2,171,064	-	23,309,392	25,480,456
Difference in interest expense which calculated by effective interest rate method	4,932,451	-	891,482	5,223,933
Accumulated deficit	104,218,229	-	35,126,411	139,344,640
Difference in cost of assets between accounting and tax approach	985,084	-	126,411	1,091,495
Difference in depreciation expense between accounting and tax approach	3,524,727	-	3,612,014	7,136,741
Provision for decommissioning cost	1,248,517	-	1,171,805	2,420,322
Allowance for impairment	158,400	-	(159,400)	-
Deferred revenue	59,642	-	2,633,182	62,090
	184,193,118	-	90,556,976	273,433,718
Deferred tax liabilities				
Difference in depreciation expense between accounting and tax approach	(57,441,885)	-	(7,249,380)	(64,691,265)
Assets under finance leases	(2,151,472)	-	(26,402,679)	(28,554,151)
Unrealised gain from available-for-sale investments	(105,710,955)	-	-	(87,030,197)
Prepaid front-end fee	(1,256,735)	-	(442,276)	(1,095,011)
Borrowing cost as cost of developing holistic care project	(2,209,530)	-	4,787,894	2,578,364
Fair value of land leasehold rights and leased buildings	(217,443,259)	-	12,006,535	(205,436,724)
	(386,213,836)	-	(17,299,906)	(394,832,984)
Deferred tax assets (liabilities) (net)	(202,020,718)	-	73,257,070	(111,399,266)

Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

23 Deferred tax assets (net) (Cont'd)

As at 31 December 2019 and 2018, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

	Consolidated financial statements			
	1 January 2018 Baht	Increase (decrease) from acquiring subsidiary Baht	Increase (decrease) to profit or loss Baht	31 December 2018 Baht
Deferred tax assets				
Provision for obsolete inventories	473,254	-	(334,271)	138,983
Employee benefit obligations	45,781,613	25,100	4,814,892	66,776,021
Finance lease liabilities	2,302,032	-	(130,968)	2,171,064
Difference in interest expense which calculated by effective interest rate method	3,800,077	-	1,132,374	4,932,451
Accumulated deficit	53,372,633	-	50,846,596	104,218,229
Difference in cost of assets between accounting and tax approach	-	-	985,084	985,084
Difference in depreciation expense between accounting and tax approach	-	-	3,524,727	3,524,727
Provision for decommissioning cost	153,569	-	1,094,948	1,248,517
Allowance for impairment	-	-	158,400	158,400
	105,883,178	25,100	59,642	184,193,118
Deferred tax liabilities				
Difference in depreciation expense between accounting and tax approach	(50,078,873)	-	(7,383,012)	(57,441,885)
Assets under finance leases	(2,398,891)	-	247,419	(2,151,472)
Unrealised gain from available-for-sale investments	(133,470,118)	(3,183)	-	(105,710,955)
Prepaid front-end fee	(1,550,847)	-	294,112	(1,256,735)
Borrowing cost as cost of developing holistic care project	(249,169)	-	(1,960,361)	(2,209,530)
Fair value of land leasehold rights and leased buildings	(229,449,794)	-	12,006,535	(217,443,259)
	(417,197,892)	(3,183)	3,224,693	(386,213,836)
Deferred tax assets (liabilities) (net)	(311,314,514)	21,917	65,355,117	(202,020,718)



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23 Deferred tax assets (net) (Cont'd)

As at 31 December 2019 and 2018, deferred tax (net) is calculated by using the liability method on temporary differences at the tax rate of 20.00%. (Cont'd)

	Separate financial statements		
	1 January 2019 Baht	Increase (decrease) to profit or loss Baht	31 December 2019 Baht
Deferred tax assets			
Provision for obsolete inventories - supplies	92,983	(80,671)	12,312
Employee benefit obligations	54,123,397	18,838,415	69,634,539
Finance lease liabilities	2,136,992	530,405	2,667,397
Difference in interest expense which calculated by effective interest rate method	4,932,451	891,482	5,823,933
	61,285,823	20,179,631	78,138,181
Deferred tax liabilities			
Difference in depreciation expense between accounting and tax approach	(57,441,884)	(7,249,380)	-
Assets under finance leases	(2,093,476)	(451,009)	-
Unrealised gain from available-for-sale investments	(105,393,801)	-	18,518,116
Prepaid front-end fee	(1,256,735)	(387,700)	(1,644,435)
	(166,185,896)	(8,068,089)	(174,253,985)
Deferred tax liabilities (net)	(104,900,073)	12,091,542	(92,808,531)

	Separate financial statements		
	1 January 2018 Baht	Increase (decrease) to profit or loss Baht	31 December 2018 Baht
Deferred tax assets			
Provision for obsolete inventories - supplies	89,198	3,785	92,983
Employee benefit obligations	35,418,163	3,302,765	54,123,397
Finance lease liabilities	2,302,033	(165,041)	2,136,992
Difference in interest expense which calculated by effective interest rate method	3,180,235	1,752,216	4,932,451
	40,989,629	4,893,725	61,285,823
Deferred tax liabilities			
Difference in depreciation expense between accounting and tax approach	(50,078,873)	(7,363,011)	-
Assets under finance leases	(2,398,891)	305,415	-
Unrealised gain from available-for-sale investments	(133,278,699)	-	27,884,898
Prepaid front-end fee	(1,550,847)	294,112	(1,256,735)
	(187,307,310)	(6,763,484)	(194,070,794)
Deferred tax liabilities (net)	(146,317,681)	(1,869,759)	(148,187,440)

23 Deferred tax assets (net) (Cont'd)

As at 31 December 2019 and 2018, the Group and the Company did not recognise deferred tax assets (liabilities) which such amount can be deductible with tax expense in the future are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Unused tax losses				
- 2019	-	17,472,476	-	-
- 2020	42,502,717	41,860,040	-	-
- 2021	12,481,041	20,596,576	-	-
- 2022	13,162,578	20,852,185	-	-
- 2023	8,565,294	8,565,294	-	-
- 2024	8,620,174	-	-	-
Allowance for impairment of investments properties	631,897	59,577,501	-	-
Allowance for impairment of investments	860,419	777,557	187,734,052	167,651,191
Allowance for doubtful accounts				
- Trade receivable	10,044,273	5,762,539	8,061,286	4,593,843
- Advance payment and other receivable	53,823	53,783	-	-
- Interest receivable	-	-	8,932,338	8,932,338
- Withholding tax	-	188,851	-	-
- Deposit	-	63,000	-	-
Allowance for obsolete inventories	1,637,298	1,643,401	-	-
Allowance for sales return	315,089	212,286	-	-
Deferred revenue	61,500	-	-	-

Deferred tax assets (liabilities) for accumulated deficit, allowance for impairment of investment properties, allowance for impairment of investments, allowance for doubtful accounts, allowance for obsolete inventories, allowance for sales return, and deferred revenue of the Group and the Company are only recognised to the future taxable profits, which is probable that the deferred tax assets can be utilised.





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24 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bank promissory notes	2,647,905,029	2,649,751,222	2,580,000,000	2,583,000,000
Bank overdrafts	8,427,749	19,964,767	-	-
Trust receipts	48,804,549	71,145,674	-	-
	<u>2,705,137,327</u>	<u>2,740,861,663</u>	<u>2,580,000,000</u>	<u>2,583,000,000</u>

	Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)	Interest rate (% per annum)	Interest rate (% per annum)	Interest rate (% per annum)
Bank promissory notes	Interest rate in Financial Market and MLR 6.25	Interest rate in Financial Market and MLR 6.25	Interest rate in Financial Market	Interest rate in Financial Market

Bank overdrafts	MOR	MOR	-	-
Trust receipts	Interest rate in Financial market	Interest rate in Financial market	-	-

The bank overdrafts and short-term loans from financial institutions are secured by the mortgage some of land and buildings of the Group and the Company (Note 20).

Bank overdrafts of subsidiaries are secured by deposits at financial institution as mentioned in Note 13.

As at 31 December 2019, bank promissory notes of the Group have the maturity date for repayment at call or within 5-month period and the repayment is due in May 2020 (2019 : due for repayment within 6-month period and the repayment is due in June 2019) and bank promissory notes of the Company have the maturity date for repayment at call or within 3-month period and the repayment is due in February 2020 (2018 : bank promissory notes of the Company have the maturity date for repayment at call or within 6-month period and the repayment is due in March 2019).

As at 31 December 2019 and 2018, trust receipts of the Group represent the credit from a local bank which have the maturity date within 180 days. The Group used trust receipts as working capital to purchase medical supplies and equipment from overseas.

During 2019, the Group has credit facilities for overseas letter of credit and trust receipts with a domestic financial institution. Such credit facilities can be drawn down amounting to Baht 100.00 million. The credit limit is combined line with Thonburi Healthcare Group Public Company Limited and a subsidiary.

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25 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable		473,379,847	719,516,579	262,045,502	240,890,628
- related companies	38 a)	4,125,289	4,001,221	5,196,319	4,962,220
Other accounts payable		63,834,367	59,764,635	41,983,839	40,842,964
- related companies	38 a)	2,281,940	1,658,029	39,156,008	28,333,062
Fixed assets payable		470,032,635	743,281,412	43,644,250	44,901,800
- related companies	38 a)	-	-	1,701,392	42,750
Intangible asset payable		1,982,534	15,889,500	-	-
- related companies	38 a)	-	-	132,680	-
Interest payable		39,534,396	28,973,118	34,929,396	28,930,257
- other companies		14,814,924	12,680,939	14,418,279	12,198,145
Dividend payable		119,110,172	101,473,228	83,073,376	89,250,011
Accrued doctor fee		143,304,510	149,180,441	119,727,299	126,482,843
Accrued expenses - other companies and bonus		55,526,251	55,108,382	22,702,176	36,900,520
Accrued expenses - related companies	38 a)	747,368	817,463	747,368	817,463
Unearned income - other companies		25,977,298	23,073,709	17,224,192	18,008,414
Retention payable		141,400,665	69,708,079	6,338,752	12,972,451
Deferred revenue from condominium unit sold		13,473,404	-	-	-
Advance received from down payment of condominium unit		25,665,444	73,528,099	-	-
Deposit received - related company	38 a)	1,000,000	-	-	-
- other companies		466,372	40,310	-	-
Other		1,028,451	792,000	-	-
		<u>1,597,685,887</u>	<u>2,059,487,144</u>	<u>693,024,828</u>	<u>685,533,528</u>

As at 31 December 2019, a subsidiary has 14 outstanding promissory notes issued to fixed assets payable in amounting to Baht 302.57 million (31 December 2018 : a subsidiary had 8 outstanding promissory notes issued to fixed assets payable in amounting to Baht 155.28 million). Such promissory notes are unsecured in Thai Baht. The promissory notes bear interest at the fixed rate per annum. The subsidiary recorded such promissory notes as a part of fixed asset payable and made all payments to such payable in January 2020.





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26 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning balance of the year	3,450,000,000	3,550,000,000	3,450,000,000	3,550,000,000
Additions during the year	3,120,000,000	-	2,200,000,000	-
Repayments during the year	(425,000,000)	(100,000,000)	(425,000,000)	(100,000,000)
	6,145,000,000	3,450,000,000	5,225,000,000	3,450,000,000
Prepaid front-end fee (net)	(9,187,755)	(6,283,675)	(8,222,177)	(6,283,675)
Ending balance of the year	6,135,812,245	3,443,716,325	5,216,777,823	3,443,716,325
<u>Less</u> Current portion	(655,000,000)	(400,000,000)	(580,000,000)	(400,000,000)
	<u>5,480,812,245</u>	<u>3,043,716,325</u>	<u>4,636,777,823</u>	<u>3,043,716,325</u>

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Due within 1 year	655,000,000	400,000,000	580,000,000	400,000,000
Due within 2 to 5 years	5,077,124,000	2,410,000,000	4,305,000,000	2,410,000,000
Due after 5 years	412,876,000	640,000,000	340,000,000	640,000,000
	6,145,000,000	3,450,000,000	5,225,000,000	3,450,000,000
<u>Less</u> Prepaid front-end fee (net)	(9,187,755)	(6,283,675)	(8,222,177)	(6,283,675)
Total long-term loans	<u>6,135,812,245</u>	<u>3,443,716,325</u>	<u>5,216,777,823</u>	<u>3,443,716,325</u>



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26 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
1	1,450.00	1,850.00	Thailand	Repayment the debentures of the Company	2,400.00	<p>Since the first drawdown - 30 September 2015 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2015 : - 30 September 2017 : fixed interest rate per annum</p> <p>Since 1 October 2017 : - 30 September 2019 : MLR less fixed interest rate per annum</p> <p>Since 1 October 2019 onwards : MLR per annum, interest repayment on monthly basis before the last workday of each month.</p> <p>However, on 21 December 2017, the Company made an agreement to revise the condition of interest rate as follows:</p> <p>Since 1 December 2017 - 30 November 2019 : fixed interest rate per annum.</p> <p>Since 1 December 2019 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month.</p> <p>However, on 23 December 2019, the Company made an agreement to revise the condition of interest rate as follows:</p> <p>Since 1 January 2020 - 31 December 2020 : MLR less fixed interest rate per annum.</p> <p>Since 1 January 2021 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month.</p>	<p>Agreement dated on 2 December 2014, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 26 periods as following schedule:</p> <p>Period 1 - 2 : Baht 25.00 million</p> <p>Period 3 - 6 : Baht 50.00 million</p> <p>Period 7 - 18 : Baht 100.00 million</p> <p>Period 19 - 22 : Baht 112.50 million</p> <p>Period 23 - 25 : Baht 125.00 million</p> <p>Period 26 : Payment for the remaining principals.</p> <p>However, on 28 September 2017, the Company made an agreement to revise the condition of the principal repayment. The Company used a grace period for the principals to be paid in September and December 2017, totalling in 2 periods. After the maturity of grace period, the Company will pay the principals every 3 months in March, June, September and December every year which start since March 2018.</p> <p>- March 2018 - December 2019 : Baht 100.00 million</p> <p>- March 2020 - December 2020 : Baht 112.50 million</p> <p>- March 2021 - September 2021 : Baht 125.00 million</p> <p>- December 2021 : Payment for the remaining principals.</p> <p>On 21 December 2017 the Company made an agreement to revise the condition of the principals every 3 months in March, June, September and December every year which start since March 2018.</p> <p>- March 2018 - December 2018 : Baht 25.00 million</p> <p>- March 2019 - December 2019 : Baht 100.00 million</p> <p>- March 2020 - December 2020 : Baht 150.00 million</p> <p>- March 2021 - September 2021 : Baht 212.50 million</p> <p>- December 2021 : Payment for the remaining principals.</p> <p>On 23 December 2019, the Company made an agreement to revise the condition of the principals every 3 months in March, June, September and December every year which start since March 2020.</p> <p>- March 2020 - September 2024 : Baht 72.50 million</p> <p>- December 2024 : Payment for the remaining principals.</p>	No collateral



