

PROFESSIONAL HEALTHCARE COMMUNITY

ANNUAL REPORT 2019



Praram 9 Hospital Public Company Limited



To become
“The most trusted high
technology healthcare community”



Principal mission is providing healthcare
solution for prevention and treatment that
is the best in class and value for money by
professional team and advanced technology



Accountability /
Collaborative Creativity /
Customer centric with Professionalism

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Financial Statement

FINANCIAL HIGHLIGHTS

FINANCIAL OVERVIEW

2017

2018

2019

Statement of comprehensive income

| | | | | |
|-----------------------------------|----------|---------|---------|---------|
| Total revenues | (THB mm) | 2,455.2 | 2,733.5 | 2,889.7 |
| Total expenses | (THB mm) | 2,138.1 | 2,517.8 | 2,542.1 |
| Profit before income tax expenses | (THB mm) | 317.1 | 215.7 | 347.6 |
| Net profit for the year | (THB mm) | 262.3 | 157.2 | 284.5 |

Statement of financial position

| | | | | |
|----------------------------|----------|---------|---------|---------|
| Total assets | (THB mm) | 2,856.6 | 4,424.4 | 4,716.6 |
| Total liabilities | (THB mm) | 761.6 | 551.0 | 677.6 |
| Total shareholders' equity | (THB mm) | 2,095.0 | 3,873.3 | 4,039.0 |

Share

| | | | | |
|---------------------------------------|-------------|--------|--------|--------|
| Share capital : Issued and fully paid | (Shares mm) | 6.00 | 786.30 | 786.30 |
| Par value | (THB) | 100.00 | 1.00 | 1.00 |
| Earnings per share | (THB) | 43.71 | 0.25 | 0.36 |
| Dividend per share ⁽¹⁾ | (THB) | 84.00 | 0.14 | 0.14 |

Financial Ratio

| | | | | |
|--|-----|------|-----|-----|
| Net profit margin ⁽²⁾ | (%) | 10.7 | 5.8 | 9.8 |
| Return on assets ⁽³⁾ | (%) | 10.2 | 4.3 | 6.2 |
| Return on equity ⁽⁴⁾ | (%) | 13.2 | 5.3 | 7.2 |
| Liabilities to Equity Ratio ⁽⁵⁾ | (X) | 0.4 | 0.1 | 0.2 |

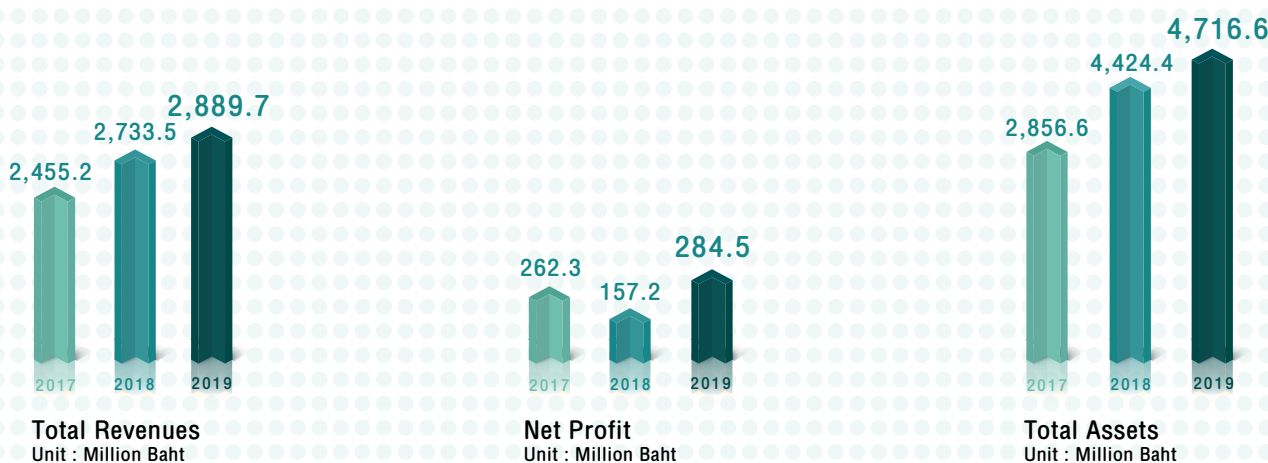
Remarks : (1) Dividend per share Y.2017 : This is for payment of dividends from the retained earnings of the company before converting to a public company and being listed on the Stock Exchange of Thailand

(2) Net profit margin = Net profit / Total revenues

(3) Return on assets = Net profit / Average Total assets

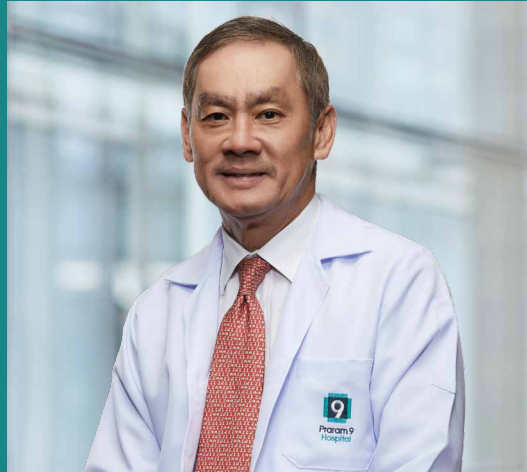
(4) Return on equity = Net profit / Average Total shareholders' equity

(5) Liabilities to Equity Ratio = Total Liabilities / Total shareholders' equity





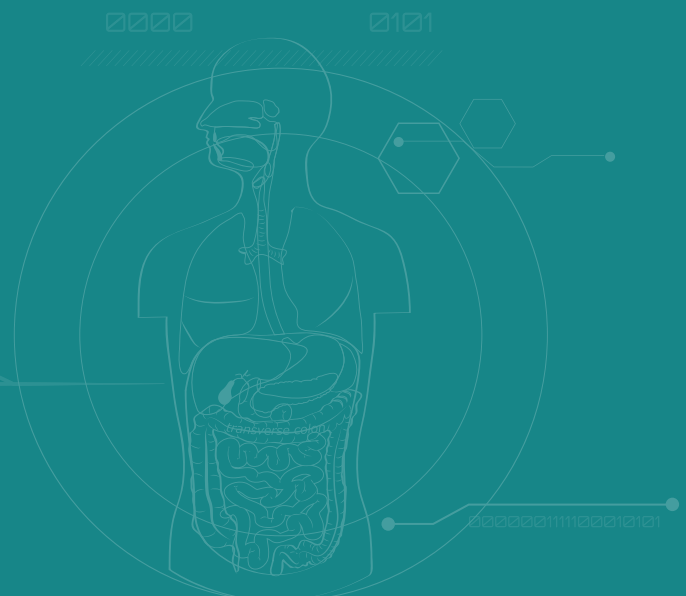
MR. BHANAPOT DAMAPONG
Chairman of the Board of Directors



DR. SATIAN POOPRASERT
Chief Executive Officer

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

In 2019, Praram 9 Hospital
Public Company Limited
posted satisfactory performance.
Our main focus is in the area
of holistic health care,
health promotion & wellness



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Increased awareness and interest in health and wellbeing among Thais has resulted in continuous growth in the healthcare business, especially in the hospital and medical services sector. This is evidenced by the expansion in facilities and new investment of many healthcare business operators. Key factors supporting this trend are increasing population numbers, the arrival of the graying society and public demand for high quality services and convenience. At the same time, more foreigners are coming to Thailand seeking medical services, attracted by the government's medical tourism promotion policy and its intention to make Thailand an international medical hub.

In 2019, Praram 9 Hospital Public Company Limited posted satisfactory performance. We recorded total revenue of Baht 2,890 million and revenue from hospital business of Baht 2,849 million, grew by 5.7% and 5.5%, respectively, compared to the previous year. We also achieved net profit of Baht 284 million, grew by 80.9% from the previous year. As of December 31, 2019, we had total assets of Baht 4,717 million, total liabilities of Baht 678 million and shareholders' equity of Baht 4,039 million. Our main focus is in the area of holistic health care, health promotion & wellness for all those who wish to live a healthier life. We have introduced advanced technology to enhance patient safety and increase internal operational efficiency and capacity as we move forward to becoming a digital hospital. In addition, the company concentrates on sustainable development, including nurturing good relationships with customers and stakeholders, making social contributions and preserving the environment.

For the directions in 2020, we still continues to implement our strategic plan with focus on increasing revenue from continuous growth of both Thai and foreign patients as well as expanding hospital spaces for increased services resulting from the opening of building extensions to accommodate new service recipients, complicated patients in the current building as well as potential health insurance customers. We also emphasize increasing broader corporate brand recognition for the general public via social media channels within appropriate budget and adopted technologies to create maximum benefits for patients to enhance convenience and efficiency in stepping up to the position of digital hospital in 2020.

In the coming year, we will continue to work towards achieving our business goals and supporting economic and social development. Ultimately, our aim is to enhance our service quality and efficiency to meet the highest international standards in order to become a leading private hospital with sustainable growth in the future.



MR. BHANAPOT DAMAPONG
Chairman of the Board of Directors



DR. SATIAN POOPRASERT
Chief Executive Officer

REPORT OF THE BOARD OF DIRECTORS

DEAR SHAREHOLDERS,

Praram 9 Hospital Public Company Limited (“Company”)’s vision is to become the most trusted high technology healthcare community”. The Company has also increased its capacity to offer a wide array of services to meet the needs of service recipients and put priority on service quality and efficiency based on international standards as guaranteed by Joint Commission International (JCI) Accreditation awarded to the Company from 2010 until present.

Based on the previous year’s performance, given that Thailand and global economic outlooks were not as healthy as they could be, the Company had opened two more medical centers, namely Joint Care Center and W9 Wellness Center, to accommodate the needs of service recipients and ensure higher management efficiency. The Board of Directors focused on balancing the management of different functions and establishing effective internal control, internal audit and risk management systems examined by the internal auditor and reviewed by the Audit Committee. The Board of Directors also adopted the principles of good corporate governance as practice guidelines in hope of achieving sustainable growth, as can be obviously seen by the arrangement of trainings and tests to enhance new employees’ understanding of the Company’s Code of Conduct and policies related to corporate governance e.g. the conflict of interest policy, the maintenance and utilization of property and confidential information policy, the securities trading and insider trading policy, and the anti-corruption policy.

In 2019, the Board of Directors convened seven times; non-executive directors held one meeting. Such meetings allowed directors to independently express their opinions on matters related to the Company’s business operations and other matters of public interest. Those matters included compliance with relevant laws on the Company’s business operations, presentation of information affecting the Company’s profit margin and management of hospital space for the benefits of both Thai and foreign service recipients. In the previous year, the Company’s significant operations comprised determining the Company’s KPI, reserve budget (additional) for the year 2019 and table of financial authority (revised), reviewing the business plan in alignment with the strategic plan, the quality improvement plan and budget, approving budget for Building 2 (additional), changing the pricing policy, and scheduling the Board of Directors meeting and shareholders’ meeting in advance.

All of the above-mentioned contributions of the Company paid off. After its first year of listing on the Stock Exchange of Thailand, the Company was selected as 1 of 182, out of 672 in total, listed companies receiving a full score of 100 in AGM Checklist 2019, and 1 of 193, out of 677 in total, listed companies with “Excellent” rating of the Corporate Governance Report of Thai Listed Companies, conducted by the Thai Institute of Directors.

On behalf of the Board of Directors, I would like to extend my sincere gratitude to all shareholders, stakeholders, employees and executives. I can assure you that the Company is still committed to operating business ethically under the principles of good corporate governance while taking care of the surrounding society and environment to achieve future good returns and maintain stable and sustainable growth.



(MR. BHANAPOT DAMAPONG)
CHAIRMAN OF THE BOARD OF DIRECTORS

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 18, 2020

REPORT OF THE EXECUTIVE COMMITTEE

DEAR SHAREHOLDERS,

In 2019, Praram 9 Hospital Public Company Limited (“Company”) held 11 Executive Committee meetings and managed significant matters as follows.

1. Construction of Building B (New Praram9 Medical Centers Building) : A 16-storey building on an area of 2 Rai 3 Ngan 89 Sq.W. with 2 basement floors will be used for both outpatient (OPD) and inpatient (IPD) services. Information technology will also be adopted for service provision and support. The construction of Building B is expected to be completed and will be opened within 2020.

2. Construction of Building C (Home Office) : A 6-storey building was completely constructed and has been opened since January 2020.

3. Construction of Building D (Nursing Dormitory) : Located on Thiam Ruam Mit Road, Huai Khwang Subdistrict, Huai Khwang District, a 8-storey building with no more than 80 rooms as a nursing dormitory, was completely constructed to accommodate future growth and is expected to be opened within the first quarter of 2020.

4. Strategy for business growth : The Hospital proceeded according to the defined strategy with an aim to generating revenue through major medical centers, namely Kidney Disease and Transplantation Institute, Cardiovascular Institute, Diabetes and Metabolic Centre, Minimally Invasive Surgery, Laparoscopy Surgery, and Orthopedic Surgery. Especially, the Kidney Disease and Transplantation Institute performed kidney transplants for 84 patients in total, the highest figures in 1 year since the opening of the hospital. The Hospital also opened new medical centers to accommodate the increasing needs for medical services in 2 groups, namely Joint Care Center for elderly patients with knee and hip osteoarthritis who need to be operated by specialized surgeons and cutting-edge computer-assisted surgery systems, and W9 Wellness Center for general customers who are not sick but wish for health promotion and illness prevention, of which its customer base was also extended to include foreign customers and life insurance customers, and achieved positive growth in 2019.

5. Information Technology Strategy : The Hospital has planned to become a Digital Hospital by adopting information technology to help enhance efficiency in work processes, increase convenience and especially achieve high safety medical treatment, for example, the development of an application for appointments and the adoption of a digital queuing system to keep patients informed of their wait times.

6. Image : After having modified its image, both logo and corporate identity, to be more modern, expanded its customer base to include healthy people who need healthcare advice and communicated its new image to evoke greater recognition and enhance customers’ confidence in its medical services, the Hospital ranked 8th in the hospital category for Thailand’s Most Admired Company 2019 and 4th among private hospitals by BrandAge magazine, whereby the Company became one of the top 10 hospitals for two consecutive years. Moreover, the Hospital was awarded the Thailand Top Company Awards 2019, organized by the University of the Thai Chamber of Commerce in collaboration with Business+ magazine under ARIP Public Company Limited (“ARIP”) for two consecutive years.

7. Quality improvement and patient safety : The Hospital achieved the 4th US-based Joint Commission International (JCI) Accreditation and received the 2nd disease specific certification for kidney transplantation, which can guarantee its medical treatment quality based on international standards.



(MR. ATTAPOL SARIDDIPUNTAWAT)

CHAIRMAN OF THE EXECUTIVE COMMITTEE

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 18, 2020

REPORT OF THE AUDIT COMMITTEE

DEAR SHAREHOLDERS,

The Audit Committee members of Praram 9 Hospital Public Company Limited are independent directors who have knowledge, skills and experience with all required qualifications in accordance with the Audit Committee Charter and the Notification of the Stock Exchange of Thailand. The Audit Committee consists of 3 members, namely Mr. Kanit Patsaman as Chairman of the Audit Committee, Prof. Wg. Cdr. Dr. Sirintara Singhara Na Ayudhaya and Mr. Piset Chiyasak as members of Audit Committee.

In 2019, the Audit Committee performed its duties independently within the scope of responsibilities stipulated in the Audit Committee Charter which had been approved by the Board of Directors. The Audit Committee convened 4 times and 1 time without presence of the management.

The Audit Committee's performance of duties, opinions as well as reports on various matters to the Board of Directors during the year can be summarized as follows:

1. Review of financial reports The Audit Committee reviewed quarterly and annual financial reports which had been reviewed and audited by the certified public accountant that such reports were prepared in accordance with generally accepted accounting standards; and that the information disclosed in financial statements was accurate, complete and reliable. The Audit Committee also invited the certified public accountant and executives responsible for preparing financial reports to attend every meeting where there was an agenda to consider and certify the financial statements, before submitting to the Board of Directors for approval. The Audit Committee was of the opinion and certain that the financial reports had been prepared correctly in accordance with generally accepted accounting standards as well as adequately disclosed in the Notes to the Financial Statements.

2. Assessment and review of internal control system The Audit Committee reviewed the internal control system by taking into account the audit report from the auditor, the report from the internal audit unit and the report from the risk management working group, and the adequacy of the internal control system in accordance with the guidelines set by the Securities and Exchange Commission. The Audit Committee regularly reported results and opinions to the Board of Directors and the management to ensure that good, proper and adequate internal control was implemented in all work processes, which can support efficient and effective operations and prevent or reduce possible risks and damages; that financial reports were accurate and reliable; and that the quality of internal control system was continuously developed and improved.

3. Supervision of internal audit The Audit Committee approved hiring of ACC-PLUS Consultant Company Limited with Ms. Wanna Malueangnon as the Chief Internal Audit, who passed the assessment and was benchmarked against other companies' service proposals, to independently perform duties in accordance with the annual audit plan that had been approved by the Audit Committee. Observations arising from the audit report of internal auditors, which had been considered and commented by the Audit Committee, were continuously monitored. The consideration and approval of the appointment, removal, transfer of the position of Chief Internal Audit and the determination of remuneration of Chief Internal Audit shall be considered and approved by the Company's Audit Committee.

4. Supervision of compliance with laws and policies The Audit Committee reviewed the good corporate governance process and the process of receiving complaints in terms of service quality, ethics and whistleblowing. The process was carried out by listening and giving opinions in accordance with the report of the Quality Department, the unit directly responsible for the reports of the Risk Management Working Group and internal auditors. The Audit Committee acknowledged the changes in the law on securities and exchange and laws related to the Company's business as well as reviewed the Company's operations to ensure compliance with relevant laws, rules and regulations and the Company's readiness for continuous changes.

5. Review of risk management The Audit Committee reviewed and commented on the risk management plan, regularly monitored the report of the Risk Management Working Group on a quarterly basis as well as reported results and comments of risk management to the Board of Directors.