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26 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited (Cont'd)

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
2	1,600.00	1,600.00	Thailand	Support the purchase of shares or assets of Bamrungmaung Plaza Co., Ltd.	1,600.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum. The Company has the right to use fixed interest rate with the rate upon agreed with the lender. In each period, the required period is at least 6 months but not over than 2 years since the first drawdown. However, on 23 December 2019, the Company made an agreement to revise the condition of interest rate as follows: Since 1 January 2020 - 31 December 2020 : MLR less fixed interest rate per annum. Since 1 January 2021 onwards : MLR less fixed interest rate per annum, interest repayment on monthly basis before the last workday of each month	Agreement dated on 31 October 2017, repayment for principal every 3 months, totalling 24 periods as following schedule: Period 1 - 4 : Baht 45.00 million Period 5 - 8 : Baht 60.00 million Period 9 - 12 : Baht 65.00 million Period 13 - 16 : Baht 70.00 million Period 17 - 20 : Baht 75.00 million Period 21 - 23 : Baht 85.00 million Period 24 : Payment for the remaining principals.	No collateral
3	990.00	-	Thailand	Repayment of short-term loans	1,000.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 4 July 2019, repayment for principal every 3 months since September 2019 as following schedule: Year 1 : at least Baht 5.00 million every 3 months Year 2 : at least Baht 20.00 million every 3 months Year 3 : at least Baht 50.00 million every 3 months Year 4 : at least Baht 75.00 million every 3 months Year 5 : at least Baht 100.00 million every 3 months	No collateral





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26 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following: (Cont'd)

Parent company - Thonburi Healthcare Group Public Company Limited (Cont'd)

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
4	985.00	-	Thailand	Repayment of short-term loans	1,900.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 25 October 2019, repayment for principal every 3 months before the last workday of March, June, September and December every year, totalling 24 periods as following schedule: Period 1 - 8 : Baht 15.00 million Period 9 - 12 : Baht 60.00 million Period 13 - 16 : Baht 85.00 million Period 17 - 23 : Baht 150.00 million Period 24 : Payment for the remaining principals.	No collateral
5	200.00	-	Thailand	Business expansion and investment in foreign countries	200.00	Since the first drawdown until the last payment : Prime rate less fixed interest rate per annum.	Agreement dated on 4 December 2019, repayment for principal every 3 months before the last workday since the first drawdown date, totalling 8 periods as following schedule: Period 1 - 7 : Baht 25.00 million Period 8 : Payment for the remaining principals.	No collateral

Total 5,225.00 3,450.00





26 Long-term loans from financial institutions (Cont'd)

Outstanding balances of long-term loans from financial institutions as at 31 December 2019 and 2018 comprise the following: (Cont'd)

Subsidiary - Thonburi Bamrungmuang Hospital Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
1	800.00	-	Thailand	Repayment loans to the shareholders	800.00	Since the first drawdown until the last payment : fixed interest rate per annum to be paid every 3 months.	Agreement dated on 2 August 2019, repayment for principal every 3 months after 12 months since the first drawdown totalling 12 periods as following schedule: Period 1 - 4 : Baht 37.50 million Period 5 - 8 : Baht 42.50 million Last period : Payment for the remaining principals and interest.	Guaranteed by parent company with guarantee limit at Baht 800.00 million.

Total 800.00 -

Subsidiary - Thanarad Thung Song Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2019 (Million Baht)	2018 (Million Baht)						
1	120.00	-	Thailand	Construction of a hospital	120.00	Since the first drawdown until the last payment : MLR less fixed interest rate per annum.	Agreement dated on 2 May 2018, repayment for principal on monthly basis for grace period 36 months since the first drawdown, totalling 84 periods as following schedule: Period 1 - 83 : Baht 1,428 million Last period : Baht 1,476 million with remaining interest	Secured some of land and buildings (Note 20).

Total 120.00 -
6,145.00 3,450.00

The Group and the Company are under the debt covenant criteria of loan agreements which require the Group to maintain the financial ratio, proportion of management shareholders, negative pledge and other requirements in accordance with each loan agreement.





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26 Long-term loans from financial institutions (Cont'd)

The Group has credit facilities with financial institution which has credit that can be drawn down amounting to Baht 400,000 million. The credit limit is combine line with Thonburi Healthcare Group, Public Company Limited and two subsidiaries. The Group has to follow the condition which specified in credit agreement.

27 Finance lease liabilities (net)

The Group has entered into the finance lease agreements for motor, vehicle and office equipment for using in its operations, whereby it is committed to pay rental fee on a monthly basis.

As at 31 December 2019 and 2018, finance lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Finance lease liabilities	146,991,206	12,203,579	15,377,421	11,813,731
Less: Deferred interest expenses	(11,823,781)	(884,238)	(559,105)	(867,098)
Present value of finance lease liabilities	135,167,425	11,319,341	14,818,316	10,946,633
Less: Current portion (net)	(37,790,685)	(3,151,914)	(5,604,389)	(2,857,376)
	97,376,740	8,167,427	9,213,927	8,089,257

As at 31 December 2019 and 2018, minimum finance lease liabilities payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Due payment				
- Within 1 year	42,833,038	3,561,479	5,940,152	3,254,847
- Later than 1 year but not later than 5 years	104,158,168	8,642,100	9,437,269	8,558,884
	146,991,206	12,203,579	15,377,421	11,813,731

The fair values of finance lease liabilities approximate the carrying amount of their book balances.

28 Employee benefit obligations

The amounts recognised in the statements of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Present value of unfunded obligations	447,562,090	333,880,092	348,172,692	270,616,985

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26 Long-term loans from financial institutions (Cont'd)

The carrying amounts and fair values of long-term loans are as follows:

	Consolidated financial statements			
	2019	2018	2019	2018
	Carrying amounts	Fair values	Carrying amounts	Fair values
	Baht	Baht	Baht	Baht
Loans from financial institutions	6,135,812,245	6,173,110,640	3,443,716,325	3,475,108,593

	Separate financial statements			
	2019	2018	2019	2018
	Carrying amounts	Fair values	Carrying amounts	Fair values
	Baht	Baht	Baht	Baht
Loans from financial institutions	5,216,777,823	5,253,110,640	3,443,716,325	3,475,108,593

The fair values are calculated from discounted cash flows, using a discount rate based upon the borrowing rate which the management expects to be available to the Group and the Company at the statement of financial position date. The Fair values are within level 2 of the fair value hierarchy.

As a result of borrowing at floating interest rates and mainly in Thai Baht, the carrying amounts of borrowings approximate their fair values.

The Group's and the Company's interest rate risks from borrowings are as follows:

	Consolidated financial statements				Separate financial statements			
	2019	2018	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Loans at floating rates	5,336,504,946	3,443,716,325	5,216,777,823	3,443,716,325				

	Consolidated financial statements				Separate financial statements			
	2019	2018	2019	2018	2019	2018	2019	2018
	% per annum	% per annum	% per annum	% per annum	% per annum	% per annum	% per annum	% per annum
Loans from financial institutions	3.25 to 3.91	3.31 to 3.72	3.25 to 3.91	3.25 to 3.91	3.31 to 3.72			

The effective interest rates as at 31 December 2019 and 2018 are as follows:

Unused credit facilities

As at 31 December 2019 and 2018, the unused credit facilities comprise the following:

	Consolidated financial statements				Separate financial statements			
	2019	2018	2019	2018	2019	2018	2019	2018
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans
Floating interest rate								
- Unlimited period (Baht)	138,479,194	1,160,000,000	2,259,781,713	85,832,594	450,000,000	2,026,067,817		
- Unlimited period (US Dollar)	-	-	1,600,000	-	-	-	-	-

	Consolidated financial statements				Separate financial statements			
	2019	2018	2019	2018	2019	2018	2019	2018
	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans	Working capital and guarantee	Bank overdrafts	Long-term loans
Floating interest rate								
- Unlimited period (Baht)	52,000,000	1,160,000,000	2,116,491,291	52,000,000	450,000,000	1,970,143,712		
- Unlimited period (US Dollar)	-	-	1,600,000	-	-	-	-	-



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28 Employee benefit obligations (Cont'd)

Sensitivity analysis for significant assumptions are as follows:

Post-employment benefits

	Increase (decrease) on employee benefit obligation	
	Consolidated financial statements	Separate financial statements
	2019 Baht	2018 Baht
Change in assumptions		
Discount rate	(35,151,215)	(26,816,092)
Discount rate	40,463,657	29,005,852
Salary increase rate	38,000,973	27,635,630
Salary increase rate	(33,774,525)	(24,652,389)
Turnover rate	(26,544,072)	(19,943,931)
Turnover rate	31,193,250	22,048,357
Mortality rate	571,539	367,762
Mortality rate	(634,177)	(405,378)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to the significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average duration of the defined obligation of the Group and the Company for the year ended 31 December 2019 is 13.6 years (2018: the Group and the Company is 14.1 years).

Expected maturity analysis of retirement benefits as at 31 December 2019 and 2018 comprise the following:

	Post-employment benefits	
	Consolidated financial statements	Separate financial statements
	2019 Baht	2018 Baht
Within 1 year	32,714,312	39,625,156
More than 1 year but less than 5 years	203,823,953	180,675,244
More than 5 years but less than 10 years	192,738,705	227,343,063
More than 10 years but less than 15 years	224,589,985	238,275,860
	653,866,935	685,919,323
		470,335,480
		518,484,148

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day/s pay to 400 day/s pay. The Group recognised the impact in profit or loss for the year ended 31 December 2019.

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28 Employee benefit obligations (Cont'd)

The movement of employee benefit obligations for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Beginning balance of the year	333,880,092	228,908,057	270,616,985	177,090,817
Increase from investment in a subsidiary	-	125,498	-	-
Current service cost	41,648,727	31,514,486	28,686,265	23,349,956
Interest cost	10,484,615	7,503,089	8,526,650	5,716,215
Past service cost in accordance with the amended Labour Protection Law	95,545,076	-	78,386,704	-
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss	867,540	3,701,353	867,540	3,701,353
Reversals of employee benefit obligations	(9,921,177)	68,979,473	(19,349,234)	64,354,441
- (Gain) loss that changed from assumptions	3,339,295	11,792,606	2,712,868	12,657,903
- Loss that occurred from experience	(28,282,078)	(19,644,470)	(22,275,086)	(16,253,700)
Employee benefits paid during the year	447,562,090	333,880,092	348,172,692	270,616,985
Ending balance of the year				

Employee benefit obligations recognised in the statement of comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current service cost	41,648,727	31,514,486	28,686,265	23,349,956
Interest cost	10,484,615	7,503,089	8,526,650	5,716,215
Past service cost in accordance with the amended Labour Protection Law	95,545,076	-	78,386,704	-
Actuarial gain (loss) on defined employee benefit plans recognised in profit or loss				
- Long service award	867,540	3,701,353	867,540	3,701,353
	148,545,958	42,718,928	116,467,159	32,767,524

These expenses were included in the cost of hospital operations, cost of goods sold, cost of other services, selling expenses and administrative expenses as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of hospital operations/				
Cost of goods sold	104,489,766	29,707,435	87,099,878	25,820,417
Cost of other services	3,973,136	6,870,187	1,593,299	3,738,642
Selling expenses	40,083,056	6,132,306	27,783,983	1,148,485
Administrative expenses	148,545,958	42,718,928	116,467,159	32,767,524

The principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate (% per annum)	1.19 to 2.38	1.76 to 4.16	1.19 to 2.38	1.76 to 4.16
Expected future salary increase (% per annum)	2.50 to 10.00	2.50 to 10.00	2.50 to 5.00	2.50 to 7.00
Employee turnover ratio (% per annum)	0.00 to 30.00	0.00 to 30.00	0.00 to 30.00	0.00 to 30.00
Retirement age (year)	55 and 60	55 and 60	55	55





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29	Share capital	Consolidated and Separate financial statements			
		Registered capital		Share premium on ordinary shares (net)	
		Registered shares	Baht	Issued and paid-up shares	Baht
	As at 31 December 2017	849,080,000	849,080,000	849,080,000	6,861,242,864
	Issued of share during the year	-	-	-	-
	As at 31 December 2018	849,080,000	849,080,000	849,080,000	6,861,242,864
	Issued of share during the year	-	-	-	-
	As at 31 December 2019	849,080,000	849,080,000	849,080,000	6,861,242,864
	As at 31 December 2019 and 2018, share premium presented in statement of financial position at Baht 6,861,242,864.				
	As at 31 December 2019, the total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share (2018: total authorised number of ordinary shares is 849,080,000 shares with a par value at Baht 1.00 per share) was issued and fully paid.				

30 Legal reserve

Under the Public Limited Company Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. The legal reserve has to be approved from annual general shareholders' meeting.

As at 31 December 2019, the retained earnings-unappropriated in the consolidated financial statements included the legal reserve of 1 subsidiary, totalling Baht 12,698,212 (2018: 1 subsidiary, totalling Baht 11,673,832).

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31 Dividend payment

Parent company - Thonburi Healthcare Group Public Company Limited

2019

At the Annual General Shareholders' Meeting of year 2019 on 26 April 2019, the shareholders have unanimous approved the dividend payment from its operation for the year 2018 to its shareholder at Baht 0.35 per share, totalling Baht 297.18 million. The Company paid dividend to shareholders on 23 May 2019.

At the Board of Director's Meeting No. 7/2019 on 13 August 2019, the Board of Directors approved the interim dividend payment from its operation for the period 30 June 2019 to its shareholders at Baht 0.10 per share, totalling Baht 84.91 million. The Company paid dividend to shareholders on 12 September 2019.

During 2019, the Company paid dividend totalling Baht 382.09 million.

2018

At the Annual General Shareholders' Meeting of year 2018 on 24 April 2018, the shareholders have unanimous approved the dividend payment from its operation for the year 2017 to its shareholder at Baht 0.40 per share, totalling Baht 339.63 million. The Company paid dividend to shareholders on 21 May 2018.

Subsidiary company - Rayirudee Hospital Public Company Limited

2019

At the Annual General Shareholders' Meeting of year 2019 of subsidiary on 20 April 2019, the meeting has approved the dividend payment from its operation for the year 2018 to its shareholder at Baht 0.09 per share, totalling Baht 38.70 million. The subsidiary paid dividend to shareholders on 20 May 2019.

2018

At the Annual General Shareholders' Meeting of year 2018 of subsidiary on 25 April 2018, the meeting has approved the dividend payment from its operation for the year 2017 to its shareholder at Baht 0.05 per share, totalling Baht 21.50 million. The subsidiary paid dividend to shareholders on 25 April 2018.

32 Non-controlling interests

	Consolidated financial statements	
	2019 Baht	2018 Baht
Beginning balance of the year	508,964,985	261,652,498
Share of net profit of subsidiaries	(6,564,861)	18,448,635
Decrease in non-controlling interests from dividend payment of a subsidiary	(16,673,937)	(9,263,298)
Increase in non-controlling interests from investment in a subsidiary	-	261,284,525
Increase in non-controlling interests from liquidation of a subsidiary	135,290	-
Increase (decrease) in non-controlling interests from change in shareholding interest	-	(23,157,375)
Ending balance of the year	485,861,477	508,964,985





Thonburi Healthcare Group Public Company Limited
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34 Expense by nature

The following expenditure items for the years ended 31 December 2019 and 2018 are classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Notes				
Medicine, medical supplies and medical equipment used	(1,314,528,775)	(1,298,439,098)	(813,766,528)	(852,758,440)
Laboratory and x-ray	(190,265,973)	(169,943,654)	(161,834,635)	(144,607,314)
Doctor fee	(1,685,755,517)	(1,449,148,587)	(1,272,269,274)	(1,233,319,178)
Self costs	(2,587,188,490)	(2,174,387,500)	(1,851,941,590)	(1,683,648,574)
Depreciation charges on investment properties				
and plant and equipment	19, 20	(463,875,806)	(323,115,352)	(246,986,408)
Amortisation charges on intangible assets				
and land leasehold rights	21, 22	(148,949,254)	(143,091,724)	(11,193,531)
Repair and maintenance expenditure and service expenses				
	(167,112,595)	(142,205,263)	(115,978,463)	(115,652,887)
Marketing expenses	(152,583,568)	(183,726,434)	(59,159,170)	(69,507,875)
Utilities expenses	(138,988,133)	(124,022,942)	(87,450,893)	(90,482,642)
Operating lease rental	(56,726,343)	(48,100,758)	(18,977,714)	(18,291,613)

35 Finance costs

Interest expense from borrowings
- financial institutions
- related company
Interest expense from financial lease liabilities
Amortisation charges on front-end fee

Consolidated financial statements		Separate financial statements	
For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
Baht	Baht	Baht	Baht
(212,969,292)	(142,120,078)	(231,365,470)	(157,336,891)
-	-	(10,273)	-
(1,290,523)	(506,753)	(452,995)	(463,860)
(1,823,766)	(1,470,560)	(1,711,498)	(1,470,560)
(216,083,581)	(144,097,391)	(233,540,236)	(159,271,311)

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33 Other income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Dividend income				
- investments in subsidiaries (Note 16 a))	-	-	22,026,063	12,236,702
- investments in associates (Note 15 b))	-	-	20,068,508	18,018,539
- other long-term investments (Note 18)				
- related companies	2,314,189	958,986	2,014,189	658,986
- other companies	12,062,133	10,825,933	12,062,133	10,825,933
- available-for-sale investments (Note 8, 14)	17,964,114	18,143,806	17,964,114	18,143,806
Gain on disposal of other long-term investments (Note 18 c))	-	52,479,110	-	52,479,110
Gain on disposal of long-term investments in equity securities (Note 14)	277,881,368	-	277,881,368	-
Gain on disposal of short-term investments (Note 8)	2,828,290	5,995,314	-	5,995,314
Gain on disposal of property, plant and equipment (net) and intangible assets (net)	532,101	506,561	-	91,099
Interest income				
- other companies	2,262,514	1,605,960	1,062,247	790,539
- related companies (Note 38 b))	3,725,257	549,413	182,047,366	106,208,307
Membership income	16,388,259	17,401,465	16,388,259	17,401,465
Rental income- other companies	18,793,758	12,959,947	8,933,837	8,742,417
- related companies (Note 38 b))	26,087,514	27,000,000	4,860,000	6,360,000
Write-off of tax payable	-	28,846,154	-	-
Others - other companies	33,698,046	24,284,893	20,008,320	15,152,857
- related companies (Note 38 b))	1,915,993	43,488	6,170,304	107,670
	416,453,536	201,601,030	591,486,708	273,212,744

During the 1st quarter of 2018, the management of a subsidiary considered to write-off tax payable which long outstanding over 10 years and no obligation to pay due to the preclude by prescription amounting to Baht 28.85 million.

Rental agreement of a subsidiary

On 13 July 2018, a subsidiary entered into land lease agreement for construction rehabilitation building with another subsidiary. The agreement had lease period for 30 years from the month that start of construction. The subsidiary will receive rental income as agreed in the lease agreement.





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36 Income tax

Reconciliations of income tax for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Current income tax:				
Current income tax on taxable profit for the year	(202,582,476)	(179,762,899)	(181,198,602)	(159,058,389)
Under recorded income tax of prior year	-	(308,975)	-	457,110
Write-off withholding tax	(794,518)	(1,990,499)	-	-
Total current income tax	(203,376,994)	(182,062,373)	(181,198,602)	(158,601,279)
Deferred income tax:				
Origination and reversal of temporary differences (Note 23)	73,257,070	65,355,117	12,091,542	(1,869,759)
Total tax expense	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)
The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of each company as follows:				
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Profit before income tax	589,886,299	483,386,386	861,394,060	919,198,687
Tax calculated at a tax rate of 20% (2018: 20%)	(117,977,260)	(96,677,277)	(172,278,812)	(183,839,737)
Tax effect of:				
Income not subject to tax	1,985,901	1,194,271	13,419,368	10,828,301
Income subject to tax	8,095	(28,998)	-	-
Expense not deductible for tax purpose	(12,755,787)	(17,399,208)	(3,805)	(350,835)
Additionally taxable expense transactions	16,666,644	16,769,846	14,452,188	14,558,359
Temporary differences for which no deferred tax was recognised	(8,759,266)	(9,782,477)	(24,695,999)	(2,124,236)
Accumulated deficit	-	(7,341,446)	-	-
Reversal of unutilised deferred tax asset	-	(1,142,493)	-	-
Under record income tax of prior year	-	(308,975)	-	457,110
Write-off withholding tax	(794,518)	(1,990,499)	-	-
Income tax	(130,119,924)	(116,707,256)	(169,107,060)	(160,471,038)

37 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to common shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
Profit attributable to shareholders of the parent for the year (Baht)	462,387,421	347,599,923	692,287,000	758,727,649
Weighted average number of ordinary shares (shares)	849,080,000	849,080,000	849,080,000	849,080,000
Basic earnings per share (Baht per share)	0.55	0.41	0.82	0.89

There are no potential dilutive ordinary shares in issue during the reporting period. Thus, the dilutive earnings per share is not presented.

38 Related-party transactions

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

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

As at 31 December 2019, most of the shares of the Company are held by Vanasin family totalling 23.98% (2018: 29.38%) and the remaining 76.02% (2018: 70.62%) of the shares is widely held.

On 24 May 2019, the subsidiary registered the change of its name from "Piemere Home Health Care Company Limited" to "Thonburi Wellbeing Co., Ltd."

On 17 September 2019, the subsidiary - Thonburi Wellbeing Co., Ltd. has established a new subsidiary named Thonburi Property Management Co., Ltd. which has registered share capital of Baht 4,000,000 (40,000 ordinary shares at par Baht 100.00 per share) with the Ministry of Commerce dated on 17 September 2019. Thonburi Wellbeing Co., Ltd. has 100.00% shareholding interest in such company.

The significant investments in associates, subsidiaries and joint ventures are disclosed in Notes 15, 16 and 17.

Relationships between the Company and related parties are as follows:

List of related parties	Country/Nationality		Relationship
Rajindee Hospital Public Company Limited	Thai		Subsidiary
Dental Stam Co., Ltd.	Thai		Subsidiary
Thonburi Realty Development Co., Ltd.	Thai		Subsidiary
Rajthamree Realty Co., Ltd.	Thai		Subsidiary
Thonburi Hospital Heart Centers Company Limited	Thai		Subsidiary
Modular Software Expertise Co., Ltd.	Thai		Subsidiary
Thonburi Wellbeing Co., Ltd.	Thai		Subsidiary
(Former Piemere Home Health Care Company Limited)	Thai		Subsidiary
Ultadit Thonburi Hospital Co., Ltd.	Thai		Subsidiary
Thonburi Bannongnuang Hospital Co., Ltd.	Thai		Subsidiary (Since 30 June 2018)
Manarad Thung Song Co., Ltd.	Thai		Indirect subsidiary
Rajindee Co., Ltd.	Thai		Indirect subsidiary
(Registered the liquidation on 23 December 2019)	Thai		(Since 17 September 2019)
Thonburi Property Management Co., Ltd.	Thai		Common shareholders
Rajthamree Associates Co., Ltd.	Thai		



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38 Related-party transactions (Cont'd)

Relationships between the Company and related parties are as follows: (Cont'd)

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Ubomrak Co., Ltd.	Thai	Associate
Sirivej Chanthaburi Public Company Limited	Thai	Associate
Weihai Welly Hospital Company Limited	China	Joint venture
Ar Yu International Health Care Company Limited	Myanmar	Joint venture
Logical Information Network Co., Ltd.	Thai	A relative of directors
Health Gate Co., Ltd.	Thai	A relative of directors
Rajphane Pattanakorn (2014) Co., Ltd.	Thai	Common shareholders
Rachphattana Real Estate Company Limited	Thai	Common shareholders
Nateelp Co., Ltd.	Thai	A relative of directors
Phatara Hospital Co., Ltd.	Thai	Common directors
Rajpara Hospital Co., Ltd.	Thai	A relative of directors
Siroos Hospital Public Company Limited	Thai	A relative of directors
Chumvej Hospital Public Company Limited	Thai	Shareholders and common directors with subsidiary
Rajphane Hospital Public Company Limited	Thai	Common shareholders
Loxley Gech Technology Co., Ltd.	Thai	Common directors
Wellness City Co., Ltd.	Thai	Common directors with subsidiary
The Thonburi Holding Hospital Co., Ltd.	Thai	Common shareholders and sharehold
C.H.T. Holding Co., Ltd.	Thai	Common shareholders
Golden Bright Asia Pacific Investment Ltd.	Hong Kong	Under common control of shareholders
WJ International Hospital Management Co., Ltd.	Hong Kong	Under common control of shareholders
Global Health Investment Ltd.	Hong Kong	Under common control of shareholders
Computed Tomography Urupong Co., Ltd.	Thai	Common shareholders
Rajphane Golf And Country Home Co., Ltd.	Thai	Common shareholders
Rajpatmakorn Co., Ltd.	Thai	Common directors with subsidiary
Thonburi Home Appliance Co., Ltd.	Thai	Common shareholders
Super P&S Limited	Thai	Common shareholders
Dr. Boon Vanasin	Thai	Shareholder and director
Ms. Nalin Vanasin	Thai	Shareholder and director
Mr. Chalemkul Apibunypas	Thai	Shareholder and director
Mr. Weerachai Srihajnorn	Thai	Shareholder and director
Mr. Sittha Mekawan	Thai	Shareholder and director
Mr. Aasis Unnanuntana	Thai	Shareholder and director
Dr. Viphada Chaowakun	Thai	Shareholder and director of associate
Ms. Masudee Kanapithakpong	Thai	Shareholder and director of subsidiaries
Mr. Ravoravee Chantharajwong	Thai	Shareholder and director of subsidiary
Mr. Jon Vanasin	Thai	Shareholder and director of subsidiary
Dr. Annuy Unnanuntana	Thai	Shareholder
Mr. Suthon Siyaphan	Thai	Shareholder
Mrs. Jarurwan Vanasin	Thai	Shareholder
Mrs. Nawara Vanasin	Thai	Shareholder
Dr. Chukiat Assavanich	Thai	Shareholder
Mr. Ansa Mekawan	Thai	Shareholder
Dr. Linda Kraivit	Thai	Director
Mr. Kachom Thanapase	Thai	Director (Until 14 February 2018)
Mr. Somchai Khoowijitsuran	Thai	Director
Mrs. Kamika Ngansopee	Thai	Director (Until 26 April 2019)
Mr. Wisit Wanwanich	Thai	Director
Mr. Vikrom Komprochana	Thai	Director (Until 22 October 2019)
Mr. Timothy Leifemivanta	Thai	Director (Until 22 October 2019)
Mr. Eugene D.M.B. Croon	Dutch	Director (Since 25 October 2019)
Mr. Aurchart Kanjanapitak	Thai	Director (Since 25 October 2019)
Miss Rukkagee Kanjanapitak	Thai	Shareholder and Director
Mr. Tanatip Suppradit	Thai	Shareholder and Director

Thonburi Healthcare Group Public Company Limited
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38 Related-party transactions (Cont'd)

Relationships between the Company and related parties are as follows: (Cont'd)