The Audit Committee considered risk management guidelines for sustainability (ESG : Environment, Social and Governance) to create the Company's sustainable growth while caring for the environment.

6. Consideration of related party transactions or transactions that may have conflict of interest The Audit Committee reviewed and commented on the necessity and reasonability of related party transactions or transactions that may have conflict of interest as well as contracts, agreements and main conditions. This also included the disclosure of complete and sufficient disclosure of information in accordance with the regulations of the Stock Exchange of Thailand.

7. Consideration, selection and nomination for appointment of an auditor The Audit Committee considered performance, knowledge, capabilities, understanding of the Company's business, work quality and qualifications of an auditor as well as the appropriateness of an audit fee and benchmarking with other auditing offices' proposals. The Audit Committee found it appropriate to nominate EY Office Company Limited to be appointed as the annual auditor as well as proposed annual remuneration to the Board of Directors and the Shareholders' Meeting for approval.

8. Performance evaluation and review of the Charter The Audit Committee considered both collective and individual self-assessments and reviewed the Audit Committee Charter by comparing the scope of duties and responsibilities with the Audit Committee Handbook prepared by the Securities and Exchange Commission and propose it to the Board of Directors for approval.

The Audit Committee performed its duties in accordance with the Audit Committee Charter and as delegated by the Board of Directors with care and fullest capability. The Audit Committee was of the opinion that the Company's financial reports and information disclosure were adequate, appropriate and reliable in accordance with generally accepted accounting standards. Moreover, the internal control and risk management systems were effective, appropriate and sufficient for business operations. Connected transactions and information were adequately disclosed. Corporate governance was also carried out in accordance with the principles of good corporate governance. The quality of the internal control system was continuously developed and improved.



(Mr. KANIT PATSAMAN)

CHAIRMAN OF THE AUDIT COMMITTEE

Praram 9 Hospital Public Company Limited

February 18, 2020

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

DEAR SHAREHOLDERS,

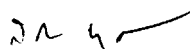
The Board of Directors of Praram 9 Hospital Public Company Limited has appointed the Nomination and Remuneration Committee consisting of 3 members, 2 of which are directors and 1 of which is independent director, as follows:

1. CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK Chairman of the Nomination and Remuneration Committee (Independent Director)
2. MR. ATTAPOL SARIDDIPUNTAWAT Member of the Nomination and Remuneration Committee
3. MRS. VILASINEE PUDDHIKARANT Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the duties and responsibilities in accordance with the Charter of the Nomination and Remuneration Committee, including developing policies, criteria and procedures for nominating directors, subcommittees and Chief Executive Officer; considering the appropriateness of the number, structure and composition of the Board of Directors; overseeing and preparing a succession plan in order to prepare for the succession of the Chief Executive Officer and senior executives and a development plan for directors, subcommittees and Chief Executive Officer; considering and developing a policy for determining remuneration and other benefits for directors, subcommittees and Chief Executive Officer; and adjusting the Chief Executive Officer's salary to be proposed to the Board of Directors for approval.

In the previous year, the Nomination and Remuneration Committee held a total of 2 meetings attended by all members. The meetings were held to jointly discuss on the preparation of the succession plan for Chief Executive Officer and senior executives and the development plan for directors, subcommittees and Chief Executive Officer; the nomination of persons with appropriate qualifications, knowledge and capabilities in line with the Company's business strategies; the consideration of remuneration for the Board of Directors and senior executives in accordance with the policies and criteria set forth by taking into account the Company's operating performance, business competition condition and ensuring that the payment of remuneration is within the approved budget limit.

The Nomination and Remuneration Committee has performed its assigned duties with care and independence for the benefits of all shareholders and stakeholders and reported its performance to the Board of Directors for acknowledgement on a quarterly basis.



(CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK)
CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 18, 2020

BOARD OF DIRECTORS



1. **MR. BHANAPOT DAMAPONG**
Chairman of the Board of Directors

2. **DR. SATIAN POOPRASERT**
Vice-Chairman of the Board of Directors

3. **DR. PRASERT TRAIRATVORAKUL**
Director

4. **DR. VIROON MAVICHAK**
Director

5. **MR. ATTAPOL SARIDDIPUNTAWAT**
Director

6. **MRS. VILASINEE PUDDHIKARANT**
Director

7. **CLINICAL PROF.DR. SARANA
BOONBAICHAIYAPRUCK**
Independent Director

8. **PROF.WG.CDR.DR. SIRINTARA
SINGHARA NA AYUDHAYA**
Independent Director

9. **MR. KANIT PATSAMAN**
Independent Director

10. **MR. PISET CHIYASAK**
Independent Director

AWARDS OF PRIDE 2019



PROFESSIONAL
HEALTHCARE
COMMUNITY

1

Thailand Top Company Awards 2019, organized by the University of the Thai Chamber of Commerce in collaboration with Business+ Magazine by ARIP Public Company Limited ("ARIP"), which is considered the second consecutive year.



2

Good Governance Hospital Award from the Department of Internal Trade, Ministry of Commerce, reflecting the good governance operation, drugs and service fees pricing policy are fairly and transparency. We are one of 166 hospitals in 57 provinces nationwide that have passed the assessment criteria. These are a guarantee certificate in customer centric philosophy.

3



Thailand's Most Admired Company 2019, ranking No.8th in the hospital category and No.4th in private hospitals for being the best organization to received consumer trust, by Brand Age Magazine, which is considered the second consecutive year in the Top 10 of the survey.

4

Muang Thai Life Assurance Hospital Awards 2019, the 1st runner-up Innovations Hospital Awards for initiating the new innovations.



BUSINESS OPERATION



PROFESSIONAL
HEALTHCARE
COMMUNITY

POLICY AND OVERALL BUSINESS OPERATIONS

Praram 9 Hospital Public Company Limited (the “Company” or the “Hospital”, or “Praram 9 Hospital”) has provided healthcare services (General Hospital) under the name of “Praram 9 Hospital” since 1992 with registered capital of THB 400,000,000 divided into 4,000,000 common shares, at the par value of THB 100 per share. In 2001, its registered capital had been increased from THB 400,000,000 to THB 600,000,000 with the issuance of 2,000,000 new ordinary shares, at a par value of THB 100 through offering newly issued shares to the existing shareholders proportionately. As of March 31, 2018, the Hospital has 166 licensed beds, which is located on Rama IX Road, Bangkok, Huai Khwang, Bangkok of around 6 Rais and considered as New Central Business District (New CBD).

The Hospital initially delivered general care targeting on its domestic patients mainly. Subsequently, the customer base has been expanded to corporate contracts, patient holding life insurance or health insurance, and international patients, particularly including, Republic of the Union of Myanmar (“Burma” or “Myanmar”), People’s Republic of China (“China”), Kingdom of Cambodia (“Cambodia”), Lao People’s Democratic Republic (“Laos”), and Japan etc. These result in a growing trend of medical tourism in Thailand thanks to the government’s policies in which is well-positioned to be the medical hub of the region along with the ability and quality of services in private hospitals in Thailand. Nevertheless, the quality of services including value for money, in association with the preparedness and ability of its healthcare team are considered as a crucial factor influencing the continual growth of customer base for both domestic and international markets.

At present, the Hospital provides health care services coverage for general and specialized medical care for a wide range of conditions under 2 medical institutes; including, Praram 9 Kidney Disease & Transplantation Institute and Praram 9 Cardiovascular

Institute. In addition, there are 22 medical centers of the Hospital, consisting of Diabetic & Metabolism Center, Gastrointestinal & Liver Center, Neurology Center, Obstetrics & Gynecology Center, General Surgery Center, Internal Medicine Center; including cancer diagnosis and treatment, Pediatric Center, Orthopedic Center, Health Check-up Center, Emergency & Trauma Center, Imaging Center, Eye Center, Ear, Nose, and Throat Center, Dental Center, Psychiatry Center, Dermatology & Plastic Surgery Center, Hair Center, Breast Care Clinic, Thyroid Clinic, Joint Care Center and W9 Wellness Center. However, the policy to expand medical services to a group of “consumers” emphasis on Health Promotion & Wellness is promoted. Consequently, the Hospital has planned to increase its potential in providing a wide range of comprehensive healthcare services in order to meet the customers’ needs, for instance, developing integrated Gastroenterology center and Health Check-up center etc., along with, establishing new medical centers, i.e. Pain Management and Wellness Center and Allergy Center etc. These will be carried out in parallel with constructing new facilities to expand the service area and renovating the existing buildings to support the growing customer base and services.

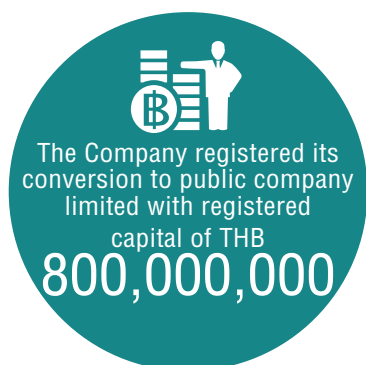
The Hospital emphasizes the continuous improvement of the quality of healthcare services in order to become the most trusted Hospital with expertise in managing complex diseases under the various of multidisciplinary team; e.g., kidney transplant, cardiovascular surgery, neurosurgery, and scarless thyroidectomy etc., together with, the readiness of its medical team, healthcare



professionals, and high-tech medical equipments being used at a wide level of healthcare. The Hospital was the first private hospital in Thailand that always provide the innovative medical devices for better diagnosis and treatment, for instance, a 640-slice CT scanner, a 64-slice CT scanner, and a 4D ultrasound scanner etc. Furthermore, the Praram 9 Kidney Disease & Transplantation Institute was recognized as the comprehensive care to kidney diseases and renal transplant, which ranked number 1 among the private hospitals since 1992 until the present, according to the data released by Thai Transplantation Society as of December 31, 2019.

Being committed to delivering high quality and effective healthcare services in compliance with international standards, the Hospital was certified as follows: ISO 9002 from 2000 to 2003, ISO 9001 from 2003 to 2009, HA (Hospital Accreditation) by the Healthcare Accreditation Institute from 2004 to 2010, Joint Commission International (JCI), USA from 2010 to present, and accredited for subsequent Clinical Care Program Certification (CCPC); i.e., 1) CCPC Certification for Kidney Transplant, which is recognized as the first CCPC-accredited hospital outside of the United States to achieve this CCPC certification. In addition, in 2019 the Hospital received the Thailand Top Company Awards for healthcare industry from University of the Thai Chamber of Commerce in collaboration with Business+ magazine, which is a guarantee of commitment to the high quality of healthcare services by healthcare accreditation organizations and other recognized accrediting agencies.

The Company registered its conversion to public company limited and changed its name to Praram 9 Hospital Public Company Limited with registered capital of THB 800,000,000 divided into 800,000,000 ordinary shares at a par value of THB 1 per share (After the change of par value of the Company's share from THB 100 per share to THB 1 per share as of March 29, 2018). As of December 31, 2019, the Hospital has 166 licensed beds of inpatient care and 114 OPD examination room with around 2,000 hospital staff; including, medical team, healthcare professionals, and other personnel. Moreover, the construction of the new 16-storey and 2-storey basement building with capacity up to 59 beds, which will gradually open according to its business plan in the first quarter of 2020, is underway. The existing building will also be under renovation to make the best use of unoccupied space due to the transition of some medical centers to the new facility. Additionally, the inpatient facilities are under refurbishment to support the constantly growing volume of customers, which is expected to increase to additional 87 beds by the end of 2022. After the completion of the construction, it can be potentially provided inpatient care up to 312 beds by end of 2022. Nevertheless, from the business plan mentioned above, it is a preliminary speculation, which is subject to change under appropriate circumstances in accordance with environmental factors that may affect its business operation and the volume of future inpatients and outpatients.



VISION, MISSION, TARGETS AND STRATEGY IN BUSINESS OPERATION



Vision

To become “The most trusted high technology healthcare community”

Mission

Principal mission is providing healthcare solution for prevention and treatment that is the best in class and value for money by professional team and advanced technology

Core value

Accountability / Collaborative Creativity / Customer centric with Professionalism

Targets and strategy in business operation

The company has set a strategic plan for its future and targeted to become the leading private healthcare provider with the ability to provide the medical services including medical treatment, disease control and prevention, rehabilitation, and health promotion. Furthermore, the company expands the customer base from general customers, seniors, complicated patients, and critically ill patients to customers interested in

health promotion & wellness to drive sustainable growth of the business in the future. Currently, the hospital is under construction of new facilities and plans a renovation of service area in the current building to support the growing customer base together with increasing its potential and improving range of health services in the medical center. At present, the new comprehensive medical center is being built. The hospital believes in employing knowledge, expertise, medical experience of providing services in the current medical institution and medical center. Particularly, to apply its expertise in treatment of complicated disease, which is considered as common health concerns for the seniors helps promote better customer wellness in their everyday life covering all age groups.

In addition, the hospital has set a goal to advance toward digital hospital and to become a healthcare leader of medical technology allowing physicians to better diagnose, provide better care, and promote health and wellness in order to increase the efficiency of healthcare services, as well as, to advance the workflow efficiency and facilitate services to its customers in the future.

SIGNIFICANT CHANGE AND PROGRESS

1989

- The group of existing founders purchased all equity of Spac Co., Ltd. and increased its registered capital to THB 400,000,000, divided into 4,000,000 ordinary shares at a par value of THB 100 to its existing and new shareholders, and changed its name to Praram 9 Hospital Co., Ltd. for operating private hospital.
- The aforementioned capital was used for facilities construction and operating working capitals.

1992

- The Hospital initially operated inpatient care under the name of "Praram 9 Hospital" with 160 licensed beds.

1997

- Praram 9 Kidney Disease & Transplantation Institute performed 100 cases of kidney transplant.

2000

- Certified to ISO 9002:1994, which is the standardization of healthcare and environmental management system.

2001

- The capital structure was adjusted by increasing its registered capital from THB 400,000,000 to THB 600,000,000 with issuing 2,000,000 new ordinary shares at a par value of THB 100 and offering to its existing shareholders in order to finance its working capital and settle its liability.

2003

- Certified to ISO 9001:2000 Quality Management System.

2004

- Accredited HA (Hospital Accreditation) by the Healthcare Accreditation Institute.
- 4D Ultrasound technology was available.

2005

- The Hospital was the first private hospital providing 64-slice CT Scanner.

2007

- Accredited HA (Hospital Accreditation) by the Healthcare Accreditation Institute.

2009

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. ("AIA")

2010

- Accredited JCI 3rd Edition and received Accredited Effective Status by JCI

2011

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. ("AIA")

2013

- The Hospital increased its licensed bed capacity to 166 beds, by adding 6 Intensive Care Unit (ICU) and Cardiac Care Unit (CCU) beds
- Accredited JCI 4th Edition and received Accredited Effective Status by JCI
- Praram 9 Kidney Disease & Transplantation Institute performed 500 cases of kidney transplant

2014

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. (AIA)

2016

- Accredited JCI 5th Edition and received Accredited Effective Status by JCI
- Accredited Clinical Care Program Certification (CCPC) in 2 specialty by JCI as follows:
 - CCPC for Kidney Transplant
 - CCPC for Diabetes Mellitus
- The Hospital received Excellence in Healthcare Award by Muang Thai Life Assurance Hospital Awards

2017

- Praram 9 Kidney Disease & Transplantation Institute performed exceedingly up to 82 cases of kidney transplant per year since starts of the operation in 1992.
- The Hospital was the first private hospital providing 640-slice CT Scanner. (640-slice CT Scanner)

2018

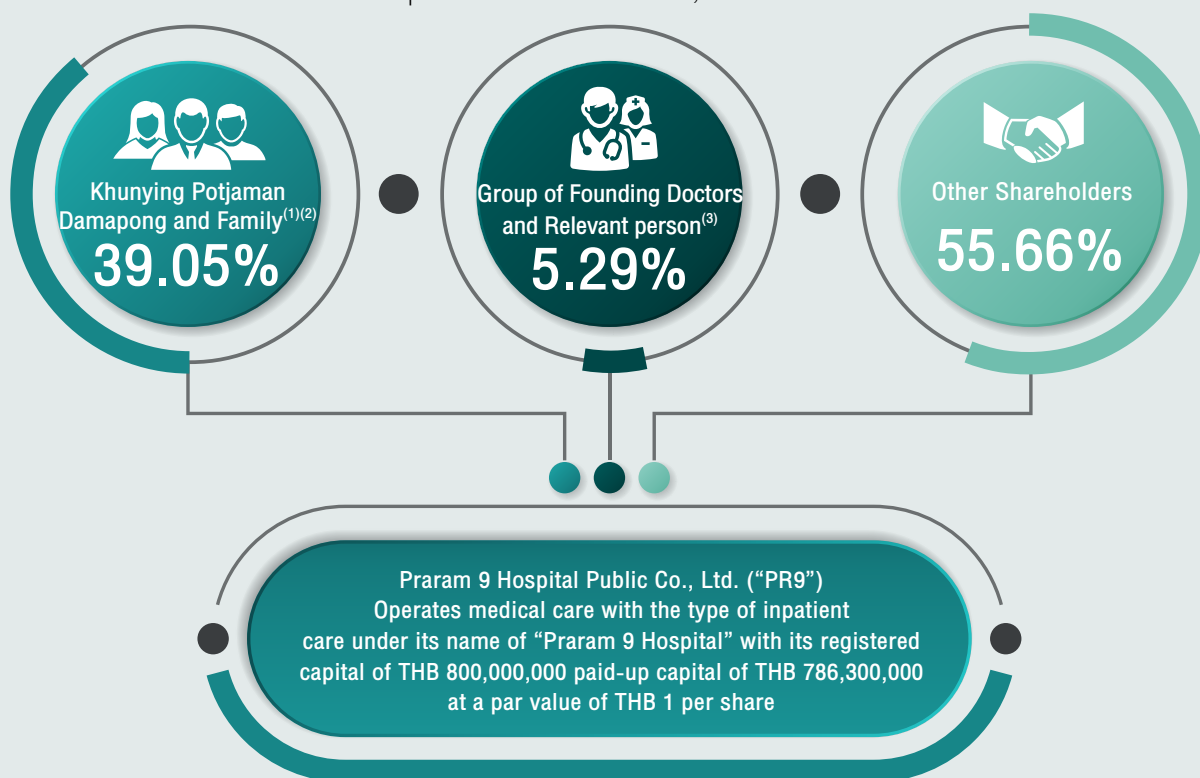
- The Hospital received AXA Provider Award: Best Utilization Award of 2017 presented by AXA Insurance Public Co., Ltd.
- The Hospital received Thailand Top Company Award 2018 presented by University of the Thai Chamber of Commerce, in collaboration with Business+ magazine of ARiP Public Co., Ltd. ("ARiP").
- The Board of Directors No. 3/2018 on March 12, 2018 and the 2018 Annual General Meeting of Shareholders resolved to approve the dividend payment in excess of retained earnings to its shareholders, which paid THB 84 per share in total of 6,000,000 shares (before changing the par value) with the total amount of THB 504,000,000.
- The Hospital changed the par value from THB 100 per share to THB 1 per share and increased its registered capitals from THB 600,000,000 to THB 800,000,000 for supporting the first issuance of new ordinary shares to the public. According to the resolution of the 2018 Annual General Meeting of Shareholders on March 28, 2018, the Company applied to list its ordinary shares on the Stock Exchange of Thailand.
- The Hospital transformed to be the public company and changed its name to Praram 9 Hospital Public Co., Ltd, on 29 March 2018.
- The Memorandum of Agreement for the referral of Kidney transplants patients from 9 leading private hospitals, including, Rajyindee Hospital (Hat Yai), Rajyindee Hospital network, Paknampo Hospital network was made. This helped increase access to care for patients with kidney disease living in remote areas.
- The Hospital changed its Vision, Mission, and Logo for the first time in 26 years for rebranding to reflect the potential and quality of its healthcare services, according to the resolution of the Board of Directors No. 5/108 on August 14, 2018.
- The Hospital was ranked No. 8 in the Hospital category and No. 4 in the Private Hospital Category by Brand Age magazine in Thailand's Most Admired Company 2018. For the first year of its Hospital that was recognized the top 10 Hospitals of the aforementioned survey.