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Mr. Chow Ket Wong	Hong Kong	Management director (Until 10 May 2018)
Mr. Kim Christian Warfingt	Thai	Close relative of shareholders whom not a director of the Company or subsidiaries
Mr. Thongsuk Booranungruengkij	Thai	Close relative of a shareholders whom not a director of the Company or subsidiaries
Management benefit expenses represent benefits which management received from the Group.		
Directors' remuneration is approved at the Board of Directors' meeting.		
Related-party transactions are as follows:		
a) Outstanding balances as at 31 December 2019 and 2018 arising from purchases/sales of goods and services and others are as follows:		
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	<u>2019</u>	<u>2019</u>
	<u>Baht</u>	<u>Baht</u>
Trade accounts receivable		
Subsidiaries		
Thonburi Hospital Heart Centers	-	33,371,792
Company Limited	-	16,054,334
Dental Siam Co., Ltd.	-	800,811
	-	34,172,603
	-	16,054,334
Associates		
Thontrak Co., Ltd.	288,810	150,075
Sirivej Chanthaburi Public Company Limited	-	6,550
	288,810	156,625
	-	-
Joint ventures		
Weihai Welly Hospital Company Limited	17,023,200	18,654,400
Ar Yu International Health Care Company Limited	4,866,647	5,173,639
	21,889,847	23,828,039
	(4,255,800)	(4,255,800)
Less: Allowance for doubtful accounts	17,634,047	17,571,166
	35,135,353	28,495,640
	-	9,600
	35,135,353	28,495,240
	53,058,210	51,743,769
	-	39,882,373
Related companies		
Phatara Hospital Co., Ltd.	-	-
Rajphane Hospital Public Company Limited	-	-





Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

38

Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

a)

Outstanding balances as at 31 December 2019 and 2018 arising from purchases/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental deposit				
Related company				
Thonburi Home Appliance Co., Ltd.	503,079	-	-	-
	503,079	-	-	-
Trade accounts payable				
Subsidiaries				
Dental Sam Co., Ltd.	-	-	1,002,631	874,245
Thonburi Hospital Heart Centers Company Limited	-	-	-	96,100
Thonburi Bannungmuang Hospital Co., Ltd.	-	-	68,400	-
	-	-	1,071,031	970,345
Related companies				
Computed Tomography Unrpong Co., Ltd.	4,125,289	3,991,875	4,125,288	3,991,875
Phatara Hospital Co., Ltd.	-	9,346	-	-
	4,125,289	4,001,221	4,125,288	3,991,875
	4,125,289	4,001,221	5,196,319	4,962,220
Other accounts payable				
Subsidiaries				
Dental Sam Co., Ltd.	-	-	156,703	42,133
Modular Software Expertise Co., Ltd.	-	-	122,732	125,537
Thonburi Hospital Heart Centers Company Limited	-	-	37,368,344	26,657,163
	-	-	37,647,779	26,824,833
Related companies				
Rajthanee Pattanakam (2014) Co., Ltd.	218,820	149,800	-	-
Thonburi Home Appliance Co., Ltd.	554,891	-	-	-
	773,711	149,800	-	-
Joint venture				
Weihai Welly Hospital Company Limited	1,508,229	1,508,229	1,508,229	1,508,229
	1,508,229	1,508,229	1,508,229	1,508,229
	2,281,940	1,658,029	39,156,008	28,333,062
Fixed assets payable				
Subsidiaries				
Thonburi Bannungmuang Hospital Co., Ltd.	-	-	11,663	-
Dental Sam Co., Ltd.	-	-	1,689,729	42,750
	-	-	1,701,392	42,750

Thonburi Healthcare Group Public Company Limited Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2019					
38	Related-party transactions (Cont'd)				
Related-party transactions are as follows: (Cont'd)					
a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows: (Cont'd)					
	Consolidated financial statements		Separate financial statements		
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	
Other accounts receivable					
Subsidiaries					
Thonburi Hospital Heart Centers Company Limited	-	-	4,427,922	4,721,191	
Thonburi Welbeing Co., Ltd.	-	-	2,798,600	2,795,000	
Thonburi Bannungmuang Hospital Co., Ltd.	-	-	1,414,320	1,154,020	
	-	-	8,640,842	8,670,211	
Joint venture					
Ar Yu International Health Care Company Limited	3,153,700	15,600	3,153,700	15,600	
	3,153,700	15,600	3,153,700	15,600	
Related companies					
Rajthanee Pattanakam (2014) Co., Ltd.	34,000,000	10,000,000	-	-	
Rachphattana Real Estate Company Limited	927,784	-	-	-	
The Thonburi Holding Hospital Co., Ltd.	1,785,900	-	1,785,900	-	
	36,713,684	10,000,000	1,785,900	-	
	39,867,384	10,015,600	13,580,442	8,685,811	
Dividend receivable					
Related company					
Chumvej Hospital Public Company Limited	891,792	-	891,792	-	
	891,792	-	891,792	-	
Interest receivable					
Subsidiaries					
Rajthanee Realty Co., Ltd.	-	-	327,922,458	296,821,435	
Thonburi Realty Development Co., Ltd.	-	-	124,900,148	116,000,060	
Thonburi Welbeing Co., Ltd.	-	-	7,430,635	9,804,536	
Modular Software Expertise Co., Ltd.	-	-	8,496,695	7,474,361	
Thonburi Bannungmuang Hospital Co., Ltd.	-	-	21,342,974	4,182,092	
Thonburi Hospital Heart Centers Company Limited	-	-	-	557,041	
	-	-	490,093,310	434,839,525	
	-	-	(44,661,690)	(44,661,690)	
	-	-	445,431,620	390,177,835	
Less Allowance for doubtful accounts					
Joint venture					
Weihai Welly Hospital Company Limited	2,436,460	547,266	2,436,460	547,266	
	2,436,460	547,266	2,436,460	547,266	
Related company					
Rachphattana Real Estate Company Limited	1,710,221	-	-	-	
	1,710,221	-	-	-	
	4,146,681	547,266	447,868,080	390,725,101	





Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

38 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- a) Outstanding balances as at 31 December 2019 and 2018 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Intangible assets payable				
<u>Subsidiary</u>				
Modular Software Expertise Co., Ltd.	-	-	132,680	-
	-	-	132,680	-
Accrued expense				
<u>Joint venture</u>				
Weihai Welly Hospital Company Limited	747,368	817,463	747,368	817,463
	747,368	817,463	747,368	817,463
Deposit				
<u>Related company</u>				
Rachphattana Real Estate Company Limited	1,000,000	-	-	-
	1,000,000	-	-	-





Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

38 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

b) Significant revenue and expense transactions with related parties for the years ended 31 December 2019 and 2018 are as follows:

	For the year ended 31 December 2019						For the year ended 31 December 2018					
	Consolidated financial statements			Separate financial statements			Consolidated financial statements			Separate financial statements		
	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht	Subsidiaries Baht	Associates Baht	Joint ventures Baht	Related companies Baht	Related individuals Baht	Total Baht
Revenue from sales of medical supplies	-	107,318	-	6,636	-	113,954	17,138,340	-	-	-	-	17,138,340
Revenue from service and consulting	-	870,000	3,157,589	16,766,071	-	20,793,660	1,858,970	-	2,822,000	-	-	4,680,970
Revenue from land rental	-	-	-	26,087,514	-	26,087,514	4,860,000	-	-	-	-	4,860,000
Other income	-	-	129,420	1,786,573	-	1,915,993	4,254,984	-	129,420	1,785,900	-	6,170,304
Dividend income	-	-	-	2,314,189	-	2,314,189	22,026,063	20,068,508	-	2,014,189	-	44,108,760
Interest income	-	-	2,015,036	1,710,221	-	3,725,257	180,032,330	-	2,015,036	-	-	182,047,366
Purchase of inventory	-	-	-	9,250	-	9,250	5,058,426	-	-	-	-	5,058,426
Purchase of property, plant and equipment	-	-	-	-	-	-	4,237,583	-	-	-	-	4,237,583
Purchase of intangible assets	-	-	-	-	-	-	3,113,520	-	-	-	-	3,113,520
Interest expense	-	-	-	-	-	-	10,274	-	-	-	-	10,274
Repair expense & professional fee	-	-	-	51,654,301	-	51,654,301	1,723,995	-	-	51,654,301	-	53,378,296
Land rental expense	-	-	-	2,944,514	2,523,000	5,467,514	-	-	-	-	2,523,000	2,523,000
Revenue from sales of medical supplies	-	500,486	-	24,533	-	525,019	8,268,319	-	-	-	-	8,268,319
Revenue from service and consulting	-	652,500	7,129,749	17,268,652	-	25,050,901	-	-	7,129,749	-	-	7,129,749
Revenue from land rental	-	-	-	27,000,000	-	27,000,000	6,360,000	-	-	-	-	6,360,000
Other income	-	-	43,488	-	-	43,488	92,070	-	15,600	-	-	107,670
Dividend income	-	-	-	14,752,470	-	14,752,470	12,236,702	18,018,539	-	14,452,470	-	44,707,711
Interest income	-	-	549,413	-	-	549,413	105,658,894	-	549,413	-	-	106,208,307
Purchase of inventory	-	-	-	290,271	-	290,271	4,298,897	-	-	5,940	-	4,304,837
Purchase of property, plant and equipment	-	-	-	-	-	-	332,795	-	-	-	-	332,795
Purchase of intangible assets	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
Land rental expense	-	-	-	-	2,514,000	2,514,000	-	-	-	-	2,514,000	2,514,000
Repair expense & professional fee	-	-	-	43,873,808	-	43,873,808	2,943,511	-	-	43,724,008	-	46,667,519





Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

38 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- b) Significant revenue and expense transactions with related parties for the years ended 31 December 2019 and 2018 are as follows: (Cont'd)

Managements and directors' remuneration

Managements and directors' remuneration for the years ended 31 December 2019 and 2018 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Management and directors remuneration				
- Salaries and other short-term benefits	121,695,340	127,559,993	66,543,316	78,240,763
- Post employment benefit	7,210,578	3,157,361	3,024,139	1,179,072
Total	128,905,918	130,717,354	69,567,455	79,419,835

- c) Short-term loans to related parties

Short-term loans to related parties are the short-term loans to related companies. The movement for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Short-term loans to related parties				
Beginning balance of the year	40,106,960	-	4,013,084,205	1,769,677,245
Additions during the year	-	40,106,960	2,502,000,000	2,169,106,960
Reduction of long-term loans	-	-	-	81,300,000
Repayment during the year	-	-	(820,019,659)	(5,000,000)
Unrealised loss from exchange rate	(3,507,079)	-	(3,507,079)	-
Ending balance of the year	36,599,881	40,106,960	5,691,557,468	4,013,084,205

38 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

- c) Short-term loans to related parties (Cont'd)

Outstanding balances of short-term loans to related parties as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term loans to				
Subsidiaries				
Premiere Home Health Care Co., Ltd.	-	-	2,557,812,908	1,857,812,908
Rajphane Realty Co., Ltd.	-	-	915,127,737	914,127,737
Thonburi Bannungmuang Hospital Co., Ltd.	-	-	1,787,980,342	766,000,000
Thonburi Realty Development Co., Ltd.	-	-	347,436,600	347,436,600
Thonburi Hospital Heart Centers Company Limited	-	-	-	65,000,000
Modular Software Expertise Co., Ltd.	-	-	17,600,000	18,600,000
Dental Siam Co., Ltd.	-	-	29,000,000	4,000,000
	-	-	5,654,957,587	3,972,977,245
Joint venture				
Weihai Wally Hospital Company Limited	36,599,881	40,106,960	36,599,881	40,106,960
	36,599,881	40,106,960	36,599,881	40,106,960
	36,599,881	40,106,960	5,691,557,468	4,013,084,205

As at 31 December 2019 and 2018, short-term loans to subsidiaries are unsecured loans in Thai Baht and are due for repayment at call.

As at 31 December 2019, short-term loan to joint venture is unsecured loan in Renminbi and is due for repayment within June 2020 (2018: within October 2019). The loans bear the interest at the rates as agreed.





Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

38 Related-party transactions (Cont'd)

Related-party transactions are as follows: (Cont'd)

d) Long-term loans to related parties

Long-term loans to related parties are the long-term loans to related companies. The movement for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Long-term loans to related companies				
Beginning balance of the year	-	-	-	81,300,000
Reclassify to short-term loans	-	-	-	(81,300,000)
Ending balance of the year	-	-	-	-

Long-term loan to a subsidiary is an unsecured loan in Thai Baht. The loan bears interest rate at the rate of as agreed and is due for repayment in December 2018.

e) Short-term loans from a related party

Short-term loans from a related party is short-term loans to related company. The movement for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht	Baht	Baht
Short-term loans from related company				
Beginning balance of the year	-	-	-	-
Additions during the year	-	-	15,000,000	-
Repayment during the year	-	-	(15,000,000)	-
Ending balance of the year	-	-	-	-

Short-term loans from a related party is an unsecured loan from a subsidiary in Thai Baht. The loan bears interest rate at the rate as agreed and is due for repayment in August 2019. The Company fully paid for such short-term loans in July 2019.

39 Commitments

39.1 Operating lease commitments

The Group and the Company have entered into non-cancellable lease agreements in respect of the lease of land, building, computer, furniture and fixture, tool and equipment, vehicle, computer software, cleaning and security service.

As at 31 December 2019 and 2018, the Group and the Company have future lease and service payments required under these non-cancellable agreement as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Due payment				
Within 1 year	79,453,428	79,769,653	29,416,046	18,266,618
Later than 1 year but not later than 5 years	70,821,958	51,716,095	12,993,727	18,512,201
After 5 years	219,345,308	285,137,084	6,000,000	6,720,000
	369,620,694	416,622,832	48,409,773	43,498,819

39.2 Capital commitments

As at 31 December 2019 and 2018, the Group and the Company have capital commitments, relating to the construction of hospital buildings, building improvement and utility system, medical equipment, equipment, furniture and office equipment, computer software and computer, as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Buildings, building improvement and utility system	209,451,934	646,005,174	137,473,201	57,846,392
Computer software	40,191,885	69,829,774	8,856,494	6,764,300
Furniture and office equipment	9,871,885	23,335,872	-	-
Medical equipment	39,942,637	47,512,000	4,870,000	4,550,000
Computer	4,353,581	18,240,000	4,353,581	18,240,000
Equipment	4,114,120	7,892,315	1,526,967	237,000
	307,926,042	812,815,135	157,080,243	87,637,692

39.3 Other commitment

As at 31 December 2019 and 2018, the Group and the Company have other commitments as follows:

	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cost of developing holistic care project	1,693,988,742	2,078,949,965	-	-
Down payment for land leasehold rights	1,000,000	2,000,000	-	-
Advertising expenses	15,994,432	784,382	1,285,056	128,400
Other	5,206,353	1,214,400	-	1,214,400
	1,716,189,527	2,082,948,747	1,285,056	1,342,800



Thonburi Healthcare Group Public Company Limited
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For the year ended 31 December 2019

40 Contingent liabilities and guarantees

40.2 Guarantees of related companies

Subsidiary

At the Board of Directors' Meeting of the Company No. 2/2019 on 21 February 2019, the Board of Directors approved the ratification of a contract of a subsidiary by providing collateral and guarantee the payment of a subsidiary to sub-contractor in amount not exceed Baht 412,74 million.