2019

- Accredited JCI 6th Edition and received Accredited Effective Status by JCI
- Accredited Clinical Care Program Certification (CCPC) for Kidney Transplant by JCI
- Praram 9 Kidney Disease & Transplantation Institute performed exceedingly up to 84 cases of kidney transplant per year and performed totaling more than 900 cases of kidney transplant since 1992.
- The Hospital received Thailand Top Company Award 2019 presented by University of the Thai Chamber of Commerce, in collaboration with Business+ magazine of ARiP Public Co., Ltd. ("ARiP").
- The Hospital was ranked No. 8 in the Hospital category and No. 4 in the Private Hospital Category by Brand Age magazine in Thailand's Most Admired Company 2019.
- The Hospital received the Good Governance Hospital (GGH) Certificate for being the good governance hospital with the transparent and reasonable price of drug & services from the Department of Internal Trade, Ministry of Commerce.

SHAREHOLDER STRUCTURE

The Company operates its health care services under the name of “Praram 9 Hospital Public Company Limited”. Besides, the Company has operations of its own without any affiliate and associate companies. The shareholder structure of the Hospital as of December 31, 2019 is as follows:



Note :

- (1) Khunying Potjama Damapong and family refer to Khunying Potjaman Damapong, Mr. Panthongtae Shinawatra, Ms. Pinthongtha Shinawatra Kunakornwong, and Ms. Peathongtarn Shinawatra. A group of the shareholders is formed upon their surname and public disclosure of general information with the exclusion of organizing a shareholder group as per Article 258 Securities and Exchange ACT B.E. 2535 or shareholders who are under the same authority or any relationship or manners acting in conjunction with others according to Notification of Capital Market Supervisory Board No. TorJor. 7/2552.
- (2) Khunying Potjama Damapong initially held shares in 1996 through purchasing minority shareholders' stocks, which was not a group of founding doctors, of 200,000 shares at a par value of THB 100, representing 5 percent of its registered capital and paid-up of THB 400,000,000, divided into 4,000,000 ordinary shares, with a par value of THB 100, Purchasing additional shares until 2001, she reserved to buy its capital increase shares of 1,921,625 shares at a par value of THB 100 by applying oversubscription due to partial subscription rights of existing shareholders. As a result, she holds 2,856,625 shares, at a par value of THB 100 per share, registered capital and paid-up of THB 600,000,000, divided into 6,000,000 ordinary shares at a par value of THB 100 and becomes a majority shareholder of its Company up to the present time. Subsequently, according to the Annual General Shareholders' Meeting 2018, which was held on March 28, 2018, has the resolution to approve in increasing the Company's registered capital from THB 600,000,000 (six hundred million baht) to THB 800,000,000 (eight hundred million baht); by issuing 200,000,000 capital increase new ordinary shares with a par value of 1 baht per share. On October 25, 2018, the Company had registered the increase in paid-up capital of THB 180,000,000 (one hundred and eighty million baht) with paid-up capital of THB 780,000,000 (seven hundred and eighty million baht). On November 30, 2018, the Company had registered additional increase in paid-up capital of THB 6,300,000 (six million three hundred thousand baht). Currently, the Company has paid-up capital of Baht 786,300,000 (seven hundred and eighty six million, three hundred thousand baht) with a par value of 1 baht per share. Until present, Khunying Potjaman Damapong holds 292,062,500 shares with a status of the Company's major shareholders.
- (3) A group of founding doctors and relevant persons refer to Dr. Satian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, and Dr. Prasert Trairatvorakul, and related persons according to Article 258 Securities and Exchange ACT B.E. 2535 of 4 aforementioned doctors.

NATURE OF BUSINESS OPERATION

NATURE OF PRODUCTS AND SERVICES

The hospital operates a private hospital business, with 166 licensed beds (Information as of December 31, 2019). The hospital provides Tertiary Care, covering health promotion services, prevention, treatment and rehabilitation of common diseases such as obstetrics gynecology, surgery, medical, pediatrics, orthopedic and specialized diseases through Praram 9 Kidney Disease & Transplantation Institute, Prama 9 Cardiovascular Institute and specialized medical centers in various fields. The hospital emphasizes on providing good quality medical services with Value for Money. The readiness of the medical team and medical staff with expertise and modern medical equipment as well as developing and improving work processes and providing efficient services allowing the Hospital to receive International standard accreditation from JCI (Joint Commission International), including Clinical Care Program Certification: CCPC for Kidney Disease & Transplantation Institute.

At present, the Hospital main customers are divided into 2 types: (1) general customers who accept service and pay for medical expenses by themselves and (2) the group of customers of the organization parties, both government and private sectors; and the insurance parties group, namely, the group of customers who are personnel, staff or employees who receive medical welfare by the original affiliation organization are the hospital parties. In which, such parties will be responsible for paying medical expenses to the hospital.

The Hospital revenue structure in 2017 - 2019

| Revenue by Type | For the accounting period ending December 31 | | | | | |
|-------------------------------------|--|-------|--------------|-------|--------------|-------|
| | 2017 | | 2018 | | 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| 1. Revenue from hospital operations | 2,421.5 | 98.6 | 2,701.1 | 98.8 | 2,848.5 | 98.6 |
| General customers | 1,849.4 | 75.3 | 2,046.3 | 74.9 | 2,105.1 | 72.8 |
| Insurance and Contract Customers | 572.1 | 23.3 | 654.9 | 24.0 | 743.4 | 25.7 |
| 2. Other Income ⁽¹⁾ | 33.7 | 1.4 | 32.5 | 1.2 | 41.2 | 1.4 |
| Total Revenue | 2,455.2 | 100.0 | 2,733.5 | 100.0 | 2,889.7 | 100.0 |

Note: (1) Other income, such as rental fee shop, shop service fees, deposit interest, gain (loss) from investments in available-for-sale securities and others

Nature of medical services provided is classified by type of service.

Currently, the Hospital's medical services operated through 2 Medical institutions and 22 Medical centers, which are as follows.

| Medical Institute | Medical Center | | |
|--|--|--|------------------------------------|
| 1. Praram 9 Kidney Disease & Transplantation Institute | 1. Diabetes and Metabolic Center | 8. Orthopedic Center | 15. Dental Center |
| 2. Praram 9 Cardiovascular Institute | 2. Gastroenterology and Hepatobiliary Center | 9. Check-Up Center | 16. Mind Center |
| | 3. Neurology Center | 10. Emergency Center | 17. Skin & Cosmetic Surgery Center |
| | 4. Obstetric Gynecology Center | 11. Physical Therapy & Rehabilitation Center | 18. Hair Center |
| | 5. Surgery Center | 12. Imaging Center | 19. Breast Clinic |
| | 6. Medicine Center | 13. Eye Center | 20. Thyroid Clinic |
| | 7. Pediatric Center | 14. Ear Nose and Throat Center | 21. Joint Care Center |
| | | | 22. W9 Wellness Center |

Apart from the above Medical Institutes and Medical Centers, the hospital as well has 3 major medical support services plans as follows:

1. Medical Record Department
2. Pharmaceutical department and Drug and Medical Supplies Department
3. Medical laboratory department

Nature of medical services is classified in accordance with the patient service provided.

Service characteristics of the hospital can be classified into 2 main categories

(1) Outpatient services (OPD)

As of December 31, 2019, the hospital has 114 medical examination rooms and operation rooms, with the capability of providing maximum outpatient services of approximately 2,964 persons per day or approximately 1,081,860 persons per year.

In 2017, 2018 and 2019, the hospital has 390,185 outpatient visits, 432,314 outpatient visits, and 443,893 outpatient visits respectively, with a compound annual growth rate of 6.7 percent per year, equivalent to 36.1 percent, 40.0 percent and 41.0 percent of outpatient visit rate, respectively.

Information and statistics of outpatient service capability (OPD) in 2017 - 2019

| Service Capacity | Unit | For the Year Ended December 31 | | |
|--|----------------|--------------------------------|-----------|-----------|
| | | 2017 | 2018 | 2019 |
| Number of outpatient examination room | Room | 114 | 114 | 114 |
| Maximum outpatient service capacity ⁽¹⁾ | Times per year | 1,081,860 | 1,081,860 | 1,081,860 |
| Number of outpatient visit | Times per year | 390,185 | 432,314 | 443,893 |
| Outpatient visit rate ⁽²⁾ | Percent | 36.1 | 40.0 | 41.0 |

Note:

(1) Calculated from the number of examination rooms x Number of time perform examinations or operations (average 13 hours per room) x Average rate of patients visiting per room per hour (2 Persons per room per hour) x number of days (365 days per year)

(2) Number of outpatients / maximum outpatient service capacity

(2) Inpatient service (IPD)

As of December 31, 2019, the Hospital has a total number of beds open for patients of 166 beds, with 166 licensed beds in total. The inpatient rooms can be classified as follows.

Table 3: Type and number of patient rooms available as of December 31, 2019

| Type of Patient room | Number of licensed bed | Number of open bed |
|---|------------------------|--------------------|
| 1. General rooms | 139 | 139 |
| 2. Intensive Care Unit: ICU room ⁽¹⁾ and Cardiac Care Unit: CCU room ⁽²⁾ | 24 | 24 |
| 3. Neonatal Intensive Care Unit: NICU | 3 | 3 |
| Total | 166 | 166 |

Note:

(1) ICU room: For patients with severe or critical conditions or as a postoperative patient where doctors will be available 24/7.

(2) Cardiac care room (CCU): For patients with heart disease such as Ischemic heart disease, Coronary artery Patients with heart failure problems Heart surgery patients.

In the year 2017, 2018 and 2019, the Hospital has inpatients admitted in for the services of 11,952 persons, 13,038 persons and 12,750 persons, respectively, with the compound annual growth rate of 3.3% per annum or equivalent to inpatient visit rate of 69.5%, 67.9% and 62.2%, respectively.

Number of licensed beds and number of beds available for service inpatient (IPD)

| Number of beds | Unit | As of December 31 | | |
|---|------------|-------------------|------------|------------|
| | | 2017 | 2018 | 2019 |
| Number of licensed beds | Bed | 166 | 166 | 166 |
| Number of beds available for service | Bed | 149 | 158 | 166 |
| General rooms ⁽¹⁾ | Bed | 122 | 131 | 139 |
| ICU and CCU | Bed | 24 | 24 | 24 |
| NICU | Bed | 3 | 3 | 3 |

Nature of Target Customers

The Hospital has a target customer group consisting of 2 main groups, classified according to service group and payment type which are as follows.

(1) General Customer Group

(1.1) General disease groups: The hospital provides medical services that cover general illnesses through basic medical centers, namely, the Obstetrics Gynecology Center, Surgery Center, Medical Center, Pediatrics Center and Orthopedic Center. Including various specialized medical centers such as diabetes and metabolic Center, Gastroenterology and Hepatobiliary (Liver) Center, Mind Center, Eye Center, Ear Nose and Throat Center and Dental Center, etc. The hospital as well has team of doctors and medical staff, including modern medical tools and equipment where the Hospital emphasizes on the quality of service and patient safety.

(1.2) Patients with complex diseases and ICU patients' group: The Hospital provides medical services on complex diseases such as kidney transplant, Heart Bypass Surgery, Balloon Angioplasty and Neurosurgery, etc. Due to the availability of the team of doctors and medical staff who possess knowledge, experience and expertise in treating complex specialized diseases and jointly planning for patient treatment; resulting in good and safe treatment for patients. The hospital as well has the availability of medical teams and medical personnel who have expertise in the care of ICU patients. The Hospital has ICU room with 12 beds and CCU room with 12 beds; as well as vital signs monitoring devices, Respirator Dialysis machine and other modern medical equipment and tools. Allowing the hospital to have the capability and readiness to provide care services for ICU patients 24 hours seven days a week.

(1.3) Group of Customer that emphasizes on health promotion: The Hospital has started to expand the customer group; from a group of patients admitted to Wellness group that focuses on promotive health care, preventive and Rehabilitative more. The hospital has continuously expanded the scope of medical services to be more comprehensive and comprehensive.

(2) Group of customers of the contracting organization

(2.1) Contracting organization group: The location of the Hospital is located in the heart of the urban community, with many large office buildings located in the surrounding areas and nearby area; as well as continuous growth from being developed into a new business central; by having Marketing Department directly contact various companies to offer medical services. Furthermore, the Hospital has continuously organized activities to build relationship with the contracting organization. In the year 2019, the proportion of revenue from customers of contracting organization group, was 5.7% of revenue from hospital operations.

(2.2) Contracting insurance companies' group:

The Business Development Department performs its duty in taking care, contact and coordinate with the contracting insurance companies, namely, life insurance companies and non-life insurance companies with health insurance services; in order to support the growth of health insurance trends that increased. In the year 2019, the proportion of revenue from insurance company customer was 20.4% of revenue from hospital operations.

Moreover, the hospital target customer group also consisted of domestic and foreigner customers. This includes both foreigners who are travelling to Thailand for medical treatment and foreigners who are working and/or living in Thailand. Foreigner customers are another group of customers with potential for future growth. The Hospital has developed and improved service quality to support patients from abroad, established partner network in countries such as Myanmar, China and Cambodia. The Hospital has as well increased public relations channels, to promote service to the leading international business network, Marketing and public relations for Chinese customers groups that come to work and travel in Thailand through Alipay and other social media channels. In 2019, the proportion of the Hospital's revenue from foreigner customers was 15.6% of revenue from hospital operations. The main foreigner customers of the hospital are Burmese, Chinese, Cambodian and Japanese respectively.

MARKETING AND COMPETITION

1. Marketing Outlook and Industry Competition

Industry Outlook

(1) Opportunities for growth in the medical service business in Thailand

Medical service businesses in Thailand tend to grow continuously, resulting from people having more interest in health and becoming more health conscious, the increasing in the proportion of elderly, improvement in medical service industry in terms of more coverage and better quality; as well as received support from the public sector policies. Key factors that supported the growth of medical service business or hospital business in the future.

Thai economy has a stable growth trend and has better direction

International Monetary Fund (International Monetary Fund or IMF") predicts that the growth trend of Thailand GDP during 2017 to 2020 will have an average growth rate of 3.0%. The stable economic growth and better direction in the future will help build consumer confidence. At which will affect the trend in better spending of the people and may include the opportunities in expanding of health care expenses from both the government and private sectors in the future.

Increased in the proportion of elderly to the total population in Thailand

The Office of the National Economic and Social Development Board ("NESDB") predicts that the population of Thailand will increase from approximately 63.8 million people in 2010 to approximately 66.4 million people in 2025; and will decrease down to 63.9 million people in the year 2040. Such is a result from the decrease in the total fertility rates, with the increased in the elderly population ratio at 19.1% in 2020. (Source: Office of the Economic Development Board and the National Society (NESDB)). The increase in the number and proportion of the elderly population will result in the demand for more medical services; since the elderly has tendency to get sick easily and may have complications disease. In addition, elderly require continuous treatment which will support the future expansion trend of the medical service business in Thailand.

Growth of the health insurance business

Net health insurance premiums, which are ordinary life insurance premiums and groups with health contracts as supplementary contracts; as well as non-life insurance premiums with health insurance have consistently grown significantly. Which increased from Baht 22,210 million in 2007 to Baht 71,053 million in 2017 or equivalent to the average growth rate (CAGR) of 12.33% per year (Source: Office of Insurance Commission (OIC)). The growth of such health insurance premiums is supported from the public awareness of the importance of health care, disease prevention and more medical treatment; including getting health insurance in order to support higher medical expenses in the future which resulted in the growth of the private hospital business.

Growth of foreigner patients' group in Thailand

The medical service business has been supported by the government since 2004 with the goal to develop Thailand to be an International Medical Hub.; which has been continuously supported, resulting in continuous growth of foreigner patients' group. Such foreigner patient group can be divided into 2 main groups, which are:

(1) The group of foreigner patients traveling to receive medical services or medical tourism groups from various countries such as Burma or Myanmar, Japan, Middle East countries and Europe, etc. The new market groups with high growth potentials are Cambodia, Laos, Myanmar and Vietnam (CLMV group') and China.