At the Board of Directors' Meeting of the Company No. 5/2019 on 13 May 2019, the Board of Directors approved providing guarantee for collateral liability of a subsidiary in amounting to Baht 800.00 million.

Joint ventures

The Company is a guarantor of 2 joint ventures in overseas following the standby letter of credit according to the proportion of its holding interest in joint ventures for the borrowings from overseas financial institutions.

As at 31 December 2019, the Company has the standby letter of credit for guarantee to joint ventures in overseas amounting to US Dollar 8.00 million and Remintini 13.00 million (31 December 2018 : US Dollar 6.00 million).

41 Significant contracts

The Group and the Company have significant contracts as follows:

Parent company - Thonburi Healthcare Group Public Company Limited

1) The Company has a contract with a related company to use magnetic resonance imaging (MRI) machines for its patients and those of its related companies throughout the contract period.

A related company is responsible for providing the MRI machines and other equipment according to the contract terms, and the Company is responsible for providing the hospital space and electricity for the equipment. The Company and a related company will share the revenue as agreed between the parties.

2) The Company has a management services agreement with the Phuket Provincial Administrative Organisation to manage and operate the Phuket Provincial Hospital to reach its full capacity of 129 beds efficiently and to handle up to 600 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of Phuket Provincial Administrative Organisation and to operate efficiently as required by the Secondary-Level Referral Hospital 2.3. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.

3) The Company has a management services agreement with Pattaya City to manage and operate Pattaya City Hospital to reach its full capacity of 110 beds efficiently and to handle up to 500 patients during office hours. The agreement also includes hospital support and other services to follow the public health policy of the Pattaya City property and to operate efficiently as required by the Secondary-Level Referral Hospital 2.1. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.

4) The Company has management services agreement with Pattaya City to manage and operate International Central Medical Unit (CMU), Kohlarn, Pattaya City to efficient support the emergency cases. The Company has to provide management services follow the scope specified in the contract and throughout the contract period. The Company will receive remuneration at the rate stipulated in the agreement.

5) The Company has contract to set up a joint venture in Republic of the Union of Myanmar and People's Republic of China as mentioned in Note 17.

Thonburi Healthcare Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

39 Commitments (Cont'd)

39.4 Forward foreign currency exchange contracts

2019

As at 31 December 2019, the Group and the Company have no forward foreign currency exchange contracts.

2018

As at 31 December 2018, the settlement date of forward foreign currency exchange contracts are 1 to 3.5 months. The amount to be received under contractual exchange rates of the outstanding contracts are as follows:

Consolidated financial statements				
31 December 2018				
Foreign currency	Contract amount	Exchange rate per contract	Contract value (Baht)	Fair value (Baht)
US dollar	12,261	32.48	398,234	397,964
Euro	380,320	37.35 - 37.73	14,345,250	14,167,605
				177,645

As at 31 December 2018, the Company has no forward foreign currency exchange contracts.

Fair value

Fair value of forward foreign exchange contracts has been calculated using rate quoted by the Company's banker as if the Company terminated the contract on 31 December 2018. The fair values are within level 2 of the fair value hierarchy.

40 Contingent liabilities and guarantees

40.1 Bank guarantees

As at 31 December 2019 and 2018, the Group and the Company have outstanding bank guarantees for the normal course of business, issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Guarantee for electricity	11,501,903	10,501,903	9,701,903	9,701,903
Guarantee for management and operation of hospital management	32,757,025	28,005,550	32,757,025	28,005,550
Guarantee for operation	36,647,981	43,269,716	-	-
	80,906,909	81,777,169	42,458,928	37,707,453





41 Significant contracts (Cont'd)

The Group and the Company have significant contracts as follows: (Cont'd)

Subsidiary - Thonburi Hospital Heart Centers Company Limited

- 1) The Company has the agreement with two private hospitals (2018 : two private hospitals) which is a related company. This agreement is the sharing agreement for healthcare about cardiovascular disease at a private hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the share income at the rate as stipulated in the agreement.
- 2) The Company has the sharing agreement with Samutprakarn province for medical service and operative of cardiovascular disease patients by using the location at Bangphree Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement. Such contract ended on 29 December 2018 because the Company did not renew the contract.
During the year 2018, a subsidiary reclassified deposit of sharing agreement with Samutprakarn province amounting to Baht 12.07 million which are presented as part of other non-current assets to other current asset due to the management considered to receive the deposit refund within the year 2019. However, the subsidiary received the deposit refund in February 2020.
- 3) The Company has the sharing agreement with Phthalung province for medical service and operative of cardiovascular disease patients by using the location at Phthalung Hospital. The Company has to perform work follow the scope specified in the contract and throughout the contract period. The Company will receive the remuneration at the rate stipulated in the agreement.

42 Lawsuit

Parent company - Thonburi Healthcare Group Public Company Limited

The Company has been sued to Talangdhan Provincial Court for claims expense from its hospital operation service in the black case. In addition, the Company sued to the Civil Court in the black case against the same plaintiff and claimed for the outstanding hospital service fee amounting to Baht 10.28 million with the interest at the rate of 7.50% per annum. The management considered and estimated the uncollected amount of Baht 4.89 million and had been recorded as discount for such amount in the financial statements.

During the year 2019, the management considered the possibility of the collection of such claim and considered to set the allowance for doubtful account of Baht 5.39 million.

However, on 22 October 2019, the Company and the plaintiff have mediated and agree to withdraw such black cases, resulting in the lawsuit was finally resolved.

42 Lawsuit (Cont'd)

Subsidiary

- 1) The subsidiary has filed Department of Land and related government according to the land revocation of the Company which has lawsuits held as follows.

1.1) The Company has filed about land NS.3K. 2 issues (the black case). The Administrative Court judged that it was the revocation of part of certificate of land rights that issued illegally which not revocation of the right to occupy and use the land. The Central Administrative Court dismissed on 18 January 2013 which the Company appealed. As at 31 December 2019, it is under consideration by the Supreme Administrative Court.

1.2) The Company has filed about land NS.3K. 1 issues (the black case). The Administrative Court judged that Department of Land illegally revoke since issued the wrong NS.3K, which caused damage to land owners. The Administrative Court judged that Department of Land has to pay the penalty amounting Baht 1.51 million to the Company on 18 June 2013. However, the judgement is still unpleasant. The Company appealed to the Supreme Administrative Court which as at 31 December 2019 is under consideration.

1.3) The subsidiary has filed about land NS.3K. 2 issues which Department of Land established the revocation committee. However, as at 31 December 2019 there is no revocation order.

2) During the year 2019, the subsidiary was sued in the civil court by the supplier for goods payments totalling Baht 23.19 million, plus interest at the rate of 7.50% per annum. As at 31 December 2019, such case is under consideration by the Civil Court. However, the subsidiary will prosecute to the full extent of the law. The management of the subsidiary considered and believed that there would no significant impact to the subsidiary.

3) During the year 2018, a subsidiary was filed by external party for the land revocation of which the land was currently developing under real estate project. Lawyer of the Group saw the probability of the land to be revoked since it has been a transportation channel for longer than 10 years. The Court of First Instance had decision to dismiss this case on 19 December 2019.

Another subsidiary was claimed by the same external party for adverse possession. However, lawyer of the Group saw the high probability of not losing the case since the land possession of the plaintiff had not yet been 10 years. As a result, the subsidiary had filed back the party for trespassing and claimed for damages of Baht 20.00 million and Baht 200,000 for monthly damage and the action of the party to remove possession from the property. The lawyer of the Group saw the high probability of winning the case; however, the claimed damages to be received depended on judicial discretion.

As at 31 December 2019, these lawsuits were under the consideration of the Court of First Instance. Management considered and believed that there would be no significant impact. As a result, the subsidiary did not recognise provisions for contingent liabilities for these lawsuits as at the end of the reporting period.

43 Subsequent events

Parent Company

Dividend payment

At the Board of Director's Meeting of the Company No. 2/2020 on 27 February 2020, the Board of Directors approved the dividend payments from its operation for the year 2019 to its shareholders at Baht 0.40 per share, totalling Baht 339.63 million. However, the Company has made the interim dividend payment in September 2019 at Baht 0.10 per share, totalling Baht 84.91 million and the remaining dividend payment is at Baht 0.30 per share, totalling Baht 254.72 million. The Company will present for approval the dividend at the Annual General Shareholders' Meeting of the Company.

Subsidiaries

Dividend payment

At the Board of Director's Meeting of Rajindee Hospital Public Company Limited No. 1/2020 on 16 February 2020, the Board of Directors approved the dividend payments from its operation for the year 2019 to its shareholders at Baht 0.08 per share, totalling Baht 34.40 million. The subsidiary will present for approval the dividend at the Annual General Shareholders' Meeting of the subsidiary.

Loan from a financial institution

A subsidiary does long-term loan agreement of Baht 100.00 million with local financial institution for construction the hospital and purchase medical equipment. Such subsidiary has fully received such loan from financial institution in January and February 2020.



Audit Committee Report



**Dear Shareholders,
Thonburi Healthcare Group Public Company Limited**

The Audit Committee of Thonburi Healthcare Group Public Company Limited is comprised of three independent directors who are eminent persons and fully qualified as independent director according to the rules prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand. The independent directors have performed their duties with independence within the scope of duties and responsibilities of the Audit Committee as assigned by the Board of Directors. The Audit Committee consists of:

1. Ms. Kannika	Ngamsopee	Chairman of the Audit Committee
2. Mr. Virachai	Srikajon	Member of Audit Committee
3. Dr. Linda	Kraivit	Member of Audit Committee

Ms.Hathaichanok Pangnoi Position of Acting Internal Audit Director as Secretary to the Audit Committee.

The Audit Committee has performed its duties according to the scope and responsibility as assigned by the board of directors. The Audit Committee charter and the Company regulations on rules and guidelines of the Audit Committee are in line with the regulations of the Stock Exchange of Thailand. In the year 2019, the Audit Committee held 12 meetings. Meeting with Management, auditors and internal auditors. The summary is as follows.

1. Review of Financial Reports: The Audit Committee reviewed the quarterly financial statements and the related financial statements for the year 2019. The transaction may be conflict of interest. Inviting relevant executives and auditors to attend the meeting. To clarify and answer the questions of the Audit Committee. The accuracy and completeness of any significant accounting changes affecting the financial statements have been included in the consolidated financial statements. The adequacy of information disclosed in the financial statements and the auditor's remarks. The Audit Committee is of the opinion that the financial statements have been properly disclosed in accordance with the financial reporting standards. In addition, the Audit Committee held meetings with the auditors without the management. To discuss with the auditor on matters relating to accounting and financial reporting. The audit committee has good cooperation with management. Be independent in the work. As well as knowledge the experience and guidelines for reviewing or reviewing the financial reports are adequate and appropriate for the performance of the auditor's duties

2. Review of Internal Control System the Company reviewed the internal control system of the Company according to the assessment of the adequacy of the internal control system for 2019. During the Board of Directors' Meeting No. 2/2020 held on 27 February 2020, evaluating the Company's internal control system in respect of 5 elements. Board of Directors viewed that internal control system of internal control has been sufficient and appropriate. When the Audit Committee finds weaknesses or defects that are significant, the Audit Committee will notify the management to acknowledge the amendment and follow up the improvement.

3. Oversight of Internal Audit: The Audit Committee has approved the scope of work. In the year 2019, the Company has appointed Well Planning Solution Company Limited as outsourced internal auditor to review and evaluate the system of Internal control of the Company and subsidiaries. was considered Internal audit report Follow up the corrective action according to the internal audit report. Provide advice on how to improve the performance of auditing. Independence of the Internal Audit Department, the appropriateness of the budget, manpower, training and personnel development and the Performance Appraisal of the Internal Audit Department. The Audit Committee is of the opinion that The Company has an appropriate and effective internal audit system.





4. Compliance with Securities and Stock Exchange of Laws, Regulations of the Stock Exchange

of Thailand and/or Other Applicable Laws: The Audit Committee reviewed the operation of the Company. That is in accordance with the Securities and Exchange Act. The Stock Exchange of Thailand and / or laws related to the Company's business. This includes compliance with the Company regulations and obligations with third parties. The Audit Committee is of the opinion that it is in compliance with the Securities and Exchange Act. The Stock Exchange of Thailand and / or laws related to the Company's business.

5. Review of Connected Transactions or Possible Conflicting Interest Transactions to Ensure Compliance with the Law and Stock Exchange of Thailand's Regulations: Reviewed and commented on the connected transactions, transactions that may lead to conflict of interest. Including the disclosure of such information. In accordance with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, The Audit Committee agrees with the auditor. They also commented that significant items were disclosed and presented in the financial statements. The notes to the financial statements are accurate and complete.

6. Risk management: The Risk Management Committee is responsible for determining policy, rules and methods of risk assessment and management, reviewing risk management system, and reporting risk management in respect of strategies, financial reports, operating performance, and compliance with relevant laws and regulations to the Board of Directors and the Audit Committee. The Audit Committee reviews and monitors risk management plan of the group company, including material adverse event which might have impact on the Company's business operations such as risks of core business, risks from local and overseas investment projects etc. The Audit Committee is of the view that the Company efficiently complies with the risk management system.