(2) Foreigner patients who are Expatriate' or EXPAT', such as China, Japan, South Korea, the United States and the European Union, at which this group usually have spouses or offspring that travel with them to stay in Thailand as well.

Rate of illness and death from serious diseases of Thai people has increased

In the year 2015, Thailand has approximately 3.2 million serious, non-communicable diseases, including blood pressure, diabetes, ischemic heart disease, Arteriosclerotic Heart Diseases, bronchitis, asthma, liver cancer, lung cancer, Colonic Carcinoma, breast cancer and cervical cancer. High blood pressure, diabetes and ischemic heart diseases were the highest NCD number of patients which can be estimated for 38.0%, 24.7% and 10.0%, respectively. The most common cause of the disease comes from the body's Metabolic Syndrome, resulting in increased demand for medical treatment on these diseases.

(2) Factors that may affect the growth and cost of future medical services businesses

The increase in the number of new hospitals and the number of beds provided by both existing and new service providers

During the years 2013 to 2015, it was founded that the number of beds in public hospitals has decreased continuously, which may be a factor from the shortage of medical personnel in Thailand. While the number of private hospital beds continue to grow in the same period and is likely to continue growing in the future. As a result, from merging of business and creating of affiliation network of the existing service provider. This also includes building several

new hospitals from the existing and new service providers. This as well includes expanding service in the form of Private Wing in Public Hospitals with the same capital as government sectors but provide services and charge for the service with the same manner or equivalent to the private sectors such as Siriraj Piyamaharajkarun Hospital, Chulalongkorn Hospital (Bhumisirimangalanusorn Building) etc.; which may result in higher competition for private hospital business. Including may have additional management costs, both from a limited number of physicians and medical staff and from expenses for public relations and management to create the differences and attract future medical customers.

Shortage of doctors and medical staff

During the years 2012 to 2016, the number of doctors and medical personnel in Thailand has continuously increased, by approximately 4.3% to 6.2% per year. However, the increased of medical personnel may affect the operating costs of hospitals in the future.

2. Marketing and Competition

(1) Standard for tertiary medical services

The hospital is a Tertiary Care Unit that has the capability to treat complex diseases with team of doctors and medical personnel who possess knowledge and expertise, together with modern medical tools. In addition, there are 24 Medical Institutes and Specialized Medical Centers, such as the Praram 9 Kidney Disease & Transplantation Institute and Praram 9 Cardiovascular Institute, Surgery Center, Neurology Center, Gastroenterology and Liver Center, Diabetes & Metabolic Center and Joint Care Center which is the advantage of the hospital in the competition in terms of the growth of patient volume and medical revenue.

(2) Competition

The hospital is located within the new central business district of Bangkok (New Central Business District: New CBD) which covers the area of Praram 9 Road, Ratchadaphisek Road, and New Petchburi Road. Besides the hospital, there are 4 other private hospitals. Located within a radius of 5 kilometers.

The hospital places competitive position and strategy by focusing on providing specialized medical services, especially the strengths in treating complex disease with the multidisciplinary team; The Company provides services that has been certified with world-

class services from JCI, the world's largest medical standards organization. Both at the hospital level and the level of care for patients with specific diseases in Kidney transplantation with Value for Money Services rate for customers.

3. Competitive Advantage

(1) Distinction in Medical Institutes, Medical Center and potential for complex treatment services with the Multidisciplinary Team

The Hospital continuously emphasizes on the development of the potential and quality of medical services since opening the service that starts from recruiting physicians and medical personnel with specialized skills and expertise, on varieties of sub-specialized until being able to provide comprehensive medical services to customers. Then starts from preventive diagnosis, risk, care, rehabilitation and monitoring as well as promoting health with a team of multidisciplinary personnel with expertise and skills. The hospital has applied modern medical technology, including effective medical equipment to be used in treatment. At present, the hospital has medical institutes and specialized medical centers that are outstanding and capable of treating complex diseases, such as:

- 1.1) Praram 9 Kidney Disease & Transplantation Institute
- 1.2) Praram 9 Cardiovascular Institute
- 1.3) Diabetes and Metabolic Center
- 1.4) Minimally Invasive Surgery: MIS

(2) Provide medical services with value for money services

Medical services at reasonable and cost-effective rates (Value for Money Services). The hospital places importance on providing effective medical services at appropriate rates or Value for Money Services medical expenses when compared to the rates of service or medical expenses of other leading private hospitals that provides medical services in a similar quality level. The hospital had been awarded the AXA Provider Award: Best Utilization Award organized by the AXA Insurance Public Company Limited ("AXA") for the year 2017 and received the "GGH (Good Governance Hospital) certificate from Department of Internal Trade, Ministry of Commerce on 2019 reflecting reasonable and transparency medicines and services pricing policy, which is a confirmation that the Company provide

effective medical service at Value for Money Services of hospitals.

In addition, the target service group of the hospital which covers the mass affluent to affluent segment; which can be considered as group with high growth potential and with large population base and the have the most expansion.

(3) Strategic location with potential and high growth opportunities

The location of the hospital is in the new central business district of Bangkok (New Central Business District: New CBD), which is the key strategic points to help support the growth of the hospital. Such key strategic points are as follows:

3.1) Increased of office buildings, department stores and residence.

3.2) Density and population growth in the surrounding area: The location of the hospital is surrounded by many large residential communities with high population density and has a high population growth rate.

3.3) Being a center connecting significant transportation infrastructure systems which allows the hospital to expand the customer base more widely.

4. Significant Competitive Strategies

(1) The expanding of the hospital network and medical cooperation

The hospital plans to expand the customer base and provide specialized medical treatment services with the multidisciplinary team; especially the treatment of kidney disease and kidney transplant in order to support the increasing demand for medical treatment through an affiliate network. The affiliate hospital will send patients who need kidney transplant to the hospital. In order to receive treatment with treatment quality that has been certified with specialized world-class standards from JCI on the kidney transplant patients. The hospital will help strengthen academic cooperation to develop the potential of medical staff in the treatment of kidney disease to the affiliate network hospitals.

(2) Construction of new buildings and improvement of existing building to support the expanding scope of medical services, in order to be more comprehensive and extensive as well as to support the number of customers with higher growth.

The hospital plans to expand the service area and improve the utilizing of the space for maximum benefits; in order to support the expansion of the existing customers group which is a group of patients who emphasized on disease treatment and curative medicine, and we do not aim the hospital to be just a place to treat patients only, but want to be a place that support for both the life-style and healthy needs. These ideas created the Co-Healthy Space concept, not only the sick patient to come to the hospital but also serve the customers who come to get the medical knowledge, along with expanding the scope of medical services to be more comprehensive and extensive, in order to expand the customer base into new customers group which focuses on promoting better health care. The hospital invested in construction of new building on the area close to the existing building with distance of 50 meters from the existing building. The new building is a 16-storey high building with 2 basement floors. It is expected to be completed and available for service within 2020.

In addition, after moving some medical centers to the new building, the hospital has a plan to renovate and improve the service area of the existing building in order to elevate the service space capacity. The main objective is to increase the capability in supporting the increase in number of inpatients, especially in complex disease patients such as Kidney, Cardio, Diabetes and Minimal Invasive Surgery patients.

(3) Expanding the scope of services by focusing on more Health Promotion Services

The hospital plans to extend the strengths and expertise in providing curative medicine in a wide range of medical treatments in order to expand the scope of conventional medicine into holistic healthcare by focusing on providing health promotion & wellness to group of patients who are not suffering from any illness but pay attention and take care of their healthcare and want to promote their health to be stronger for a better quality of life.

The holistic health care consists of cooperation from specialized physicians from various field of work, such as rehabilitation physicians, physical therapist, sports medicine physicians, psychiatrists and nutritionists etc. There are 24 branches with availability to provide services from medical institutes and specialized medical centers.

(4) Introducing technology to help increase the potential of medical services and increase efficiency in internal work processes in order to step into becoming Digital Hospital

The hospital is aware of the importance of technology to enhance the efficiency of medical services, increase patient safety as well as facilitate and create new experiences to the customers; including the efficiency of the hospital work process. At the beginning, the Hospital has planned and developed the most effective information and communication management system, by storing and saving medical information, patient medical records and dispensing medicine records, all into electronic systems; which helps the management and service of the hospital become more efficient.

(5) Emphasizing on aggressive marketing and corporate branding improvement

The Company has analyzed, planned and determined the positioning by aiming for the Hospital branding to be well-known, attractive for customers to use our medical services and reflects the strength in providing quality value for money services to the general public. The Company has worked with marketing and public relations consultant to strengthen the marketing team for branding image enhancement. At present, the Company proceeded to adjust the business direction and focus more aggressive marketing strategies, such as online advertising and branding advertising in order to create more broadly engagement with the target group of customers. In addition, the hospital has established marketing strategy for contracting organizations group and foreigner customers group with the aim for long term expansion of customer base.

5. Distribution and Distribution Channels

The Hospital customers are divided into Thai and foreign customers, where the Hospital has strategies for creating channels for expanding the patient base. The competence in treating complex diseases with Multidisciplinary Team; allowing the Hospital to be able to provide services to serve both domestic and international patients. In providing services to domestic patients, the Hospital has expanded the service through health check-up and medical treatment, including the corporate contracts customer base and expansion of hospital network. While expanding the distribution channels for international patient through the embassy service contract, the member of the Foreign Chamber of Commerce as well as contracts through foreign medical tourism agencies.

PROCUREMENT OF PRODUCTS AND SERVICES

1. Provision of Doctors and Medical Personnel

With the hospital operating reputation for over 27 years, together with the reputation and good relationship among doctors who are the founder and executives with medical professionals and medical schools in Thailand; allowing the hospital to be able to continuously invite and seek for quality medical personnel with expertise in various fields to work with the Hospital. Moreover, the hospital has proceed with various aspects in the provision and development of medical personnel, such as preparing human resource management plan in order to maintain personnel with competency to stay with the hospital in a long time term and human resource management in order to continuously develop the learning of personnel and to create love and commitment to the hospital. This includes creating good working and society environment within the hospital to create motivation in working such as providing a Doctor Lounge, a place where doctors can relax, chat, brainstorm, consult on case studies among doctors which is one of the measures to help strengthen the relationship of doctors in the

hospital to be even stronger. The hospital emphasizes on providing continuous services, which is one of the key factors in treating patients with complex diseases.

Moreover, the hospital has conducted analysis of the medical personnel's capacity to support the growing service in accordance with the hospital's strategic plan and have drawn up plan to support the continuous long-term service and expansion; such as determine appropriate remuneration and incentives for new doctors. This includes providing medical welfare, dormitories for medical personnel, scholarship for nursing students and nursing assistants in several universities; for them to join the hospital after graduation. Furthermore, the Company has made cooperation agreements for the provision of medical personnel in various fields, such as medical treatment service contracts with Bio Score Marketing (Thailand) Co., Ltd. to provide specialized medical personnel in caring and maintaining hair treatment and medical service contracts with Rehab Direct Company Limited to provide physical therapists or occupational therapists for the Rehabilitation Center, etc. In the past, the Hospital had never had any experienced in shortage of medical personnel.

Number of Personnel of the Company, As of December 31, 2019

| Line of Work | Number (person) As of December 31, 2019 |
|--|---|
| Full-time Doctor | 113 |
| Part-time & Night shift Doctor | 468 |
| Consultant | 178 |
| Nurse | 346 |
| Other Medical Personnel ⁽¹⁾ | 643 |
| Other Departments ⁽²⁾ | 335 |
| Total | 2,083 |

Note :

(1) Medical personnel mean medical services department such as pharmacists, radiologists, nutritionists, physical therapists, etc.

(2) Other departments, including business development department, Business Administration Department, Department of premises and others.

2. Drug and Medical Supply

The Company has policies to mainly purchase general drugs and medical supplies from domestic manufacturers or distributors of foreign manufacturers. At present, the hospital has established approved vendor lists where the executive committee, the drug committee and the procurement committee make consideration on the approved vendor list at least

once a year. The consideration shall be made from various factors, such as production licenses, distribution of medicines and medical supplies and certificates in accordance to the Good Manufacturing Practice (GMP) standards, quality, price, reputation, doctor's needs, delivery time and the repayment period, etc. The hospital has contacted and ordered medicines and medical supplies from several distributors a have no contract obligation relating to the purchase of

medicines and medical supplies with any supplier; thus, reducing the risk of supplying medicines and medical supplies. Moreover, the hospital has affiliate network with other hospitals in sharing drug and pharmaceutical price information to be used as a price reference in drug and medical supplies bargaining from drug and pharmaceutical vendors. At present, the hospital has more than 200 registered drug dealers and over 250 pharmaceutical suppliers.

3. Procurement of Medical Equipment and Tools

The Hospital has continuously explored the needs of medical equipment and tools. In addition, the Hospital has established medical equipment committee that consisted of a team of doctors on each field; to closely monitor the progress of medical equipment technology in order to plan for the allocation of resources as needed in providing quality medical treatment. The medical equipment presented such plan to the Budget Committee to plan the Hospital's budget before presenting to the Executive Committee and/or the Board of Directors for approval (as the case may be), such will be consider from several factors such as new technology, safety, product quality, price, value, after-sales service and necessity, including the consistency in strategy and the availability of medical personnel, in order to ensure transparency.

At present, the hospital purchased equipment and tools from local distributors from the domestic distributors who have been directly appointed by the manufacturers. This type of company can provide after-sales service and instantly repair the equipment and tools if there are problems, defects or damage, which are repaired by skilled technicians. For order conditions, the Hospital has a payment period of approximately 30 days with distributors, depending on the type of equipment or equipment purchased and the negotiation with the distributors. In addition, the Hospital has a service contract in Medical equipment management for the whole systems with the leading companies that have expertise in maintenance and repair to ensure that the medical equipment and tools are ready to be used and are highly effective. As well as being a consultant and support necessary information for the hospital in procuring or long-term medical planning.

ENVIRONMENTAL AND SAFETY IMPACT MANAGEMENT

The hospital has operated with responsibility to the customers, hospital staffs and society with

responsibility by giving priority to environmental care, health, occupational health and safety. The company has a Facility Management and Safety (FMS) committee that acts as a center for the management of buildings, facilities, safety, health and environment. With the following measures to proceed in this regard as follows:

1. Environmental Impact

The Company provides health care and treatment services. which the procedures for medical treatment required the used of hazardous objects and cause hazardous waste. With this fact the Company has established policies, regulations and plan to prepare the work system regarding the environmental impact management in writing; to be guidelines for the Company's personnel to adhere to. This includes training for the Company's personnel in order to ensure the safety of personnel, service recipients, employees who enter the area, neighbors and the environment as well as to prevent and mitigate environmental impacts and restoring places that impact on the environment.

(1) Waste-water management

The Company has control system for wastewater treatment with daily inspection of sediment level to check the wastewater primary quality before releasing to external water sources and hired an outsourcing to analyze the water every month. The Company's waste-water treatment system can handle 500 cubic meters of waste-water per day which is sufficient for the current service level. The Company has regularly controlled the treatment of wastewater before being exported to the external system.

(2) Garbage disposal

The Company has classified the waste into 4 categories, namely general garbage, hazardous garbage, infectious garbage, and recycles garbage. The Company hired Bangkok agency to dispose general garbage and hired a private company that has been certified to manage and take care of infectious and hazardous garbage, respectively. This is to prevent environmental impacts due to the management of non-standard waste systems.

(3) Hazardous material and waste management

The Company has management system related to hazardous objects that have been imported to be safely and systematically used, by cataloging the Hazardous objects, procedures for selecting, moving, storing, using dangerous objects; as well as control

and supervise the separation, dispose and disposal of all hazardous waste. The personnel that are involved in hazardous materials and waste will use protective equipment while working. The Company will assess the risks in operations that are related to hazardous objects once a year and prepare solutions and monitoring guidelines.

(4) Chemical spill management

The Company has established procedures to implement in the case where the hazardous substances spill, fall or in contact with the body; as well as established the procedure in considering and investigating to find a way to prevent potential risks. The Company has defined emergency in the case of leaking of hazardous substances that cause serious damage to life, assets and environment. This is one of the Company's emergency codes with clear support of regulations and operational process. The management is separated according to the type of chemicals which

include radiation, hazardous chemicals and medical gas, such as setting up a warning sign 'Dangerous Area or Dangerous Area do not enter' at the scene of the accident, where dangerous objects spilled or break. This includes blocking the personnel or people in the incident area out from the area and notify the officers specified in the implementation procedure to accordance with the type of hazardous substance that has been leaked.

(5) Saving natural resources

The Company has a policy to support the saving of natural resources, by campaigning to use the stairs in walking up and down inside the building and turn off the water, lights and air conditioner every time when not using in addition, the Company has an energy route project to reduce the Company's energy consumption. In the year 2011 - 2019, the Company was able to save energy consumption of approximately Baht 10 million with the following projects:

| Year | Projects |
|------|--|
| 2019 | <ul style="list-style-type: none"> Install Double Door Automation System on the 1st floor to reduce the workload of air conditioning system |
| 2018 | <ul style="list-style-type: none"> Set up the Building Automation System (BAS) to control lighting in the parking building & 1st-5th floor. hall. |
| 2017 | <ul style="list-style-type: none"> Change the light bulb on the hallway of the 2nd and 4th floor and the Company name sign on the rooftop. Install speed control system for Chiller water pump Set up the Building Automation System (BAS) to control the opening and closing of the air conditioner on the 1st to 5th floor. |
| 2016 | <ul style="list-style-type: none"> Change the street lamp Change the light bulb in the parking lot 2A - 4B |
| 2015 | <ul style="list-style-type: none"> Change the light on the company's entrance and the shrine area Timer install Project, Hall lamp, 2nd and 3rd Floor Reusing water from the treatment pond project Change the hot water boiler system into a heat pump |
| 2014 | <ul style="list-style-type: none"> Change the light on the company alley and Spot light that shines on the sign and building. Change the light bulbs of balloon lamp on the fences around the company |
| 2013 | <ul style="list-style-type: none"> Change the refrigeration system, air conditioning system (Chiller) Replace the light bulb in the parking lot 2A - 4B |
| 2012 | <ul style="list-style-type: none"> Change the light of the Company sign Boiler Hot Water Project: Change from using fuel oil to LPG. Install filter film to reduce the heat in the air Install Limit Switch and Control Cabinet |
| 2011 | <ul style="list-style-type: none"> Change light bulb (T8) to energy saving lamp (T5) Attached air curtain electric glass door on the Company's entrance - exit door Improve the parking control lighting system |

2. Security Operations

The Company focus on operational safety in order to reduce the risk that may affect service recipients and employees. The Company has hired a security company that has been licensed; which the security guards, who have passed the training in accordance to the course of the security company, have been allocated to work within the Company. The Company then has drawn up guidelines for the security guards, to be in consistent with the operating period and the work location of each security guard. The Company as well provides the security chief to regulate the operation of the security guard and determine to have meeting between the security company and the vehicle and security department every month. The department will assess the work and performance of the security company on a monthly basis.