7. Appointment of 2020 Auditors: The Audit Committee has selected and proposed the appointment of the auditor and the audit fee. To propose to the Board of Directors for approval from the Annual General Meeting of Shareholders. The Audit Committee considered the qualifications of the auditor performance, independent and the appropriateness of the audit fee. Should be proposed to PricewaterhouseCoopers ABAS Ltd. as its auditor of the Company and subsidiaries for the year 2020, and recommended to appoint the Company's auditor of PricewaterhouseCoopers ABAS Ltd. The name of auditors: Mr. Krit Chatchavalwong (CPA No. 5016) or Mrs. Anuthai Poomsurakul (CPA No. 3873) or Mr. Vichien Khingmontri (CPA No. 3977). All of the auditor is the auditor of the auditor approval from the Securities and Exchange Commission Have good knowledge and experience.

8. Others: The Audit Committee reviewed the charter to ensure its suitability and compatibility with SET's announcement on the qualifications and work scope of Audit Committees B.E. 2558 (2015) and Audit Committee Manual B.E. 2553 (2010). The Audit Committee has reviewed and revised the Audit Committee Charter (2nd revised version), effective on 18 October 2018. The Audit Committee is of the opinion that the charter is still appropriate and in compliance with the Stock Exchange of Thailand's announcement.

Based on the Audit Committee's performance during the year 2019 as reported above, the Company believes that it has good corporate governance. Its internal control is adequate and suitable for the business operations. The risk management and internal control systems are efficient. Its accounting system and financial reports are correct and reliable in accordance with generally accepted accounting standards. The Company complies with the laws, rules and regulations relating to its business operations.

In performing its duties during the year 2019, the Audit Committee received good cooperation from the Board of Directors, executives, auditor and all related parties and would like to thank you everyone for their supports.

On behalf of the Audit Committee

(Mrs. Kannika Ngamsopee)
Chairman of the Audit Committee



Internal Control and Risk Management



Internal Control

Thonburi Healthcare Group Public Company Limited values the importance of the Internal Control System which has been designed in accordance with the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to achieve the objectives relating to operations, reporting, and compliance of the Company

During the Board of Directors' Meeting No. 2/2019 held on 24 January 2019, Board of Directors' Internal Control System was evaluated based on the internal control assessment report prepared by the Management which follows the guidelines of the Securities and Exchange Commission (SEC), together the Audit Committee's report. The Board of director viewed that internal control system the Company and subsidiaries has been sufficient and appropriate. The Company has provided the appropriate staff to operate the system effectively, enabling the Company to comply with the Good Corporate Governance. To monitor the operation of the company. To ensure that the Company and subsidiaries assets can be protected against misuse by the directors or management. The Company has adequate control over transactions with related parties or conflicts. The Company has provided the appropriate staff to operate the system effectively, enabling the Company to comply with the Good Corporate Governance. To monitor the operation of the company. To ensure that the Company and subsidiaries assets can be protected against misuse by the directors or management. The Company has adequate control over transactions with related parties or conflicts.

The Company has internal control system covers all the five components of internal control, namely Control Environment, Risk Assessment, Control Environment, Information & Communication, and Monitoring Activities Management of the Company internal control system can be summarized as follows:

1) Control Environment

The Board of director and Management strive to promote a corporate culture that focuses on integrity and ethics. They also provide supervision of the Company operations to ensure compliance with the organizational vision and missions and to ensure that the Company control environment is appropriate and effective

The Company's executives and personnel have good attitudes, which is conducive to internal control. Executive gives importance to good morals, ethics, honesty. Executive will consider taking actions as necessary and appropriate if any personnel displays inappropriate behavior and accepts capabilities of his/her subordinates. He/she should be aware of information and conduct analysis on new discovery or things that should be examined. Philosophy and workstyle of executives shall be appropriate for development of internal control and maintenance of effective internal control. Appropriate organization structure, authorization of the Company, and personnel development policy and implementation are important to good internal control, for instance:

- 1.1 The Company has set clear and appropriate organization structure and reporting lines. It has delegated roles and responsibilities in writing so that all personnel shall be aware of and understand their roles, authorities, duties and responsibilities.
- 1.2 The Company assesses education background and skills necessary in performing work. It also assesses knowledge and expertise of each personnel in performing his/her job to ensure that he/she has knowledge, skills, and capabilities to perform his/her assigned works according to the job descriptions.
- 1.3 The Company has determined policy and methods for human resources management in writing such as selection, training, promotion and compensation etc.

2) Risk Assessment

The Company recognize the significance of Risk Management. Appointed by the Board of Directors, the Risk Management Committee (RMC) performs the duties of setting and reviewing policies, objectives, risk management frameworks, monitoring and evaluating of compliance with the frameworks, giving opinions and recommendations on the Company risk management and project investment risks. The Company has Subcommittee on Risk Management, appointed





by the Risk Management Committee (RMC), ensures that business the Company manages its risks efficiently, leading to the achievement of its business goals. Below are the Company risk management approaches:

- 2.1 The Company sets clear organizational objectives. The organizational objectives are consistent with organizational activities in order to become successful with appropriate budget and designated personnel. The management clearly identifies internal and external risks which may affect the Company's efforts in achieving organizational objectives. The Company conducts proper risk analysis and risk management.
- 2.2 The Company sets organizational risk management policy whereby the Risk Management Committee is responsible for monitoring and determining overall organizational risk management framework. Each working committee manages risks under its responsibilities according to the specified framework. The risk management policy covers financial management risks, business risks, operational and management risks, and occupational health and safety and environmental risks, and other key risks relating to the Company's business operations.
- 2.3 The Company sets clear organizational objectives, covering matters which the Company wishes to achieve and activities relating to key organizational procedures which are consistent with the Company's objectives and strategies. Executives are responsible for identifying organizational risks, covering all key organizational activities.

3) Control Activities

The Company has set policy and methods which will lead the Company to success according to the management's plan once implemented. Control activities will allow assigned personnel to understand those risks which may arise from job performance. Hence, such assigned personnel will become more cautious and be able to successfully complete his/her work. For instance, internal control in respect of management, the Company has set mission and objectives in writing and communicate to every personnel so that objectives can be achieved. In addition, work plan, resource allocation, budget and manpower are prepared. The Company has also set work procedures and monitors implementation of work procedures to ensure that its personnel will perform their duties efficiently and effectively and in compliance with the laws, rules and regulations and prescribed standards.

The Company has developed efficient and effective control activities that contribute to the mitigation of risks against the achievement of objectives, to acceptable levels. They include;

- 3.1 The Company provides information technology control activities such as Access Management Information Technology Information security policy requirements. To provide information technology of the company. Is right Efficiency, security, continuous operation.
- 3.2 The Company has rules, regulations, policies, procedures and work instructions for reference use practices. internal controls such as the policy on entering into connected transactions

Overall, the Company has appropriate, adequate and effective control activities. The Company has set policy and methods in writing, specifying jobs with key risks and preventive measures to reduce mistakes. The management reviews the Company's financial reports and operating reports (non-financial). The Audit Committee and the Board of Directors also require measuring employee performance using key performance index.

4) Information & Communication

The Company recognizes the criticality of the quality of Information & Communication that supports the effectiveness of the Company Internal Control System, as detailed below;

- 4.1 The Company has set up information classification to board of director, instructions for filing important documents and controlled documents. This includes information from both internal and external sources. This process is intended to ensure that important information concerning the Company and its business operations are accurate, complete, adequate and timely to management.





- 4.2 The Company has set up external communication channels to communicate with external stakeholders, such as the Company website. In addition, assigned departments are responsible for the disclosure of important information components of Investor Relations

5) Monitoring Activities

The Company continuously monitors and evaluates the adequacy of its internal control system. Development and improvement processes have also been in place to ensure the efficiency and effectiveness of the Company Internal Control System, and includes:

- 5.1 The Internal Audit Department, which is an independent unit reporting directly to the Audit Committee, examines and evaluates the effectiveness of internal control activities. The internal audit reports and findings are presented to the Audit Committee on a quarterly basis. The results of internal audit are reported to the Audit Committee on a quarterly basis. In addition, the Company's internal auditor must attend trainings on a continuous basis to increase knowledge and develop skills and capabilities as internal auditor.
- 5.2 The Board of Directors or the relevant sub-committee, such as the Audit Committee and the Risk Management Committee, will be reported if there is occurrence of event which might have significant impact on the Company. The management will report progress of such event and proposed solutions within the appropriate time period.

The internal control assessment of the company in 2019 according to the 5 main components of internal control was appropriate, sufficient and effective to the business operations of the company and did not find any significant issues related to conflicts of interest, fraudulent activities, or any other significant deficiencies in the Internal Control System materially in affect the Company objectives. Furthermore, no violations of SEC and SET rules and regulations or other laws related to the Company were found.

Internal Audit

The Company has an internal audit team who works with an outsourced internal auditor, namely Well Planning Solution Co., Ltd. in auditing internal control system of the Company and its subsidiaries. Mrs. Hathaichanok Pangnoi, Head of Internal Audit Department, is the main responsible person in conducting internal audit of the Company and its subsidiaries.

The Audit Committee has given an opinion on internal audit scope of work and the annual internal audit plan for the year 2019. The Company has an internal audit team and has engaged an outsourced internal audit company called Well Planning Solution Co., Ltd. which has audited and assessed internal control system of the Company and its subsidiaries. The Audit Committee has reviewed internal audit report, monitored rectifications to issues set out in internal audit report, provided recommendations for improvement of efficiency in internal audit work, independence of Internal Audit Department, and considered appropriateness of budget, manpower, human resource training and development, and annual assessment of Internal Audit Department. After consideration, the Audit Committee is of the opinion that the Company has appropriate and effective internal audit system.

According to scope of duties and responsibilities of the Audit Committee, the Audit Committee has the authority to consider and approve appointment, rotation, and dismissal of Head of Internal Audit Department or any other department responsible for internal audit as it deems appropriate.

Comment on the internal Control System

The Company's internal audit team and outsourced internal auditor, Well Planning Solution Co., Ltd., have audited and assessed internal control system of the Company and its subsidiaries. According to internal audit report regarding audited systems pursuant to the annual internal audit plan for the year 2019, the Company and its subsidiaries have appropriately complied with internal audit system and have sufficient internal control on key systems. Therefore, the Company and its subsidiaries achieved their objectives and there were no significant issues affecting the systems.

Risk Management

Thonburi Healthcare Group Public Company Limited is aware of the importance of risk management. The Company gives importance to risk management and has the Risk Management Committee (RMC) who is responsible for setting and reviewing policy, objectives, and framework for risk management. Also, the committee monitors the implementation of risk management framework by the





Company and provides comments and recommendations on management of organizational risks and project investment risks. The Risk Management Committee, on behalf of the Company, has appointed a risk management sub-committee to efficiently manage risks of each core business and ensure accomplishment of organizational objectives. The risk management policy is created and announced to personnel of all levels so that they will understand and comply with risk management procedures. The policy is an important tool that would help every unit of the organization achieves goals/objectives and successful operations. This will lead to value-added activities and sustainable organizational growth. The policy can also be implemented with large-scale to small-scale projects. The sooner the Company realizes its mistake, the better it would be to find a preventive action as a corrective action would be costly and result in unnecessary losses of resources.



Connected Transactions

1. Transaction

List of Thonburi Healthcare Group Public Company Limited ("THG") and subsidiaries.

1.1 Normal business transaction or normal business support with general commercial terms

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
1. Sirvej Chanthaburi PCL. Relationship As an associate company and Dr. Tanatip Suppradit is a director of THG.	Dental Siam Co., Ltd. THG THG	1. Revenue from the sale of medical supplies on dental materials • Revenue from medical supplies • Trade accounts receivable 2. Revenue from services and consulting • Revenue from services and consulting 3. Dividend income ▪ Dividend income	- - - -	19,206 - - 6,474,725	19,402 6,550 - 6,474,725	17,547 11,275 30,000 12,949,451	Dental Siam Co., Ltd., a subsidiary sells dental supplies. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general. The company provided advice to Sirvej Chanthaburi PCL. in accounting. The price and condition of the transactions were agreed. THG received dividends from its investment in common shares of Sirvej Chanthaburi PCL. as declared.
2. Ubonrak Co., Ltd. Relationship As an associate company and Mr. Chalermkul Aphiboonvophas and Dr. Tanatip Suppradit are a director of THG	Dental Siam Co., Ltd.	1. Revenue from the sale of medical supplies on dental materials ▪ Revenue from medical supplies ▪ Trade accounts receivable	57,159 61,160	88,112 61,160	481,084 -	58,336 -	Dental Siam Co., Ltd., a subsidiary sells dental supplies. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.



Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
	Modular Software Expertise Co., Ltd.	2. Revenues from maintenance of hospital information systems • Revenue from services and consulting • Trade accounts receivable	217,500 227,650	870,000 227,650	625,500 150,075	415,987 -	Modular Software Expertise Co., Ltd, a subsidiary company, provided hospital system development services including hospital maintenance services. The service fee specified by the contract. The normal business of the subsidiary is based on the conditions that the subsidiary has with other parties.
	THG	3. Dividend income • Dividend income	3,883,938	13,593,783	11,543,814	11,489,815	THG received dividends from its investment in the ordinary shares. Ubonrak Co., Ltd. as declared.
	THG	4. Revenue from services and consulting ▪ Revenue from services and consulting ▪ Other accounts receivable	- -	- -	- -	250,000 250,000	THG provided advice to Ubonrak Co., Ltd. in accounting. The price and condition of the transactions were agreed.
	THG	5. Advance payables ▪ Other accounts payable	-	-	-	750,000	Ubonrak Co., Ltd. had reserved service fees and other expenses of the company and collected the entire amount from the company which had previously reserved.
	Thonburi Hospital Heart Centers Co., Ltd.	1. Revenue from services and consulting ▪ Revenue from services and consulting ▪ Trade accounts receivable ▪ Other income ▪ Advance payment	3,789,469 35,133,153 - -	16,178,071 35,133,153 673 -	16,656,652 28,455,640 - -	10,687,575 19,302,463 11,308 43,335	Thonburi Hospital Heart Centers Co., Ltd. has entered into a joint treatment of cardiovascular disease with Pattara Hospital Co., Ltd, the remuneration and share interests according to a mutual agreement under careful consideration of the parties in the benefits that would have been appropriate. This is in accordance with normal business practices in general.
3. Pattara Hospital Co., Ltd Relationship Mr. Chalermkul Apibunyopas is a director of THG.							





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
		2. Expenses for purchasing general medicines and medical supplies ▪ Costs of purchasing generic drugs and medical supplies ▪ Trade accounts payable	-	-	284,331	-	The subsidiary purchased medical supplies from Pattara Hospital Co., Ltd. THG needs to use such products to treat patients. The trading price and conditions between each other are in line with market conditions same as the conditions agreed with other entities in general.
	Dental Siam Co., Ltd.	3. Revenue from the sale of medical supplies on dental materials ▪ Revenue from services and consulting ▪ Trade accounts receivable	2,056	6,636	284,331	-	Dental Siam Co., Ltd., a subsidiary company available dental supply. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
	Modular Software Expertise Co., Ltd.	4. Revenues from maintenance of computer programs. ▪ Revenue from services and consulting	2,200	2,200	9,345	-	Modular Software Expertise Co., Ltd. a subsidiary provides hospital management systems development including the provision of maintenance services, hospital management systems. The rates specified in the contract which is the normal business of THG on terms that THG made to other contracting parties.
			135,000	588,000	612,000	572,000	
	THG	5. The cost to purchase medicines and medical supplies. ▪ Cost of medicines and medical supplies	-	-	5,940	3,350	THG has purchased pharmaceuticals from Pattara Hospital Co., Ltd. THG needs to use such products to treat patients. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
4. Rajthanee Hospital PCL. Relationship There is a common shareholder; Mr. Suthon Sriyaphan is a director of a subsidiary. (Not considered a related company since 18 February 2019 due to lack of control power and management)	THG	1. Dividend income ▪ Dividend income	-	-	13,793,484	8,488,298	THG received dividends from its investment in the ordinary shares Rajthanee Hospital PCL. as declared.
	Dental Siam Co., Ltd.	2. Revenue from the sale of medical supplies on dental materials. ▪ Revenue from medical supplies ▪ Trade accounts receivable	-	-	24,533 9,600	23,654 1,710	Dental Siam Co., Ltd., a subsidiary company available dental supply. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
	Thonburi Hospital Heart Centers Co., Ltd.	3. Revenue from services and consulting ▪ Revenue from services and consulting ▪ Trade accounts receivable	-	-	-	3,107,477 339,000	Thonburi Hospital Heart Centers Co., Ltd. has entered into a joint treatment of cardiovascular disease with Rajthanee Hospital PCL., the remuneration and share interests according to a mutual agreement under careful consideration of the parties in the benefits that would have been appropriate. This is in accordance with normal business practices in general.
5. Computed Tomography Urupong Co., Ltd. Relationship There is a common shareholder; Ms. Nalin Vanasin, who is the director of THG	THG	1. Professional fees and repair costs ▪ Professional fees and repair costs ▪ Trade accounts payable	12,971,231 4,125,289	51,654,301 4,125,289	43,724,008 3,991,875	38,161,703 2,839,125	THG has entered into an agreement with MRI with Computed Tomography Urupong Co., Ltd. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
	THG	2. Dividend income ▪ Dividend income	-	112,500	112,500	112,500	THG received dividends from the investment in Computed Tomography Urupong Co., Ltd. as declared.





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
6. Salatan Medical Center Co., Ltd. Relationship Held by subsidiaries and related companies are Rajyindee PCL. Thanarat Thung Song Co., Ltd., Rajnara Hospital Co., Ltd. Siroros Co., Ltd. (Salatan Medical Center Co., Ltd. has completed the liquidation on 8 May 2017)	Rajyindee Hospital PCL.	1. Expenditures on drug and medical supplies ▪ Cost of drug and medical supplies	-	-	-	16,087	Rajyindee Hospital PCL., a subsidiary, purchased medical supplies from Salatan Medical Center Co., Ltd., which THG is required to use such products to treat patients. The terms and conditions are in line with market conditions. Like the deal with other general corporations.
7. Aryu International Health Care Co., Ltd. Relationship A joint venture	THG Modular Software Expertise Co., Ltd.	1. Revenue from services and consulting ▪ Revenue from services and consulting ▪ Trade accounts receivable ▪ Other income ▪ Other accounts receivable 2. Maintenance fee for hospital information system ▪ Revenue from services and consulting ▪ Trade accounts receivable	1,054,000 4,803,766 - 3,153,700	2,822,000 4,803,766 129,420 3,153,700	2,218,549 5,173,639 15,600 15,600	2,926,315 2,926,315 67,200 67,200	THG provided advice to Aryu International Health Care Co., Ltd. The price and nature of such terms and conditions are in accordance with the mutually agreed upon agreement between the two parties in the interests to be received appropriately. This is in line with normal business practice. Modular Software Expertise Co., Ltd., a subsidiary, provided consulting services on hospital management systems at the rate specified in the contract which is a normal business of a subsidiary under the conditions that a subsidiary made with other contracting parties.





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
8. Weihai Welly Hospital Co., Ltd. Relationship A joint venture	THG	1. Revenue from services and consulting <ul style="list-style-type: none"> Revenue from services and consulting Trade accounts receivable Other accounts payable 	- 8,511,600 2,255,597	- 8,511,600 2,255,597	4,911,200 18,654,400 2,325,692	14,855,400 14,855,400 -	THG advised Weihai Welly Hospital Co., Ltd. on the part of hospital management. The price and nature of such terms and conditions are in accordance with the mutually agreed upon agreement between the two parties in the interests to be received appropriately. This is in line with normal business practice.
9. Chumvej Hospital PCL. Relationship Mr. Suthon Sriyaphan is a common director with a subsidiary	THG	1.Dividend income <ul style="list-style-type: none"> Dividend receivable Dividend income 	891,792 990,880	891,792 1,901,689	546,486 -	414,004 -	THG received dividends from investment in ordinary shares of Siroros Hospital Co., Ltd. as declared.
10. Siroros Hospital Co., Ltd. Relationship There is a person who is a close relative of Dr. Boon Vanasin is a shareholder.	Rajindee Hospital PCL.	1.Dividend income <ul style="list-style-type: none"> Dividend income Rental fee for health check-up 	- -	300,000 9,250	300,000 -	1,000,000 17,600	Rajindee Hospital PCL. received dividends from investment in ordinary shares of Siroros Hospital Co., Ltd. as declared. Rajindee Hospital PCL. needs to use such services to treat patients. The trading price, conditions and trade credit are in line with market conditions as same as the conditions agreed with other entities in general.
11. Thonburi Houseware Co., Ltd. Relationship Dr. Suwadee Puntpanich is a common director with a subsidiary	Thonburi Wellbeing Co., Ltd.	1. Office Rental <ul style="list-style-type: none"> Rental Deposit Other payables Rental Service fee 	503,079 554,891 1,416,731 98,983	503,079 554,891 2,752,178 192,336	- - - -	- - - -	Thonburi Wellbeing Co., Ltd., a subsidiary rented an office at the rental rate and service fees specified in the contract. The conditions between each other are in line with market conditions same as the conditions agreed with other entities in general.





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
12. Thonburi Holding Hospital Co., Ltd. Relationship There are persons under the control of Dr. Boon Vanasin as shareholders.	THG	1. Accommodation Income ▪ Other accounts receivable ▪ Accommodation Income ▪ Other income	1,785,900 135,300 155,300	1,785,900 1,585,300 200,600	- - -	- - -	THG paid accommodation's fee for doctors visiting to Thonburi Holding Hospital Co., Ltd. The price was the same as general customers.
13. Rajapattana Real Estate Co., Ltd. Relationship There are common shareholders	Uttaradit Thonburi Hospital Co., Ltd.	1. Other Incomes ▪ Other Accounts Receivable ▪ Deposit Received ▪ Rental Income ▪ Accrued Interest Receivable ▪ Interest Income	927,784 1,000,000 695,838 1,710,221 900,161	927,784 1,000,000 2,087,514 1,710,221 1,710,221	- - - - -	- - - - -	Uttaradit Thonburi Hospital Co., Ltd., a subsidiary entered into a contract to buy and sell the land with Rajapattana Real Estate Co., Ltd. The prices and conditions between the parties are according to the contract. The subsidiary charged the land rental and interest due to delay of land rental's payment which is in accordance with the normal business practice conditions generally.

1.2 Normal business transaction or normal business support without commercial terms.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
1. Rajthanee Pattanakarn (2014) Co., Ltd. Relationship Mrs. Jarawan Vanasin as a major shareholder	Thonburi Realty Development Co., Ltd.	Other service fees ▪ Other service fees ▪ Other payables	6,000,000 34,000,000	24,000,000 34,000,000	27,000,000 10,000,000	36,000,000 -	Thonburi Realty Development Co., Ltd. has not utilized such land. The land was leased to THG, Rajthanee Pattanakarn (2014) Co., Ltd. at a rental rate higher than market value. Such transactions are beneficial to THG.
	Thonburi Bamrungmuang Hospital Co., Ltd.	Other service fees ▪ Other service fees ▪ Other payables	- 218,820	- 218,820	149,800 149,800	- -	Rajthanee Pattanakarn (2014) Co., Ltd. provided Chinese interpreters to support service of



Related name / relationship	Company Transaction	The nature of transaction	Value (THB)			Necessity and reasonableness
			Quarter 4/2019	2019	2018	
2. Khunyung Songsaeng Meksawan Relationship As the major shareholder of THG	THG	▪ Land rental	637,500	2,523,000	2,514,000	THG leased land from Khunyung Songsaeng Meksawan to be used as a hospital for Thonburi 1 Hospital. The rental fee was lower than market value and the transaction was beneficial to THG.

1.3 The list provides financial assistance to individuals or entities that are related parties.

If necessary, THG or its subsidiaries suffer from liquidity shortage. The Board of Directors has complied with the regulations. In addition, THG has disclosed related transactions in the notes to financial statements audited by the auditors of THG in accordance with the generally accepted accounting standards.

Item of offer or / receipt of financial assistance.

Related name / relationship	Company Transaction	The nature of transaction	Value (THB)			Necessity and reasonableness
			Quarter 4/2019	2019	2018	
1. Weihai Welly Hospital Co., Ltd. Relationship Joint Venture	THG	Short-term loans ▪ Short-term loans ▪ Accrued interest ▪ Interest income	36,599,880 2,436,460 486,554	36,599,880 2,436,460 2,015,036	40,106,960 547,266 549,412	THG granted a joint venture, Weihai Welly Hospital Co., Ltd., to borrow short-term funds for use as working capital of Weihai Welly Hospital, with interest at a higher rate than the borrowing cost of THG. The said loan is a loan in proportion to its shareholding. The said loan has been approved by the Board of Directors.
2. Siroros Hospital Co., Ltd.	Rajindee Hospital PCL.	Short-term loans ▪ Interest income	-	-	-	The subsidiaries provide short-term loans for use as working capital. The interest is charged at a rate higher than the borrowing





Related name / relationship	Company Transaction	The nature of transaction	Value (THB)				Necessity and reasonableness
			Quarter 4/2019	2019	2018	2017	
Relationship A person who is a close relative of Dr. Boon Vanasin as a shareholder							cost of THG.Siroros Hospital Co., Ltd. has fully repaid the loan in 2017.

2. Policy and Trend of Entry into Related Party Transaction in the Future

Type of Transaction	Trend and Policy
Normal Business Transaction or Supporting Normal Business Transaction	<p>Normal Business Transaction</p> <p>If THG and/or its subsidiary has a medical treatment service transaction, referral of patients, THG has its policy that THG and/or its subsidiary shall charge compensation incurred by the entry into transaction. The transaction between THG and/or its subsidiary and related party at the market price whereby the service rate and term or payment including other trade conditions whether it is fair or similar condition and it is different from a transaction that entered with third party, whether individual or other companies under the similar circumstance.</p> <p>Supporting Normal Business Transaction</p> <p>If THG and its subsidiary purchase goods and medical supplies from the supplier of goods and medical supplies which is the party relating to THG, such transaction shall be the transaction for supporting medical treatment services of each other for supporting normal business transaction of THG and/or its subsidiary provided that the price of goods or services shall be the market price which based on the price of goods or services and term of payment and trade conditions shall not be different from the terms and conditions that THG and/or its subsidiary enters with other suppliers under the similar circumstance.</p> <p>Pursuant to the Securities and Exchange Act (No. 4) B.E. 2551 (2008) (as amended) which is effective from 31 August 2008 and the guideline of the Office of the Securities and Exchanges Commission dated 16 July 2008, it states that to have more flexibility for management of company, a company may propose a related party transaction which deemed as the normal business transaction or supporting normal business transaction with normal trade conditions between a company and/or its subsidiary with related parties to the Board of Directors for approval in principle.</p>





Type of Transaction	Trend and Policy
Offer and/or Receipt of Financial Assistance	<p>THG has its policy in relation to the offer and/or receipt of financial assistance for the centralization of financial management in order to manage financial costs appropriately and efficiency for the highest benefit of THG. THG has the policy for entering into financial assistance by providing loan to subsidiary whereby THG will directly enter into loan with money market or financial institution and subsequently, lend to its subsidiary and the interest shall be based on the actual financial cost plus additional profits of which such interest rate will be lower than the interest rate offered by financial institution if such subsidiary directly lends from the financial institution.</p> <p>Benefit, the subsidiary can receive loan at the interest rate lower than the direct lending from financial institution due to THG can obtain loan at the lower interest rate.</p>
Other business transaction other than the abovementioned transactions according to the definition as defined in the Securities and Exchange Act	<p>If THG and/or its subsidiary is necessary to enter into a related party transaction in the future, such related party transaction shall be for the equal benefits of THG and all shareholders pursuant to the rules and regulations as specified in the Securities and Exchanges Act and other relevant notifications of regulatory bodies.</p>

The entry into related party transaction in all types of THG shall be in accordance with the Securities and Exchange Act and/or the rules and regulations of the Stock Exchange of Thailand and/or the Notifications of the Capital Market Supervisory Board for protecting public investors and transparent. If THG and/or its subsidiary is necessary to enter into a related party transaction, THG has authorized the Audit Committee to review such transaction to ensure the fairness. If the Audit Committee does not have an expertise on considering of any related party transactions THG has policy to engage the independent advisor who has knowledge and expertise at professional level to provide opinion on the entry of such transaction for consideration of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting as the case may be.