(1) Safety of the service site

- The Company has policy to create the safety of the service sites such as
 - Monitor and supervise the internal and external of the Company building 24 hours a day, in compliance with the regulation of duty of full-time security guard.
 - Check the CCTV cameras at every installation point, along each floor and the area in front of the camera to ensure that nothing is blocking the camera and observe unusual things.
 - Install various alarm systems at the risky point.
 - Facilitate vehicles to enter and exit the Company to ensure safety, by using hand signals and whistles to achieve maximum safety.
 - Check that the equipment is in a ready-to-use condition. If the device is not in a ready-to-use condition, such device shall be repaired or made adjustment for the device to be in a ready-to-use condition.

(2) Fire safety

In the past, the Company had never experienced a fire problem. However, the Company has always prepared fire protection, including trainings, fire plan rehearsal, disaster response plan rehearsal with

neighboring buildings and preparing for the actual situation that may occur. This includes the installation of necessary equipment in the Company, such as smoke detectors, heat detectors, fire extinguisher equipment and fire alarm warning devices.

Moreover, the Company also has measures to support fire safety such as

- Set fire escape route, Fire Assembly area and communicate to all Company's internal personnel to acknowledge.
- Check the fire escape door, fireproof door, emergency light, fire exit sign, emergency exit 1 time per month to ensure that they are always in working condition.
- Prepare fire escape signs, Fire Assembly area sign, charts showing fire escape routes, signs, signs or symbols to be comprehensive and clear.
- In addition, the Company also has made Industry All risk Insurance, in order to reduce the risk in the event of accidents (Please consider more details in the topic Assets used in business operations).

UNFINISHED JOB (FUTURE PROJECTS)

The hospital has set up the strategies in order to enhance the Hospital's potential in providing medical services, both supporting the continuous expansion of the current customers which focuses on the treatment of curative medicine; along with expanding the scope and developing medical service style to be more extensive and comprehensive. In order to expand the customer base into the customer group that emphasis on health promotion and wellness, this will extend knowledge, expertise and medical experience from current medical institutions and centers services; to be able to take care and promote the holistic healthcare, which is expected to have high growth opportunities in the future. Moreover, the hospital sets the goal of becoming a Digital Hospital under the digital transformation plan by introducing information technology to enhance work efficiency and adding new experiences of customers to feel impressive, including increase the efficiency and safety of the hospital services in the future. The details of the hospital's future investment project are as follows:

1. Construction of New Building Project

The hospital is in the process of building a new building in the vicinity of the current building area, which approximately 50 meters from the existing building. The new building is designed to be a 16-storey high with 2 basements. The total construction area is approximately 39,300 square meters with a utility space of approximately 24,500 square meters. Providing both outpatient (OPD) and inpatient (IPD) services, divided into 83 OPD examination rooms (excluding outpatient rooms for emergency departments) and Inpatient room (IPD) with 59 beds, 3 operating rooms, and a parking space that can accommodate approximately 381 vehicles to facilitate those who come to use the service. In addition, information technology will be introduced to support the service. The hospital expects that the construction of the new building will be completed available for services within 2020.

There will be allocation of space in the new building by focusing on providing medical services for the group of service recipients who need Health Promotion & Wellness. This includes the group of patients with primary illness which consisted of significant medical centers such as Comprehensive Gastroenterology (GI) and Hepatobiliary (Liver) Center, Check-up center, Pain Management and Wellness Center, Allergy Center, Skin and Beauty Center, Hair Center etc. Such centers may be moved to the new building. In order to be able to develop, expand the scope and service style to be more comprehensive, such as

- Development of One-stop service for endoscopy and intestine preparation for gastrointestinal and liver centers.
- One Stop Service Check-up Center, the new health check-up center is expected to have an area of approximately 1,500 square meters; where the service recipients can check all parts of the body within the same area such as running on treadmill to monitor heart rate, chest x-ray, ultrasound, and seeing the specialized doctors such as ophthalmologists, etc., resulting in a more efficient service and the recipients received more convenient service.

In addition, the hospital plans to add a new medical center to expand the scope of medical services in the hospital's new building area, such as

- Pain Management and Wellness Center focuses on a group of patients who are not sick or to get direct medical treatment but want to focus on their healthy in the form of preventive healthcare and health promotion. The center is expected to have an area of approximately 1,500 square meters with modern medical tools and innovations such as hydrotherapy pools and Cryotherapy technology, etc. to be used in the treatment and provision of medical services that are more modernized and effective. The hospital plans to open a new medical center along with the Rehabilitation Center (the services are formerly provided in the existing building which focuses on providing physical rehabilitation services for patients to return to normal conditions, such as rehabilitation therapy for patients with paralysis, paralysis and pain patients from office syndrome).
- Allergy Center provides diagnostic services, evaluate the treatment results and treat allergies comprehensively; by allergy specialists. In addition, Allergy Center provides skin test services for allergens and pulmonary function tests in patients with suspected asthma, along with continuous follow-up of testing results so that the customers can properly and appropriately take care of themselves as well as able to enhance the quality of life and good health.

Furthermore, to providing extensive service areas and bringing innovation and modern technology to help facilitate and create impression in the hospital service, plan, allocate and add more facilities such as restaurants and beverages that focus on health benefits; the exhibition section for health promotion including co-working space, shops, and restaurant etc. on the 1st and 2nd floors of the new building. This is to promote the atmosphere of service under the concept Hospitals are not just a place for patients' by aiming for the Hospitals to be a Professional Healthcare Community, a center that take care and promotion of new health and lifestyle, including various health promotion activities.

Summary of services provided by medical institutions and primary medical centers in the existing building and new building

| Existing Building | New Building |
|--|--|
| 1. Praram 9 Kidney Disease & Transplantation Institute | 1. Comprehensive Gastrointestinal and Liver Center |
| 2. Praram 9 Cardiovascular Institute | 2. Comprehensive Check-up Center |
| 3. Diabetes and Metabolic Center | 3. Pain Management and Wellness Center |
| 4. Praram 9 Orthopedic Center | 4. Allergy Center |
| 5. Obstetrics Gynecology Center | 5. Pediatric Center |
| 6. Surgery Center | 6. Dental Center |
| 7. Medicine Center | 7. Mind Center |
| 8. Neurology Center | 8. Ear Nose and Throat Center |
| 9. Emergency Center | 9. Eye Center |
| 10. Physical Therapy & Rehabilitation Center | 10. Skin and Cosmetic Surgery Center |
| 11. Imaging Center | 11. Hair Center |
| 12. Breast Clinic | 12. Imaging Center |
| 13. Thyroid Clinic | |
| 14. Joint Care Center | |
| 15. W9 Wellness Center | |

The Hospital expects that the construction of the new building will have the investment budget at approximately Baht 2,343 million. The details are as follows.

Estimated investment for the construction of new building

| Investment details | Estimated Investment (Million Baht) |
|--|-------------------------------------|
| 1. Building, work system, Interior decorations | 1,610 |
| 2. Land | 333 ⁽¹⁾ |
| 3. Medical equipment and tools | 300 |
| 4. Others | 100 |
| Total | 2,343 |

Note: (1) The hospital has already purchased the land and received the ownership of the land on November 29, 2017. The hospital placed a deposit of Baht 20,000,000 for the purchase of land on the day entering into purchase and sell land contract. The hospital had paid the purchase price of land at the amount of Baht 301,030,000 in accordance with the promissory note the seller on November 1, 2018. Moreover, the paid amount includes the registration fee for the transfer of land ownership under the contract, totaling approximately Baht 333 million.

2. Renovating Existing Building

After the construction of the new building project has been completed and some medical centers have been moved from the existing building to provide service in the new building as aforementioned. The hospital will proceed with the improvement of the service area in the existing building to make the most out of the space available. The space of the existing building will be allocated to accommodate the increased in the number of patients admitted to the hospital existing and recuperate, which is the current main service group of the hospital; especially diseases that are complex and require high medical expertise such as heart disease, kidney disease, brain disease, cancer etc. The existing building is the location of Praram 9 Kidney Disease & Transplantation Institute, Praram 9 Cardiovascular Institute, Diabetes and Metabolic Center, Neurology Center, Emergency Center etc. In the future, there may be changed to appropriately be in consistent with the situation and need of medical service recipients. The hospital plans to improve the

Re facade to have image that is in consistent with the new building. The project budget is approximately at Baht 370 million between 2018 - 2022 with the following details:

- **Step Down ICU Patient Room**

The hospital plans to build and develop Step Down ICU patient room to take care of patients who are out of crisis and has less complicated care need than ICU patients, though there is still a need to closely monitor the symptoms and taken care by medical personnel. The information technology will be used in the design and development of various services to support services and help facilitate patients. In providing this service will help reduce the unnecessary expenses for the rehabilitation in the hospital of patients which is in line with the business plan that focuses on providing the Hospital's value for money services. In addition, the hospital will be able to effectively manage the services of the high demand severe or critical patient room. The Step-Down ICU Patient Room already opened in December 2018.



Example picture of Step Down ICU

Source: Corporate Information

Remark: (1) supplementary pictures for the description only real buildings after completion of construction and improvement may be different from the supplementary pictures

- **Increasing the ICU and CCU patient room project**

The hospital is in the process of planning to renovate the 5th floor area to be ICU patient room and CCU patient room with 24 beds, to accommodate the continuous increasing number of critically ill patients; especially for patients with complex diseases such as kidney disease, heart disease and cancer that required 24 hours intensive medical care. Initially, the Hospital expected to start proceeding with the improvement

of the area within the second quarter of 2020 and is expected to be completed and available for service within the fourth quarter of 2020.

- **Inpatient room improvement project**

The hospital is in the process of modernizing inpatient room by installing additional medical systems and equipment, in order to enhance the service in the inpatient room (IPD In-Rooms Application), such as the system for calling a nurse, ordering food and

viewing cost information, etc. This will help facilitate and allow the patients to receive quality services as well as raise standards to be better (Please consider more details in the Research and development category). This includes planning for the improvement of the area that is currently a medical center where the medical center will be moved to a new building when the construction is completed. Such area will be used as inpatient room to support the increasing trend of inpatient services. This includes improving

some of the inpatient room to be more spacious and comfortable.

After the renovation of the 9th floor to be Step down ICU patient room and the improvement of the 5th floor to be ICU patient room and inpatient room have been completed, it is expected that the Hospital will have potential in providing highest inpatient services at a total of 312 beds with 253 beds in the existing building and 59 beds in the new building by the year 2022.

Summary of forecasting potential of inpatient services in accordance to the initial number of beds in the hospital during 2017 - 2022

| Building | Estimate the potential of providing services to inpatients (beds) | | | | | |
|--------------------------------|---|--------------|--------------|-------------------|--------------|--------------|
| | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2021 | Dec 31, 2022 |
| Existing building | | | | | | |
| General room | 122 | 118 | 118 | 118 | 139 | 181 |
| Step Down ICU | - | 21 | 21 | 21 | 21 | 21 |
| ICU and CCU | 24 | 24 | 24 | 48 | 48 | 48 |
| NICU | 3 | 3 | 3 | 3 | 3 | 3 |
| Total existing building | 149 | 166 | 166 | 190 | 211 | 253 |
| New building | | | | | | |
| General room | - | - | - | 59 ⁽¹⁾ | 59 | 59 |
| Total new buildings | - | - | - | 59 | 59 | 59 |
| Total | 149 | 166 | 166 | 249 | 270 | 312 |

Note: (1) It is expected that the construction of the new building will be completed and will be available for services within 2020.

• The Re Facade structure of the existing building project

The hospital is in the process of planning the renovation of the existing building in order to have a modern image and in conform to the new building, which is expected to be completed by 2021.

3. Information Technology System Development Project for becoming a Digital Hospital

The hospital planned to develop the information technology system and apply more advanced technology to become Digital Hospital, where technology is applied and implemented to provide medical services for customers; as well as increase the

efficiency of the Hospital's internal work processes. The information technology system development project can be divided into 4 aspects as follows:

1. Personnel

- For senior staffs and executives
- For the entire organization

2. Architecture and infrastructure of information systems

- The development of the Healthcare Information System (HIS)
- Updating the Backup Computer Center into a cloud storage system

3. Process improvement and management

- Development of electronic collaboration work systems
- Development of system for contacting and coordinating for inpatient care department
- Development of data analysis system for support the management decision

4. Services

- Application development for inpatients department
- Mobile application development for patients
- Development of Command Center System

4. The Home Office and Nursing Dormitory development Project

- **Home Office Construction Project**

The 6-storey high Home Office building has been completed and opened since January 2020 and moved some the administrative staff from the existing building and/or the Home Office building that the Hospital is currently renting, to the new Home Office building. The Hospital as well plan to improve the space of the existing building to support the customers that are constantly increasing. The new Home Office building will have a total construction area of approximately 1,320 square meters which located at the corner of Marayat Di Intersection, having distance of approximately 100 meters from the current hospital building location, under the total CAPEX of approximately Baht 70 million.

- **Nursing dormitory construction project**

The hospital is in the process of planning to construct an 8-storey high nursing dormitory, with no more than 80 rooms for nursing accommodation in order to support the future expansion of the manpower rate to be sufficient for the Hospital's service capabilities. The dormitory is located on Thiam Ruam Mit Road, Huai Khwang Subdistrict, Huai Khwang District. It is expected that the construction will be completed by 2020 under the CAPEX of approximately Baht 200 million (including land and construction costs).

RESEARCH AND DEVELOPMENT

The company has planned the development of information technology capabilities, including Company's personnel development to change the concept and develop various features that is necessary. The goal is to prepare for becoming a Digital Hospital in accordance with the Company's digital transformation policy, which has 3 main objectives:

- 1) Enhancing medical care efficiency and increasing patient safety
- 2) Adding new experiences of service recipients in terms of convenience and speed of service. In order to impress and broadly grow word of mouth.
- 3) Increasing efficiency in the work process of the company by reducing duplication of work and reduce the use of the company's resources

The company has research and development that is currently under study and currently operates in 3 aspects as follows:

1. Architecture and Infrastructure of Information Systems

Since 2015, the Company has continuously improved the IT system in order to support the analysis of large and complex databases, for example

Healthcare Information System (HIS) such as further development of the Healthcare Information System (HIS), such as the development of a mobile information system (Mobile HIS) to allow physicians to access patient information, view the examination results, prescribe and provide advice on medical treatment even outside Hospital. At present, the development of the Mobile HIS system has been completed and the doctors can practically use it.

Improving the backup computer center to be a cloud DR site in order to prevent business risks and ensure that the business can continue to run itself despite an emergency. At present, the project has been completed.

2. Improving Work Processes and Management

The company plans to apply the information system into the work process and management with the aim of saving work time, reducing costs, reducing personnel burden and reducing operational errors, for example

E-Document and E-Workflow development of electronic process systems which will be applied to document processes such as purchasing, repairing and incidence reporting. In addition, paperless work helps reduce the expense from paper waste and helps protect the environment which is in accordance with the Company's social and environmental responsibility policy. Initially, the Company has completed testing the first set of the work process system and will gradually test other work processes in according to the operation plan. The Company expected that all the work process will be changed into electronic style within the year 2020.

Developing system used in contacting and coordinating for inpatient care team at which the main goal is to ensure the coordination of various departments such as Nursing Department, Pharmaceutical Department, Nutrition Department, Physical Therapy Department, Finance Department and Insurance Department become more effective. Such is done by adjusting the contact and coordinate style into electronic or online which will help increase convenience and speed in contacting and coordinating as well as forwarding information between the parties. Resulting in the reduction of waiting time in discharging the patient, increase the turnover rate of the patient room and can accept more patients. At present, the project has been completed and is in the process of testing the system to be able to work correctly and in accordance with the objectives.

Developing and establishing business intelligence system to increase the ability to use information for the analysis and support medical decisions with maximum efficiency and effectiveness, such as analyze past treatment history. This includes assisting in the planning of management and business operations in

order to be able to adapt to events in time, such as data relationship analysis in order to be used in the design of new products or marketing processes and customer service to be different and impressive by the service recipients. The hospital has started to develop such data analysis systems continuously since 2015.