Other Important Information



1. General information

Company Name	: Thonburi Healthcare Group PCL.
Company Registration No.	: 0107537002753 (former No. PLC. 522)
Registration Date	: 21 December 1994
The headquarters	: No. 34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok 10700 Tel. +662-487-2000 Hotline 1645 Fax. +662-412-7343
Website	: www.thg.co.th
Business type	: Medical Services Business and Hospital Management
Services The number and type of shares	: 849,080,000 ordinary registered shares
Registered capital	: Baht 849,080,000, par value of baht 1 per share
Issued and paid-up capital	: Baht 849,080,000, 849,080,000 shares, par value of baht 1 per share

Subsidiary, associate and joint venture Subsidiaries

- (1) Rajyindee Hospital PCL.

Company Registration No.	: 0107538000380 (former No. PLC. 561)
Registration Date	: 20 July 1995
The headquarters	: 119 Rajyindee Road, Tambol Hat Yai Amphur Hat Yai, Songkhla 90110 Tel. +66 74-200-200 Fax. +66 74-200-292
Website	: www.rajyindee.com
Business type	: Medical Services Business
The number and type of shares	: 430,000,000 ordinary registered shares
Registered capital	: Baht 430,000,000 par value of baht 1 per share
Issued and paid-up capital	: Baht 430,000,000, 430,000,000 shares, par value of baht 1 per share
- (2) Uttaradit Thonburi Hospital Co., Ltd.

Company Registration No.	: 0105559025720
Registration Date	: 12 February 2016
The headquarters	: 61/160 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. +662-643-0921 Fax. +662-246-1796
Business type	: Medical Services Business
The number and type of shares	: Baht 12,000,000 ordinary registered shares Registered capital
	: Baht 120,000,000 par value of 10 baht per share
Paid-up capital	: Baht 90,000,000, 12,000,000 shares, par value of baht 7.50 per share
- (3) Thonburi Hospital Heart Centers Co., Ltd.

Company Registration No.	: 0105557100490
Registration Date	: 16 July 2014
The headquarters	: 61/160 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. +662-643-0921-5 Fax. +662-642-0939
Business type	: Hospital Management Services and Management Services for Heart Centers
The number and type of shares	: 10,000 ordinary registered shares
Registered capital	: Baht 100,000,000 par value of baht 10,000 per share
Paid-up capital	: Baht 100,000,000, 10,000 shares, par value of baht 10,000 per share
- (4) Thonburi Wellbeing Co., Ltd. (Former Name: Premiere Home Health Care Co., Ltd.)

Company Registration No.	: 0105557165486
Registration Date	: 7 November 2014
The headquarters	: 61/160 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. +662-643-0921-5 Fax. +662-642-0939
Website	: www.jinwellbeing.com





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|-------------------------------|---|--|
| Business type | : | Housing business for elderly, care center and elderly carecenter, comprehensive health services for elderly, medical services, cleaning service, disinfecting and removal of dust mites and operating the patient rehabilitation center (Step-Down Care) |
| The number and type of shares | : | 130,000,000 ordinary registered shares |
| Registered capital | : | Baht 1,300,000,000 par value of baht 10 per share |
| Issued and paid-up capital | : | Baht 1,300,000,000, 130,000,000 shares, par value of baht 10 per share |
- (5) Dental Siam Co., Ltd.
- | | | |
|-------------------------------|---|--|
| Company Registration No. | : | 0105556199387 |
| Registration Date | : | 27 December 2013 |
| The headquarters | : | 615 Jit-Uthai Building, 11th Floor, Ramkhamhaeng 73, Ramkhamhaeng Rd., Huamark, Bangkok Bangkok, 10240
Tel. +662-375-1516 Fax. +662-2375-1517 |
| Website | : | www.dentalsiam.co.th |
| Business type | : | Business selling pharmaceuticals, chemicals, machinery, appliances dental and pharmacy business |
| The number and type of shares | : | 3,193,265 ordinary registered shares |
| Registered capital | : | Baht 31,932,650 par value of baht 10 per share |
| Paid-up capital | : | Baht 31,932,650, 31,932,650 shares, par value of baht 10 per share |
- (6) Rajthanee Realty Co., Ltd.
- | | | |
|-------------------------------|---|---|
| Company Registration No. | : | 0105544092116 (former No. Kor Tor 03-0159-44) |
| Registration Date | : | 20 September 2001 |
| The headquarters | : | 61/160 Thaweemit 5 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310
Tel. +662-643-0921 Fax. +662-246-1795 |
| Business type | : | The business of land allocation elderly home |
| The number and type of shares | : | 7,000,000 ordinary registered shares |
| Registered capital | : | Baht 700,000,000 par value of baht 100 per share |
| Issued and paid-up capital | : | Baht 700,000,000, 700,000,000 shares, par value of baht 100 per share |
- (7) Thonburi Realty Development Co., Ltd.
- | | | |
|-------------------------------|---|---|
| Company Registration No. | : | 0105533007996 (former No.798/2533) |
| Registration Date | : | 19 January 1990 |
| The headquarters | : | 61/160 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310
Tel. +662-643-0921-5 Fax. +662-642-0939 |
| Business type | : | Land business and real estate development |
| The number and type of shares | : | 80,000,000 ordinary registered shares |
| Registered capital | : | Baht 800,000,000, par value of baht 10 per share |
| Issued and paid-up capital | : | Baht 800,000,000, 80,000,000 shares, par value of baht 10 per share |
- (8) Modular Software Expertise Co., Ltd.
- | | | |
|-------------------------------|---|--|
| Company Registration No. | : | 0105536114840 (former No. (1)2228/2536) |
| Registration Date | : | 7 October 1993 |
| The headquarters | : | 333/2 Pracha Chuen Road, Khwaeng Bang Sue, Khet Bang Sue Bangkok 10700 Tel. +662-882-5173 Fax. +662-882-5175 |
| Website | : | www.mse-th.com |
| Business type | : | Providing computer consultancy and programming |
| The number and type of shares | : | 180,000 ordinary registered shares |
| Registered capital | : | Baht 18,000,000 par value of baht 100 per share |
| Issued and paid-up capital | : | Baht 18,000,000, 180,000 shares, par value of baht 100 per share |
- (9) Thonburi Bamrungmuang Hospital Co., Ltd. (former name: Bamrungmuang Plaza Co., Ltd.)
- | | | |
|--------------------------|---|---|
| Company Registration No. | : | 0105545057829 |
| Registration Date | : | 5 June 2002 |
| The headquarters | : | 611 Bamrungmuang Road, Khwaeng Khlongmahanak, Khet Pomprapsatruphai, Bangkok 10100
Tel. +662-220-7999 Fax. +662-223-1876 |





Business type : Medical Services Business (Operated in January 2019)
The number and type of shares : 48,927,068 ordinary registered shares
Registered capital : Baht 1,223,176,700 par value of baht 25 per share
Issued and paid-up capital : Baht 1,223,176,700, 48,927,068 shares, par value of baht 25 per share

- (10) Thanarad Thung Song Co., Ltd. (Being THG's subsidiary on 30 June 2018)
Company Registration No. : 0805557000618
Registration Date : 15 May 2014
The headquarters : 88/8 Moo 1, Tambol Chamai, Amphur Thung Song, Nakhon Si Thammarat 80110 Tel. +66 93-579-1188
Website : www.thonburithungsong.com
Business type : Medical Services Business (Operated in November 2019)
The number and type of shares : 60,000,000 ordinary registered shares
Registered capital : Baht 600,000,000 par value of baht 10 per share
Issued and paid-up capital : Baht 600,000,000, 60,000,000 shares, par value of baht 10 per share

Indirect Subsidiaries

- (1) Rajyindee Co., Ltd. (a subsidiary of Rajyindee Hospital PCL.)
Company Registration No. : 0905558000581
Registration Date : 10 February 2015
Date of dissolution registration : 11 October 2019
Date of completion of the liquidation : 23 December 2019
The headquarters : 69 Soi 9 (Rajyindee) Tambol Hat Yai, Amphur Hat Yai, Songkhla 90110 Tel. +66 74-200-200 Fax. +66 74-200-292
Business type : Medical Services Business
The number and type of shares : 50,000 ordinary registered shares
Registered capital : Baht 5,000,000 par value of baht 100 per share
Issued and paid-up capital : Baht 5,000,000, 50,000 shares, par value of baht 100 per share
- (2) Thonburi Property Management Co., Ltd. (a subsidiary of Thonburi Wellbeing Co., Ltd.)
Company Registration No. : 0105562161663
Registration Date : 17 September 2019
The headquarters : 61/160 Thaweemit 5 Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310 Tel. +662-246-4694
Business type : Senior residence management
The number and type of shares : 40,000 ordinary registered shares
Registered capital : Baht 4,000,000 par value of baht 100 per share
Issued and paid-up capital : Baht 4,000,000, 700,000,000 shares, par value of baht 100 per share

Associates

- (1) Ubonrak Co., Ltd.
Company Registration No. : 0345534000225 (former No. Bor. Aor. Jor. Aor. Bor. 111)
Registration Date : 16 December 1991
The headquarters : 46/4 Bhurapanai Road, Tambol Naimuang, Amphur Muangubonratchathani, Ubonratchathani 34000 Tel. +66 45-260-300 Fax. +66 45 243-654
Website : www.ubonrak.co.th
Business type : Medical Services Business
The number and type of shares : 11,250,000 ordinary registered shares
Registered capital : Baht 112,500,000 par value of baht 10 per share
Issued and paid-up capital : Baht 112,500,000, 11,250,000 shares, par value of baht 10 per share
- (2) Sirivej Chanthaburi PCL.
Company Registration No. : 0107547000117 (former No. 0107574700110)
Registration Date : 23 February 2004
The headquarters : 151 M.7 Trirat Road, Tambol Chanthanimit, Amphur Muangchanthaburi, Chanthaburi 22000 Tel. +66 39-344-339 Fax. +66 39 322-995-6
Website : www.sirivejhospital.com





Business type	: Medical Services Business
The number and type of shares	: 370,909,375 ordinary registered shares Ordinary shares as at 31 December 2016 of 541,818,750 shares Decrease in share capital on 7 August 2017 of 270,909,375 shares Increase in share on 9 August 2017 of 100,000,000 shares
Registered capital	: Baht 370,909,375, par value of baht 1 per share
Issued and paid-up capital	: Baht 325,091,250, 325,091,250 shares, par value of baht 1 per share

Joint Ventures

- (1) Weihai Welly Hospital Co., Ltd.

Registration Date	: 14 January 2016
The headquarters	: No. 312 Sichang Avenue, Weihai, Shandong Province, China
Business type	: Medical Services Business, the name of Welly Hospital
Shareholding	: Holding 58% by THG
Registered capital	: RMB 250,000,000
Issued and paid-up capital	: RMB 250,000,000

- (2) ARYU International Health Care Co., Ltd.

Registration Date	: 4 April 2017
The headquarters	: Plot No. 34D, Block No. 51F3,51D5,51D6 Kayaikkasan Road (Between Marlarnwe Street) Tamwe Township, Yangon
Business type	: Medical Services Business, the name of Ar Yu International Hospital (Operated outpatient service in September 2018 and inpatient service in February 2020)
Shareholding	: Holding 40% by THG (Holding 10% in 2017)
Registered capital	: USD 100,000,000
Issued and paid-up capital	: USD 70,000,000

Juristic persons in which THG holds 10% or more

- (1) Phatra Hospital Co., Ltd.

Company Registration No	: 0105538022772
Registration Date	: 21 February 1995
The headquarters	: 32/410 No.6, Khlong Nueng, Khlong Luang Pathum Thani TEL. +662-901-8400 Fax. +662-901-8508, +662-901-8082
Business type	: Medical Services Business
The number and type of shares	: Bath 15,000,000 ordinary registered shares
Registered capital	: Baht 150,000,000 par value of baht 10 per share
Issued and paid-up capital	: Bath 150,000,000, 150,000,000 shares, par value of baht 10 per share

- (2) Thanakarn Hospital Co., Ltd.

Company Registration No	: 0715534000281
Registration Date	: 7 November 1991
The headquarters	: 20/20 Saeng Chuto Rd, Ban Tai, Mueang Kanchanaburi Tel +66 34-540-601-9 Fax. +66 34-515-886
Business type	: Medical Services Business
The number and type of shares	: Bath 75,000,000 ordinary registered shares
Registered capital	: Baht 75,000,000 par value of baht 10 per share
Issued and paid-up capital	: Bath 75,000,000, 75,000,000 shares, par value of baht 10 per share

- (3) Roi-Et Hospital Co., Ltd.

Company Registration No	: 0455538000075
Registration Date	: 9 May 1995
The headquarters	: 166 Pattamaon Rd, Nai Mueang, Mueang Roi Et, Roi Et Tel. +66 43-515-191 Fax. +66 43-513-191, +66 43-512-191
Business type	: Medical Services Business
The number and type of shares	: Bath 12,500,000 ordinary registered shares
Registered capital	: Baht 125,000,000 par value of baht 10 per share
Issued and paid-up capital	: Bath 125,000,000, 125,000,000 shares, par value of baht 10 per share





(4) Kalasin Thonburihospital Co., Ltd.

Company Registration No	:	0465558000216
Registration Date	:	27 October 2015
The headquarters	:	89 Bypass Song Rd, Kalasin, Mueang Kalasin, Kalasin Tel. +66 43-840-444 Fax. +66 43-840-424
Business type	:	Medical Services Business
The number and type of shares	:	Bath 30,000,000 ordinary registered shares
Registered capital	:	Baht 300,000,000 par value of baht 10 per share
Issued and paid-up capital	:	Bath 300,000,000, 300,000,000 shares, par value of baht 10 per share

2. References

Share Registrar	:	Securities Depository Company (Thailand) Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. +662-009-9000 Fax. +662-009-9992
Auditor	:	Mr. Sudwin Panyawongkhanti, (Certified Public Accountant (Thailand) no. 3534 PricewaterhouseCoopers ABAS Ltd. 179/74-80 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn Bangkok, 10120 Tel. +662-344-1000 Fax. +662-286-4440





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