3. Services

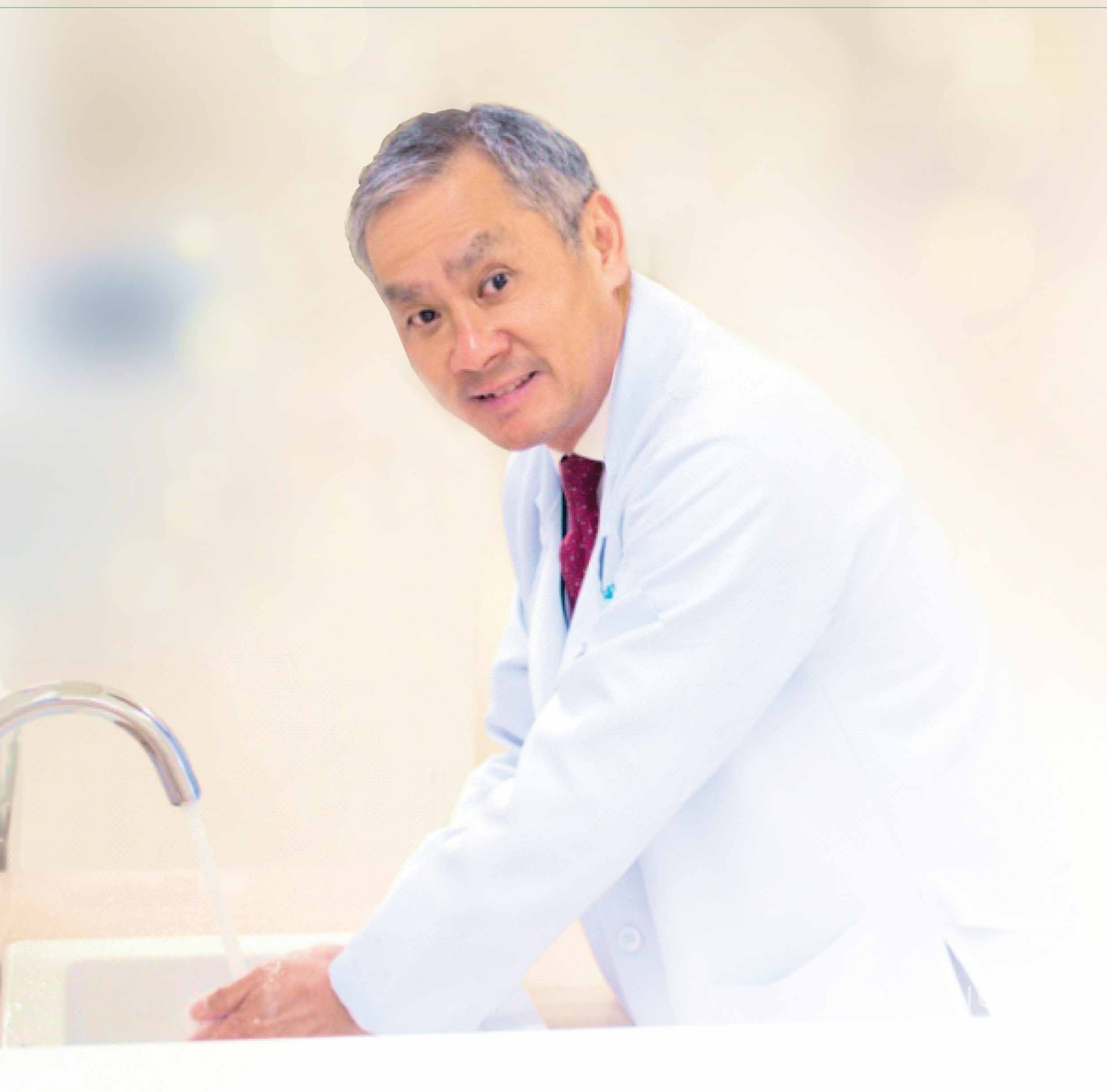
The Company has applied technology to design and develop various services, with the aim to expand the scope and style of medical services and to impress customers In order to increase the opportunity for the service recipients to repeatedly come back and use the service as well as broadly spread the words. The significant developments are as follows.

Developing IPD In-Rooms Application to be use in nursing calls, ordering food, viewing expense information, etc. in order to support services and help facilitate patients.

Development of Praram 9 Patient Mobile Application The system will help promote the experience in receiving service prior to the patient arrival at the hospital. During service until after receiving services such as appointments, treatments, patient registration and medication reminder; including publicizing company information.

Developing a Command Center for monitoring and be on guard for disease or conditions that require close monitoring, such as blood glucose follow up and exercise in diabetic patients or examining and monitoring of heart function in patients with arrhythmia, etc. This includes giving advice on treatment of patients through Telemedicine, a supplementary service, which will be jointly developed with Praram 9 Patient Mobile Application and Medical Wearable Device. Such device will connect and send data to the hospital's database system. The medical personnel will monitor the situation, take care, prevent and is on the alert to provide treatment that may be needed in a timely manner, 24 hours a day. At present, the Company is in the process of studying and developing; preliminary is expected to be completed and will be available for commercial use by the year 2020.

RISK FACTORS



Besides its proactive approach to business operations, Praram 9 Hospital Public Company Limited (“the Hospital”) places priority on managing uncertainties by linking the international standard risk management system COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission, Enterprise Risk Management-2017) with the service quality development process that has been certified by the Joint Commission International-JCI.



The Hospital’s risk management process depends on risk management governance mechanisms including the risk management policy, the risk appetite, the Risk Management Committee comprising risk management experts, and the risk management support from organizational leaders. Upon an in-depth analysis, the Hospital found significant risks and suggested the following risk management approach:

1. Strategic Risks

The healthcare industry is highly competitive. Many hospitals offer a wide range of medical treatment services to overcome their competitors. The Hospital’s major concern is “the failure to generate revenue according to the defined goals”. However, such risk has been effectively reduced by cost management through mechanisms such as labor cost control measures by effective workforce forecasting and drug price control. Besides cost reduction, the Hospital has searched for ways to increase revenue by launching more specialized medical centers as well as increasing marketing plans for foreign customers and insurance customers, etc.

2. Operational Risks

2.1 Service

To keep patients satisfied with the services, the Hospital has developed several project groups to enhance service level, namely 1) Service improvement project consisting of the improvement of queuing and doctor scheduling systems, service culture training, and effective communication 2) Training course on customer service behaviors 3) Training course on nursing knowledge and skills held at least once a year.

2.2 Personnel

“The risk of radiologist shortage” is still a concern for the healthcare industry. To ensure continuity of medical care, the Hospital has provided welfare incentives and new salary structure, offered jobs to new graduates from prestigious universities, and employed standby part-time employees for continued operation. For existing employees, the Hospital has conducted a survey on workplace happiness, improved employee engagement, and analyzed welfare incentives, etc.



2.3 Information System

The HIS (Hospital Information System) is the Hospital's main information system. To reduce the risk of "HIS system interruption", the Hospital has adopted Cloud DR Site Real Time, developed a maintenance plan, and installed Firewall, Antivirus, Endpoint Control. In addition, for sustainable risk reduction, the Hospital has organized a training course on internet threats for doctors and staff at least once a year.

2.4 Medical treatment

The Hospital pays close attention to end-to-end medical treatment process and concerns about "the prevention of complications of medical treatment process" by having its medical staff implement Clinical Practice Guidance (CPG) undertaking additional campaign activities to prevent complications, increasing medical staff's safety walkarounds, and caring for patients' conditions after medical treatment by organizing a campaign activity to prevent falls once a month.

3. Compliance Risks

3.1 Legal function

The Hospital provides healthcare services that relate to several laws, rules and regulations, therefore, it may be faced with a risk factor of "non-compliance with relevant rules and regulations". To ensure full compliance with those rules and regulations, the legal function will follow up, study, communicate major rules and regulations as well as organize trainings which will be periodically publicized to related parties for acknowledgement.



3.2 Service

Previously, there was no lawsuit filed against the Hospital over its medical services. As current medical services mainly focus on the protection of service recipients, the Hospital is therefore prone to "lawsuits/compensation claims for medical treatment" which directly affect its corporate image and reputation. To prevent such risk, the Hospital has carried out a risk analysis and risk mitigation by 1) developing mechanisms for case reporting, reconciliation and remedy upon receiving service recipients' complaints via Flow Responsive 2) closely monitoring incident reports, nursing negligence and compliance with medical treatment standards 3) conducting Social Risk Round to identify and prevent risks 4) improving the compensation claim process under the professional indemnity insurance of the insurance companies and the hospital to be less time-consuming and more explicit as well as probably summoning the insurers to discuss with the hospital in some cases.

4. Financial/Reporting Risk

The Hospital has established criteria for deposit advanced & deposit topping up during admission and systematically tracking overdue payments by creating a pop-up reminder message for a case of financial risk to reduce a risk of "failure to collect medical fees or the full amount of medical fees after the provision of medical care". The Hospital has also identified a hospital loss level as a warning sign as well as appointed a review committee to review cases that cause damages and take measures to prevent future cases.

PROPERTY USED IN BUSINESS OPERATION

1. Land, Buildings and Equipment

As of December 31, 2019, the particulars and net book value of land, buildings and equipment of the Company as appeared in the Company's financial statements were as follows:

| Assets | Ownership Characteristic | Net Book Value (million Baht) |
|--|--------------------------|-------------------------------|
| 1. Land and land improvement | Owner | 535.8 |
| 2. Buildings, building improvement and condominium units | Owner | 394.5 |
| 3. Building service systems | Owner | 213.3 |
| 4. Tools and medical instruments | Owner | 266.6 |
| 5. Office furniture, fixtures and equipment | Owner | 105.7 |
| 6. Vehicles | Owner | 11.8 |
| 7. Assets during installation and construction in progress | Owner | 1,334.7 |
| Total Net Book Value | | 2,862.4 |

1.1 Land and Buildings used in Operation and /or under Construction

As of December 31, 2019, the Company's land, buildings and improvements used in the business operation were as follows:

| Assets | Ownership Characteristic | Net Book Value (million Baht) |
|--|--------------------------|-------------------------------|
| Land and buildings used in the operation | | |
| 1) Current Building | | |
| Location: 99 Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 | | |
| Land: Land: 6 Rai 74 Square Wah, Title Deed No. 177014-15, 177075-76, 187558-59 and 187648 | Owner | 125.9 ⁽¹⁾ |
| Building: Usable area of about 32,825 Square Meters and parking area for about 449 cars | Owner | 346.8 ⁽²⁾ |
| 2) Condominium Units for Nurses | | |
| Location: 888/202-239 Lumpini Park Rama 9 - Ratchada, Jaturatit Road, Huai Khwang District, Bangkok 10310 | | |
| Building: 38 condominium units, Lumpini Park Rama 9 - Ratchada | Owner | 53.5 ⁽²⁾ |
| Total land and buildings used in the operation | | 526.2 |

| Assets | Ownership Characteristic | Net Book Value (million Baht) |
|--|--------------------------|-------------------------------|
| Land and buildings under construction | | |
| 1) <u>New Building (Building B)</u> | | |
| Location: 99/1 Rim Klong Bang Kapi Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 | | |
| Land: 2 Rai 3 Ngan 89 Square Wah, Title Deed No. 4012 | Owner | 332.6 ⁽¹⁾ |
| Building: Usable area of about 24,500 Square Meters and parking area for about 381 cars | Owner | 1,193.6 ⁽²⁾ |
| 2) <u>Home Office (Building C)</u> | | |
| Location: 99/2 Rim Klong Bang Kapi Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 | | |
| Land: 94 Square Wah, Title Deed No. 28442 | Owner | 15.3 ⁽¹⁾ |
| Building: Usable area and parking area | Owner | 36.7 ⁽²⁾ |
| 3) <u>Nursing Dormitory</u> | | |
| Location: Huai Khwang Subdistrict (Northern Sam Sen Nok), Huai Khwang (Bang Sue) District, Bangkok | | |
| Land: 334 Square Wah, Title Deed No. 6223 (1879) | Owner | 62.1 ⁽¹⁾ |
| Building: Usable area and parking area of about 3,986 Square Meters | Owner | 98.7 ⁽²⁾ |
| Total land and buildings under construction | | 1,739.0 |

Remarks (1) Including land and land improvements (if any)

(2) Including buildings, building improvements and condominium units, and assets during installation and construction in progress

2. Land, near Praram 9 Hospital Building, registered The Right of Servitude for The Company's Benefits

The owners of land parcels near Praram 9 Hospital agreed to register the right of servitude for the benefits of the Company's business operation with the following details:

| Details of the Land | Utilization |
|---|---|
| Title Deed No. 2877, about 13 Rai 2 Ngarn 91 Square Wah | To be used as pathway, road, the way to the main road, electricity system, water supply, telephone, drainage as well as all public utilities through the land. Such land owners made the power of attorney empowering the Company to have sole authority to manage the servitude benefits thereon since October 19, 1995, including the traffic operations on the land, Title Deed No. 2877, for the period of 30 years: November 1, 1995 - October 31, 2025. |

| Details of the Land | Utilization |
|---------------------|--|
| | However, the owner of the land, Title Deed No. 2877, agreed and registered it under the right of servitude of the Company's land without time limit. In conclusion, the right of servitude is legally enforceable until registration of the cancellation thereof or termination by the law such as the cease of using the servitude right for the period longer than 10 years. |

3. Land and Buildings under The Utilization Agreement of The Company

3.1 Parking Area

On March 25, 2019, the Company took a lease on the land within Sirat Expressway, Sector A around the Asoke-Dindaeng parking area project (Northern Area), 673 Square Wah, for car park under 3-year lease term to be expired on March 24, 2022.

3.2 Office Building

On April 12, 2016, the Company took a lease on the space at OAI Tower, 1170 New Petchburi Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok 10320. The leased space was on Floor G, 4, 5, 8 of Building 3, totaling 1,040 Square Meter, as the Company's office. The lease 3-year agreement was expired on December 31, 2019. However, the Company can make a renewal by giving written notice to the Lessor at least 90 days prior to the expiry of the lease term.

On January 16, 2018, the Company took a lease on the space of a 7-floor Building, 976/20 Soi Praram 9 Hospital, Rim Klong Samsen Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok. The leased area was the 7-floor office building with rooftop and billboard, totaling about 600-640 Square Meters (excluding rooftop and billboard) to be used for the Company's office. The 2-year lease agreement was expired on December 31, 2019. The lease agreement has been extended for one more year and will be expired on December 31, 2020.



4. Intangible Assets

As of December 31, 2019, the particulars and net book value of the Company's intangible assets as appeared in the Company's financial statements were as follows:

| Details of Assets | Net Book Value (million Baht) |
|-------------------------------------|-------------------------------|
| Computer software - cost | 196.9 |
| Less: Accumulated amortization | (99.5) |
| Less: Allowance for impairment loss | (20.0) |
| Book Value - Net | 77.4 |

5. Trademark / Service Mark

The Board of Directors' Meeting No. 5/2561 held on August 14, 2018 resolved to revise the Company's vision, mission and logo for the purpose of rebranding in reflection of the capacity and quality of medical services of the Hospital. The Company is now in process of new registration of sign or emblem or logo of the Company, both the former one and new one approved on August 14, 2018, with the Department of Intellectual Property, the Ministry of Commerce. The registration of former trademark was already approved, while the registration of new trademark has been expected to be approved by 2020, to be further used in the business of hospital. However, according to the Trademark Act B.E 2534 (1991), the registration of a trademark shall be valid not longer than 10 years and renewable for 10 years at each time. The following shows the trademark and service mark under the process of new registration:

| Trademark / Service Mark | Description |
|---|--|
|  | <ul style="list-style-type: none"> Former trademark / service mark for the Hospital Trademark registration was already approved. Application Form No. 180103090 |
|  | <ul style="list-style-type: none"> New trademark / service mark for the Hospital In the consideration process of the Trademark Office, the Department of Intellectual Property The Company applied for trademark registration on August 17, 2018. Application Form No. 180127072 |

6. Business License

The license for medical services, including the license to engage in a hospital business and the license to operate a hospital.

- **License to engage in a hospital business:** issued by the Department of Health Service Support, the Ministry of Public Health to the person or juristic person granted a permission to engage in a hospital business with a valid period until the end of the 10th calendar year from the issuing year thereof.
- **License to operate a hospital:** issued by the Department of Health Service Support, Ministry of Public Health to the medical professions having authority to control, monitor, and oversee the operation of the hospital for the valid period not longer than the end of the 2nd calendar year from the issuing year thereof.

The Company completely obtained the above-mentioned licenses with details as follows:

Building A (Existing building)

| Type of License | License to engage in business | License for operation |
|-----------------|---|--|
| License No | 10201006562 | 10201004757 |
| License | Praram 9 Hospital Public Company Limited by Doctor Satian Pooprasert and Doctor Viroon Mavichak | Doctor Arthit Jiaranaisilawong |
| Valid until | December 31, 2028 and renewable every 10 years | December 31, 2020 and renewable every 2 years |
| Others | Hemodialysis services | - |

Building B (New building)

| Type of License | License to engage in business | License for operation |
|-----------------|---|--|
| License No | 10201001363 | Dor. 10201000563 |
| License | Praram 9 Hospital Public Company | Doctor Wittaya Wanpen |
| Valid until | December 31, 2029 and renewable every 10 years | December 31, 2021 and renewable every 2 years |
| Others | - | - |

7. Key Agreements

7.1 Agreements essential for business operation

a) Medical Management

| | | |
|--------------------------|---|--|
| Party | : | BIOSCOR MARKETING (THAILAND) COMPANY LIMITED (“Bioscor Marketing”) |
| Term | : | 3 years from August 1, 2017 |
| Essence of the agreement | : | Bioscor Marketing has agreed with the Company to perform medical management with respect to hair restoration, hair treatment, hair cell root, scalp of the patients, for the Hospital, under the name of “Hair Center” |

b) Cooperation Agreement

| | | |
|--------------------------|---|---|
| Party | : | REHAB DIRECTION COMPANY LIMITED (“Rehab Direction”) |
| Term | : | January 1, 2019 - December 31, 2020. Should neither party make a notice of termination as agreed therein, the Agreement shall be further enforceable for a period of 1 year at each time. |
| Essence of the agreement | : | Rehab Direction has agreed with the Company to cooperate with the Company in providing medical services and treatment as well as the rehabilitation to the patients receiving service at the Company; providing physical therapists/occupational therapists sufficient for all patients everyday throughout the valid period of the Agreement for treatment of patients, including any undertakings subject to the terms and conditions under the Agreement. However, the physical therapist/occupational therapist of Rehab Direction must be the person permitted to perform professional practice of the art of healing. |

c) Cooperation Agreement

| | | |
|--------------------------|---|--|
| Party | : | Reviva Wellness Company Limited |
| Term | : | Tower A (Existing Building) - 12 months from June 15, 2019 Tower B (New Building) - 2 years from July 1, 2020 |
| Essence of the agreement | : | Reviva Wellness agreed with the Company to open a wellness center to promote health, prevent diseases and offered alternatives for medical treatment under the name of “Wellness Center” |

d) Turnkey Construction Agreement on Construction of Structural and Architectural Works of the Building for Extension to Praram 9 Hospital

| | | |
|--------------------------|---|--|
| Party | : | NL DEVELOPMENT PUBLIC COMPANY LIMITED (“NL Development”) |
| Term | : | The duration of construction was 720 days from March 10, 2017 to February 27, 2019. However, the Agreement term was adjustable only when there was a change directly affecting another part of works. |
| Essence of the agreement | : | NL Development agrees to be employed on turnkey basis for construction of structural and architectural works on part of the building for extension until completion with safety protection in compliance with Engineering Standards Institute of Thailand and the laws strictly. |

e) Employment Agreement on Management and Supervision of the Construction of the Building for Extension to Praram 9 Hospital

| | | |
|---------------------------------|---|--|
| Party | : | SASI D&M COMPANY LIMITED (“Sasi D&M”) |
| Term | : | From February 9, 2017 until completion of the Project according to the construction plan |
| Essence of the agreement | : | Sasi D&M has agreed to be employed for management and supervision of the construction of the building for extension (including pile foundation work). The building will consist of 16 floors, Title Deed No. 4012, Land No. 161, Survey Page 1115, Bang Kapi Subdistrict, Huai Khwang District, Bangkok in compliance with professional standards. |

7.2 Insurance Agreement

a) Property Risk Insurance Policy

| | | |
|---|---|---|
| Type | : | Property Risk Insurance |
| Insurer | : | Bangkok Insurance Public Company Limited |
| Location of the Insured Property | : | 99 Rama IX Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10320 |
| Coverage | : | The insurance was against property risk and third-party liability. This policy covered all losses or damage to the insured property in case of fire, thunderbolt, bomb, hail, fire catching or natural explosion, aircraft devices, storm, wildfire, water damage (excluding flood), flood disaster, vehicle damage, smoke damage, damage from electric appliances, earthquake damage, volcanic eruption or underwater waves or tsunami, strike, insurrection or malicious act (excluding the acts for political, religious or ideological purposes), including the accidents from external factors which are not exemption of the policy (GIA FORM). |
| Term | : | From June 30, 2019 to June 30, 2020 (365 days) |
| Total Insurance Capital | : | Baht 1,100,000,000 |
| Insured Property | : | All constructions (excluding foundation work) as well as decorations, additions, and connected part of the building and improvements to the building and lifts, structural works and various systems within the building. |

b) Contractor All Risks Insurance Policy

| | | |
|---|---|--|
| Type | : | Contractor All Risks Insurance (CAR) |
| Insurer | : | Muang Thai Insurance Public Company Limited |
| Project name | : | A 16-floor hospital building with 2 underground floors (59 beds) |
| Location of the Insured Property | : | Title Deed No. 4012, Land No. 161, Survey Page 1115, Bang Kapi Subdistrict, Huai Khwang District, Bangkok |
| Term | : | From March 3, 2019 to February 29, 2020 (previously to December 31, 2019) with special coverage of loss or damage incurred during the maintenance period of 12 months |
| Coverage | : | <ul style="list-style-type: none"> Part 1 Construction work and civil engineering work; and Part 2 Installation of engines, totaling Baht 1,500,000,000 Part 3 Third Party Insurance, totaling Baht 100,000,000 |

c) Professional Indemnity Insurance Policy

| | | |
|----------|---|--|
| Type | : | Professional Indemnity Insurance |
| Insurer | : | Bangkok Insurance Public Company Limited |
| Term | : | From October 5, 2019 to October 5, 2020 (365 days) |
| Coverage | : | Medical professional liability or in connection with the damage from providing public health service by profession; inspection/examination process; action, error or negligence of doctor or medical profession or medical personnel providing public health service; providing emergency first aid by medical personnel who is not a doctor; unintentionally insulting, unintentional Intellectual property infringement; and the loss of document relating to the public health service. |

d) Directors and Officers Liability Insurance (D&O)

| | | |
|----------|---|---|
| Type | : | Directors and Officers Liability Insurance (D&O) |
| Insurer | : | Bangkok Insurance Public Company Limited |
| Term | : | From March 21, 2019 to March 21, 2020 (365 days) |
| Coverage | : | Liability in connection with the performance of duties as directors/ directors in external organizations/ officers acting as directors/ company secretary; protection of directors delegated to manage external organizations which must not be financial institutions or organizations in the United States; insurance premiums or fees for bail bonds and civil bails; costs of extradition; initial public offering (IPO); automatic coverage for subsidiaries; lifetime coverage for retirees; emergency expenses; claim in writing or civil procedure as well as any other laws in the procedure |

7.3 Financial Agreement

On April 27, 2018, the Company made a loan agreement with a commercial bank in the territory (“Lender”) at the limit of Baht 2 billion for making payment for the land purchased, construction, equipment used in new building improvements and for improvement of the existing buildings. This loan was unsecured and must be settled within 21 months from the first drawdown date or no later than January 31, 2020, whichever occurred first. The floating interest rate plus fixed interest rate was charged and scheduled to be paid on a monthly basis. On August 31, 2019, the Company cancelled such loan limit of Baht 600 million, thus contributing to the remaining loan limit of Baht 1,400 million. Later, on December 30, 2019, the Company cancelled the whole amount of remaining loan limit.

8. Policy on Investment in Subsidiaries or Associated Companies

As of December 31, 2019, the Company had no investment in subsidiaries or associated companies and had no plan to do so soon. For such reason, the Company did not establish a policy on investment in subsidiaries or associated companies. However, in the event where the Company has a plan to invest in subsidiaries or associated companies in the future, the Company will further establish a policy on investment in subsidiaries or associated companies and other relevant measures.

LEGAL DISPUTE

As of December 31, 2019, the company has not been involved in the arbitration procedures, claims, legal procedures or has been a litigant in any cases (1) that may have a negative impact on the company's assets, which has the amount higher than 5 percent of the company's shareholders' equity; (2) that affects the company's business operations significantly but are not able to evaluate the impact into numbers; and (3) that is not caused by company's normal business.



GENERAL AND OTHER SIGNIFICANT INFORMATION

GENERAL INFORMATION

| | |
|--------------------|--|
| Company Name | PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED |
| Types of Business | A private hospital business |
| Address | 99 Rama IX Road, Bangkapi, Huai kwang, Bangkok 10310 |
| Website | www.praram9.com |
| Telephone | 02-202-9999 |
| Fax | 02-202-9998 |
| Stock Type | Common Stock |
| Registered Capital | 800,000,000 Baht |
| Par Value of | Baht 1 per share |
| Paid-up capital | 786,300,000 Baht |

REFERENCE INFORMATION

| | |
|----------------------|--|
| Securities Registrar | Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Telephone: 02-009-9000, Fax: 02-009-9991 |
| Auditor | Ms. Kosum Cha-Em CPA number 6011 or Mr. Termphong Opanaphan CPA number 4501 or Ms. Manee Rattanabunnakit CPA number 5313 EY OFFICE LIMITED 33 rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Khlong Toei, Bangkok 10110 Telephone: 02-264-9090, Fax: 02-264-0789 |
| Internal Auditor | Ms. Wanna Malueangnon ACC-PLUS Consultant Company Limited 33 Soi Chat San Sutthisan Winitchai Road, Samsen Nok, Huai Khwang, Bangkok 10310 Telephone: 02-693-3581, Fax: 02-274-7650 |

SECURITIES AND SHAREHOLDERS

NUMBER OF REGISTERED CAPITAL AND PAID-UP CAPITAL

As of December 31, 2019, the Company had registered capital of Baht 800,000,000 divided into 800,000,000 ordinary shares at a par value of Baht 1 per share, of which Baht 786,300,000 divided into 786,300,000 ordinary shares at a par value of Baht 1 was paid up. Besides the ordinary shares, no other types of shares were issued.

SHAREHOLDERS

The Company's top 10 shareholders as of January 6, 2020 were as follows:

| No. | Name | Number of Shares | % |
|-------|----------------------------------|------------------|--------|
| 1. | KHUNYING POTJAMAN DAMAPONG | 292,062,500 | 37.144 |
| 2. | ABERDEEN STANDARD SMALL CAP FUND | 18,256,000 | 2.322 |
| 3. | BUALUANG BASIC DIVIDEND LTF | 12,440,900 | 1.582 |
| 4. | JPMORGAN THAILAND FUND | 10,796,100 | 1.373 |
| 5. | MR. SATIAN POOPRASERT | 10,550,000 | 1.342 |
| 6. | MR. PRASERT TRAIRATVORAKUL | 9,950,000 | 1.265 |
| 7. | MR. SANTI BHIROMBHAKDI | 9,925,000 | 1.262 |
| 8. | MR. MONGKOL TANJAPATKUL | 9,350,000 | 1.189 |
| 9. | MR. VIROON MAVICHAK | 9,250,000 | 1.176 |
| 10. | MR. PRASERT SATIANTIRAKUL | 8,000,000 | 1.017 |
| Total | | 390,580,500 | 49.67 |

The Company has no policy to allow two or more companies acquiring each other's shares to take advantage of business clusters or to create structures of the group of companies i.e. cross holding or pyramid holding.

However, no other types of securities were issued by the Company.

DIVIDEND PAYMENT POLICY

The Company has a dividend policy to pay dividends to shareholders at a rate of not less than 40 percent of the net profit after corporate income tax and all types of reserves as specified in the law and Company's Articles of Association. However, the payments of such dividends are subject to necessity and suitability deemed appropriate by the Board of Directors. The annual dividend payment shall be approved by the Shareholders' Meeting, except for the interim dividend payment which can be approved by the Board of Directors and shall be reported to the Shareholders' Meeting for acknowledgement in the next meeting.

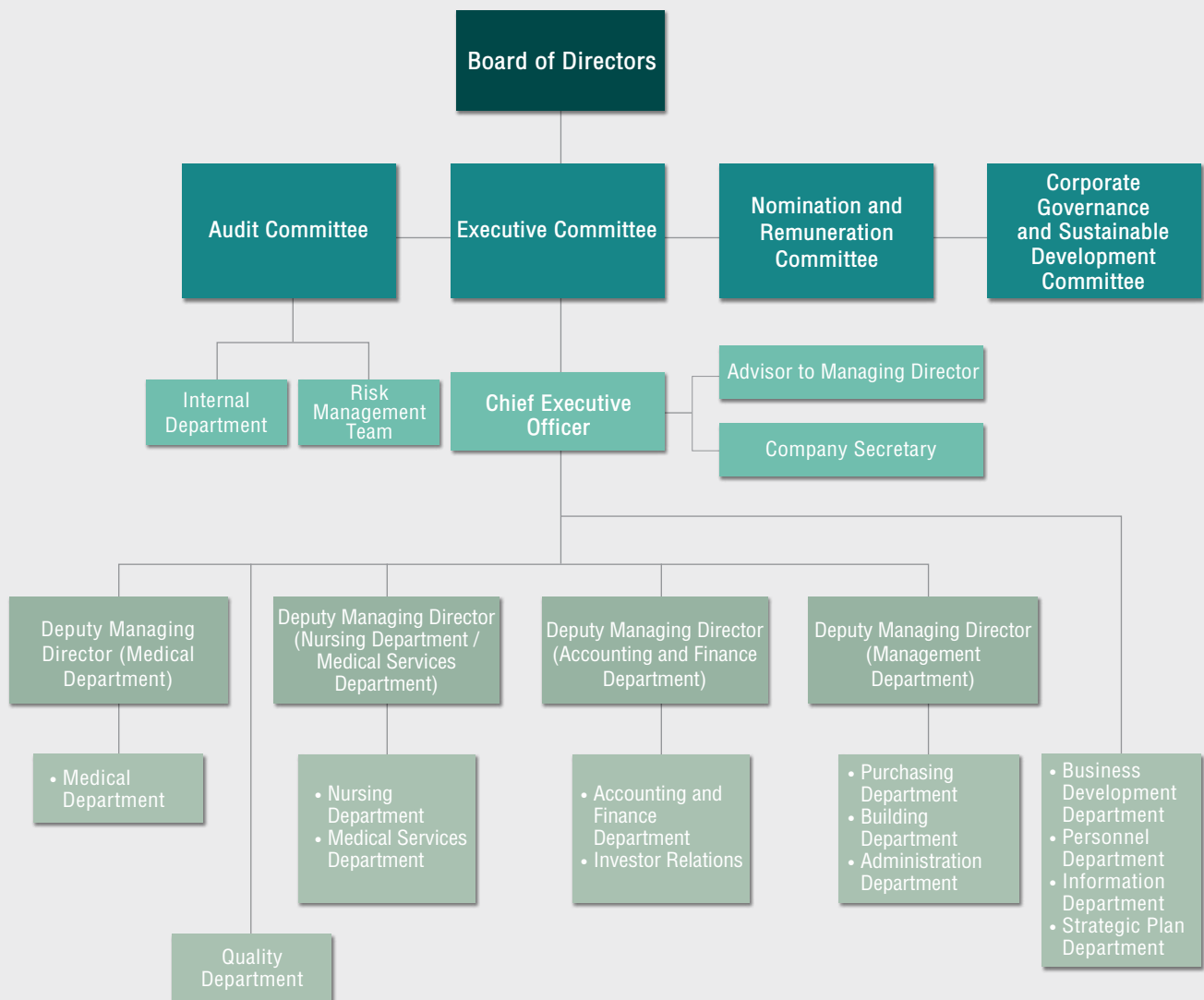
Past dividend payment records are shown in the table below:

| Year | Dividend per Share (Baht) | Par Value (Baht) | Dividend Payment per Net Profit (%) | Dividend Payment Date |
|-------|---------------------------|------------------|-------------------------------------|-----------------------|
| 2018 | 0.14 | 1 | 42.14 | 23/05/2019 |
| 2019* | 0.14 | 1 | 40.42 | 22/05/2020 |

* The dividend rate was approved by the Board of Directors Meeting held on February 18, 2020 and proposed to the 2020 Annual General Meeting of Shareholders for approval.

MANAGEMENT STRUCTURE

As of January 21, 2020, the Company's management structure comprised the Board of Directors and 4 subcommittees, namely the Audit Committee (within the scope of authority, duty and responsibility for risk management), the Executive Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Sustainable Development Committee, appointed by the Board of Directors Meeting No. 1/2020 dated January 21, 2020. The Company's management structure can be summarized as follows:



Remark:

The Executives of the Company according to the Notification of the SEC, refers to a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including persons holding the position of departmental manager or equivalent or higher in accounting or finance.

BOARD OF DIRECTORS AND SUBCOMMITTEES

BOARD OF DIRECTORS

As of January 21, 2020, the Board of Directors consisted of 10 members, which were suitable for the size of business as follows:

- 3 directors who takes part in the management or executive directors
- 4 independent directors
- 3 non-executive directors

| Name | Position |
|---|--|
| 1. MR. BHANAPOT DAMAPONG | Chairman of the Board of Directors (Non-Executive Director) |
| 2. DR. SATIAN POOPRASERT | Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer |
| 3. DR. VIROON MAVICHAK | Director / Member of the Executive Committee / Deputy Managing Director |
| 4. DR. PRASERT TRAIRATVORAKUL | Director / Member of the Executive Committee / Member of the Corporate Governance and Sustainable Development Committee / Deputy Managing Director |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee (Non-Executive Director) |
| 6. MRS. VILASINEE PUDDHIKARANT | Director / Member of the Nomination and Remuneration Committee (Non-Executive Director) |
| 7. CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK | Independent Director / Chairman of the Nomination and Remuneration Committee |
| 8. MR. KANIT PATSAMAN | Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance and Sustainable Development Committee |
| 9. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | Independent Director / Member of the Audit Committee |
| 10. MR. PISET CHIYASAK | Independent Director / Chairman of the Corporate Governance and Sustainable Development Committee / Member of the Audit Committee |

Miss Marisara Thanasaksiri acted as the Company Secretary. Additional information and related details of the Board of Directors can be found in the “Details of Directors, Executives, Regulators, and Company Secretary” topic.

As of January 21, 2020, the Company had 4 independent directors, 2 of whom were doctors who performed medical examination and/or gave advice, operated or performed medical skills at the Hospital, namely Professor Wing Commander Doctor Sirintara SingharaNa Ayudhaya (**“Prof. Wg. Cdr. Dr. Sirintara”**) (Member of the Audit Committee), a consultant who did not perform medical examination but operated or performed medical skills on a case-by-case basis, and Clinical Professor Doctor Sarana Boonbaichaiyapruk (**“Clinical Prof. Dr. Sarana”**), a part-time doctor who used to serve as an advisor to the Hospital’s Executive Committee from October 28, 2016 until August 18, 2017 and received meeting allowances as compensation (without regular salary). However, given the fact that Clinical Prof. Dr. Sarana, who received doctor’s remuneration per year in a value that was higher than the criteria set forth in the Notification of the Capital Market Supervisory Board No. TorJor. 39/2016 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (and the additional amendment), the Board of Directors Meeting No. 2/2018 (after the conversion into a public limited company) on May 15, 2018 and the Board of Directors Meeting No. 4/2018 (after the conversion into a public

limited company) on July 31, 2018 considered the matter according to Section 89/7 under the Securities and Exchange Act B.E. 2535 (1992) (and the additional amendment) and gave an unanimous opinion (excluding directors having conflicts of interest) that the appointment of Clinical Prof. Dr. Sarana as the Company's independent director had no effect on the performance of duties and independent expression of opinions to the Company. Clinical Prof. Dr. Sarana would be able to perform duties as the Company's independent director effectively, express opinions on the Company's operations independently as well as be free from the control exercised by executives and majority shareholders and have neither involvement nor conflict of interest in the management's decisions. In addition, Clinical Prof. Dr. Sarana possessed qualifications and competence in both medical profession and medical academic and was a cardiovascular specialist, highly experienced, reliable, and well accepted in the medical community and among patients. As Clinical Prof. Dr. Sarana performed medical examination or worked in several public and private hospitals, therefore, his appointment would be most beneficial to the Company, shareholders, and minority shareholders.

Authorized Directors

Authorized directors sign on behalf of the Company in accordance with the Company's Articles of Association and Certificate of Juristic Person Registration issued by the Department of Business Development, Ministry of Commerce. As of January 21, 2020, any two out of three authorized directors, namely Mr. Satian Pooprasert, Mr. Viroon Mavichak, and Mr. Prasert Trairatvorakul, jointly signed their names with the Company's seal affixed.

Qualifications of Board of Directors

1. A director shall possess knowledge and expertise, integrity and business ethics as well as have sufficient time to devote his/her knowledge and expertise and perform duties for the Company
2. A director shall have the qualifications and possess no prohibited characteristics under Public Limited Companies Act, Securities and Exchange Act and other relevant laws. Moreover, he/she shall have no characteristics indicating inappropriateness for trust in the management of a business with the public being shareholders as stipulated by the Securities and Exchange Commission (SEC).
3. A director may assume directorships in other companies, but such directorships shall not be an obstacle to the performance of duties as a director of the Company and shall be in line with the guidelines of the SEC and the Stock Exchange of Thailand (SET).
4. A director shall not undertake a business of the same nature and in competition with that of the Company, or be a partner in an ordinary partnership or a partner of unlimited liability in a limited partnership, or be a director of other companies which operate a business of the same nature and in competition with that of the Company, whether for their own or others' benefits, unless the Shareholders' Meeting is notified prior to the appointment.
5. An independent director shall have qualifications relating to independence as determined by the Company and in accordance with the guidelines announced by the Capital Market Supervisory Board, and shall safeguard the benefits of all shareholders equally without causing any conflict of interest. An independent director shall also attend the Board of Directors Meetings while expressing his/her opinions independently. More details on the definition of independent director can be found in the "Independent Director" topic.

Scope of Authority, Duties and Responsibilities of the Board of Directors

1. Perform duties with care, responsibility, and integrity by taking into account the best interests of the Company and all shareholders as well as oversee compliance with the laws, objectives, Articles of Association, along with the resolutions of the Board of Directors Meeting and the resolutions of shareholders' meeting
2. Determine and approve the Company's objectives, vision, strategies, business directions, goals, guidelines, policies, business plans, management structure and approval authority as well as monitor and supervise management function and follow up the management's performance
3. Ensure that the business is operated under the principles of good corporate governance based on ethics, respect of rights, responsibility towards shareholders and stakeholders as well as create benefits to the society and the environment and be able to adapt to changing factors.
4. Determine the approval authority on various matters in addition to the authority entrusted to the Chief Executive Officer in the Company's Articles of Association, such as approval of budget and investment,

and implementation of various projects of the Company, unless such transactions are approved by the Shareholders' Meeting. Such approvals, including entering into important agreements, appointment of directors vacating their positions during the year, and interim dividend payment to shareholders, shall be in accordance with relevant laws, notifications and/or regulations.

5. Prepare annual reports and is responsible for preparing and disclosing the Company's consolidated financial statements and separate financial statements at the end of the Company's accounting period, which are audited by the auditors to ensure accuracy and completeness and compliance with the relevant rules, standards, and practice guidelines.

6. Put in place an appropriate and efficient accounting system as well as establish systems for the preparation of financial reports and disclosure of significant information accurately, adequately, in a timely manner and in accordance with relevant rules, standards, and practice guidelines.

7. Establish a risk management policy that covers the entire organization and supervise risk management and internal control systems or processes in an adequate, appropriate, and efficient manner

8. Supervise the establishment of policy framework and remuneration structure that are appropriate and attractive for executives and employees at all levels

9. Establish a written good corporate governance policy and a written anti-corruption policy in accordance with the principles of good corporate governance to ensure the Company's responsibility towards all stakeholder groups with fairness by providing communication at all levels of the organization and for outsiders to ensure actual implementation

10. Supervise and manage conflicts of interest that may occur among the Company's stakeholders, including the prevention of inappropriate use of the Company's assets, information and opportunities as well as the execution of transactions with those who have inappropriate relationships with the Company

11. Ensure the disclosure of roles and duties of the Board of Directors and subcommittees, the number of meetings held and the number of times each director attending the meeting in the past year, and report the performance of all subcommittees

12. Monitor and oversee the Company's management and different functions to be in accordance with the policies specified by the Company, laws related to business operations, the law on securities and stock exchange, Notifications of the Capital Market Supervisory Board, and regulations of the SET, by mutatis mutandis, as not contrary to or inconsistent with other laws

13. Approve various matters by taking into account the interests of the Company's shareholders and all stakeholder groups in a fair manner

Approval Authority of the Board of Directors

Besides the approval authority of the Board of Directors as appeared in items 2, 4 and 13 of the Scope of Authority, Duties and Responsibilities, the Board of Directors has additional authority approval as follows:

1. Approve the appointment of qualified persons without prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 (1992), the law on securities and exchange as well as notifications, regulations and/or regulations of the SET

2. Approve the appointment of the Audit Committee, the Executive Committee and other subcommittees as well as define the scope of authority, duties and responsibilities

3. Approve the appointment of Chief Executive Officer, define the scope of authority, duties and responsibilities, and determine frameworks and policies on salary determination, salary increase, and determination of bonus, compensation and reward for the Chief Executive Officer

4. Approve the appointment of Company Secretary and define the scope of authority, duties and responsibilities

5. Approve the determination and modification of names of authorized directors

6. Approve and comment on the acquisition or disposal of assets unless such transactions are approved by the Shareholders' Meeting

7. Approve and comment on the execution of connected transactions unless such transactions are approved by the Shareholders' Meeting

8. Approve the arrangement of Annual General Meeting of Shareholders

Roles and Duties of the Chairman of the Board of Directors

1. Set meeting agendas with the Chairman of the Executive Committee and the Chief Executive Officer independently

2. Encourage the Board members to attend the Board of Directors Meeting and the Shareholders' Meeting as well as lead and control the meeting effectively

3. Encourage the Board members to participate in the meeting and allocate sufficient time for the management or related persons to present information and support and offer the Board members an opportunity to raise questions or express opinions independently, control discussion issues, and summarize meeting resolutions

4. Provide assistance, suggestions and comments that are beneficial to the Company's business

5. Consider matters that may cause conflicts of interest to ensure accuracy and transparency

6. Encourage the Board members to perform their duties under the scope of authority, duties and responsibilities of the Board of Directors and in compliance with the laws, charters and good corporate governance principles of the Company

Independent Director

The Good Corporate Governance and Business Code of Conduct Handbook of the Company stipulates that the Board of Directors shall consist of at least one-third of independent directors out of the total number of directors, but the number of independent directors shall not be less than three. All independent directors shall be knowledgeable, competent and qualified as prescribed by the laws, by being able to independently express opinions in the meeting, regularly attend the meetings and access to other financial and business information adequately to be able to express opinions independently, maintain the benefits of related persons and prevent conflicts of interest between the Company and directors, executives or majority shareholders or other companies that have the same group of directors, executives or majority shareholders. Moreover, independent directors shall report their independence once appointed and on a yearly basis to be disclosed in the Annual Report and notified to the Company for acknowledgement of changes.

The Company has established the following qualifications of independent director:

1. Holding no more than 1 % of total voting shares of the Company, its parent company, subsidiary, associated company, majority shareholder or controlling person, inclusive of the shares held by related persons of such independent director.

2. Being or used to be an executive director, employee, staff, advisor with regular salary, or controlling person of the Company, its parent company, subsidiary, associated company, subsidiary of the same level, majority shareholder or controlling person. Unless, it has been at least two years after the person has held the position.

However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency that is a majority shareholder or controlling person of the Company

3. Not being related, whether by blood or legal registration as father, mother, spouse, sibling and child, including spouse of the offspring of other directors, executives, majority shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the Company or subsidiary.

4. Not having or never had any relations with the Company, its parent company, subsidiary, associated company, majority shareholder or controlling person, in the manner which such relation may impede the person from having independent judgment, the person should not currently be or never be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associated company, majority shareholder or controlling person. Unless, it has been at least two years after the person has held the position.

5. Not being or never been the auditor of the company's, its parent company, subsidiary, associated company, majority shareholder or controlling person and is not a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the Company's parent company, subsidiary company, associated company, majority shareholder or controlling person. Unless, it has been at least two years after the person has held the position.

6. Not providing or never provided professional services, legal consulting, nor financial consulting services who received fees exceeding 2 million Baht per year from the Company, its parent company, subsidiary, associated company, majority shareholder or controlling person, and is not a significant shareholder, controlling person or partners of the such services providers. Unless, it has been at least two years after the person has held the position.

7. Not being a director appointed as a representative of the Company's director, majority shareholder, or shareholder who is related to majority shareholder

8. Not undertaking any business of the same nature and in competition with the business of the Company or the Company's subsidiary, or is not a significant partner in a partnership nor an executive director, employee, staff, advisor with regular salary or holding shares exceeding 1 percent of the total number of shares with voting rights of another company which undertakes business of the same nature and in competition with the business of the Company or its subsidiary

9. Not possessing any other characteristics that deter the ability to express opinions on the Company's business operations independently

SUB-COMMITTEES

The Board of Directors has established subcommittees, namely the Audit Committee (within the scope of authority, duty and responsibility for risk management), the Nomination and Remuneration Committee, the Executive Committee and the Corporate Governance and Sustainable Development Committee, to perform duties on specific matters as assigned and propose them to the Board of Directors for approval or acknowledgement as well as develop a charter of each subcommittee to determine the scope of authority, duties and responsibilities and disclose those charters on the Company's website. Details can be concluded as follows:

(1) Audit Committee

As of January 21, 2020, The Audit Committee consisted of 3 independent directors as follows:

| Name | Position |
|--|---|
| 1. MR. KANIT PATSAMAN | Chairman of the Audit Committee (Independent Director) |
| 2. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | Member of the Audit Committee (Independent Director) |
| 3. MR. PISET CHIYASAK | Member of the Audit Committee (Independent Director) |

Mr. Kanit Patsaman was a member of the Audit Committee who had knowledge, experience and expertise in accounting and finance. Lt. Panita Pakakij, Manager of the Office of Strategic Plan served as Secretary to the Audit Committee and acted as a liaison with the external auditor office, namely ACC-Plus Consultant Company Limited while Ms. Wanna Malueangnon acted as an auditor of Company's operations to directly report to the Audit Committee.

The Audit Committee's Charter specifies that the Audit Committee shall hold at least one meeting every 3 months according to the financial reporting period. In 2019, the Audit Committee held 4 meetings attended by all members and secretary of the Audit Committee. The Audit Committee reported its performance in 2019 in the report of the Audit Committee. More details on the Audit Committee's meetings can be found in the "Table of Meeting Attendance Records of Board of Directors and Subcommittees for the Year 2019" topic.

Scope of Authority, Duties and Responsibilities of the Audit Committee

1. Review the accuracy of the Company's financial reports and disclose sufficient information in accordance with the generally accepted accounting standards
2. Review the appropriateness and efficiency of the Company's internal control and internal audit systems with the auditor and internal auditor, consider the independence of the internal audit unit, and approve annual budget, manpower and resources necessary for the performance of the internal audit department
3. Approve an annual internal audit plan, supervise the internal audit unit's performance to be in accordance with the approved annual internal audit plan and the international standards of internal audit profession, and assess the quality of internal auditing annually
4. Review the Company's compliance with the law on securities and exchange, regulations, notifications of the SET, and other relevant laws and standards applicable to the Company and/or the business of the Company
5. Consider, select and propose the appointment of an independent party as the Company's auditor as well as propose the remuneration of such auditor
6. Consider and comment on the execution of connected transactions or transactions that may cause conflicts of interest to be in compliance with relevant laws and regulations as well as the regulations and notifications of the SET to ensure that such transactions are reasonable and conducted for the Company's utmost benefits
7. Prepare a report of the Audit Committee, signed by the Chairman of the Audit Committee, to be proposed to the Board of Directors and disclosed in the Company's annual report
8. Review, revise and comment on various policies related to the authority and duties of the Audit Committee such as the accounting policy, the corporate governance policy, the corporate social responsibility policy, the anti-corruption
9. Consider, evaluate and review the characteristics of risks facing or affecting the Company as well as set risk appetite.
10. Consider and comment on comprehensive policies and scope of risk management both inside and outside the Company as in accordance with the business strategy and direction and present them to the Board of Directors
11. Consider strategies and practice guidelines for risk management in accordance with the risk management policy, to be able to evaluate, monitor, and supervise the risk appetite as well as approve risk assessment results, guidelines and risk management measures, including operational plans to manage risks
12. Ensure that the Company has a responsible person in complying with the risk management policy in order that the Company has in place an effective risk management system throughout the organization and continuous implementation
13. To consider the structure and appoint a risk management working group in order to assess and monitor risk management results
14. To consider budget and approaches to responding to the risks that occur or may occur in the Company to be used as practice guidelines for each type of risk situations and to propose them to the Board of Directors for approval
15. To review the appropriateness and adequacy of the policy, strategy and practice guidelines on the Company's risk management to ensure that such policy, strategy and practice guidelines are in compliance with the Company's strategy and business direction, supervise the risk appetite, give advice and support to the Board of Directors on corporate risk management, promote and support the improvement and development of the risk management system continuously and consistently as well as report to the Board of Directors on risks and risk management

The Audit Committee is also responsible for risk management as mentioned in items 9-15 of the scope of duties and responsibilities of the Audit Committee.

(2) Executive Committee

As of January 21, 2020, the Executive Committee consisted of 6 directors as follows:

| Name | Position |
|---|-------------------------------------|
| 1. MR. ATTAPOL SARIDDIPUNTAWAT | Chairman of the Executive Committee |
| 2. DR. SATIAN POOPRASERT | Member of the Executive Committee |
| 3. DR. PRASERT TRAIRATVORAKUL | Member of the Executive Committee |
| 4. DR. VIROON MAVICHAK | Member of the Executive Committee |
| 5. MR. SONGSAK PREMSUK ⁽¹⁾ | Member of the Executive Committee |
| 6. DR. SOMCHAI PINYOPORNPANICH ⁽²⁾ | Member of the Executive Committee |

Remarks:

- (1) An expert in marketing and public relations strategies, who had beneficial knowledge and experience for the Company's business, currently did not hold the position of director and executive in the Company.
- (2) A expert in the fields of public health and pharmacy, who had beneficial knowledge and experience for the Company's business, currently did not hold the position of director and executive in the Company.

Dr. Wittaya Wanpen, Assistant Managing Director of the Office of Strategic Plan, served as the Secretary to the Executive Committee.

The Executive Committee's Charter specifies that the Executive Committee shall hold at least one meeting or as deemed appropriate. In 2019, the Executive Committee held 12 meetings in total, attended by most members and secretary of the Executive Committee. The Executive Committee reported its performance in 2019 in the report of the Executive Committee. More details can be found in the "Table of Meeting Attendance Records of Board of Directors and Subcommittees for the Year 2019" topic.

Scope of Authority, Duties and Responsibilities of the Executive Committee

1. Develop the Company's vision, strategies, business directions, goals, guidelines, policies, business plans, budget, management structure and approval authority to be proposed to the Board of Directors for approval, proceed as approved by the Board of Directors as well as examine and monitor such performance in an efficient and effective manner
2. Oversee the Company's general management through the Chief Executive Officer, monitor the Company's operating results to be accordance with the policy framework and goals approved by the Board of Directors, and ensure that the operations maintain quality and efficiency
3. Consider annual budget allocation proposed by the management before submitting to the Board of Directors for consideration and approval
4. Study the feasibility of new project investments as well as exercise authority to consider and approve the Company's investments or joint investments in various projects in the manner that the Board of Directors deem appropriate, or agreements and/or any transactions related to normal business operations, or financial transactions with banks or financial institutions in order to support normal business operations according to authority limits, and/or as prescribed by the Board of Directors, and/or relevant laws and regulations, and/or in accordance with the Company's Articles of Association
5. Consider and monitor the Company's operating performance and propose the interim dividend or annual dividend payment before submitting it to the Board of Directors for approval
6. Determine an organizational structure, organizational management authority and policy framework for nomination, recruitment, transfer, termination of employment, remuneration structure for determining salary, compensation, bonus and reward as specified in the Human Resources Management Authority Table approved by the Board of Directors

7. Review and propose to the Board of Directors for consideration of amendment to the scope of authority, duties and responsibilities of the Executive Committee to be in accordance with the situations

(3) Nomination and Remuneration Committee

As of January 21, 2020, the Nomination and Remuneration Committee consisted of 3 independent directors and/or non-executive directors as follows:

| Name | Position |
|---|--|
| 1. CLINICAL PROF. DR. SARANA BOONBAICHAIRAPRUCK | Chairman of the Nomination and Remuneration Committee (Independent Director) |
| 2. MR. ATTAPOL SARIDDIPUNTAWAT | Member of the Nomination and Remuneration Committee (Non-Executive Director) |
| 3. MRS. VILASINEE PUDDHIKARANT | Member of the Nomination and Remuneration Committee (Non-Executive Director) |

Miss Nuchanee Utong, Assistant Managing Director of Accounting and Finance Department, served as the Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee's Charter specifies that the Nomination and Remuneration Committee shall hold at least one meeting or as deemed appropriate. In 2019, the Nomination and Remuneration Committee held 2 meetings in total, attended by all members and secretary of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee reported its performance in 2019 in the report of the Nomination and Remuneration Committee. More details on the Nomination and Remuneration Committee's meetings can be found in the "Table of Meeting Attendance Records of Board of Directors and Subcommittees for the Year 2019" topic.

Scope of Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

Nomination

1. Establish a policy, rules and procedures in nominating directors, audit committee members and chief executive officer of the Company to be proposed to the Board of Directors and/or the Shareholders' Meeting for approval as the case may be
2. Consider and nominate qualified candidates with knowledge, experience and expertise to hold the positions of directors, audit committee members and chief executive officer to be proposed to the Board of Directors for consideration of appointment and/or further to the Shareholders' Meeting for consideration of appointment (as the case may be)
3. Oversee the preparation of a succession plan in order to prepare for the succession of chief executive officer and senior executives
4. Review the director nomination criteria and procedures to be proposed to the Board of Directors prior to the nomination of directors who complete their terms
5. Consider the independence of each independent director to ensure that the Company's independent directors are fully qualified
6. Consider a plan format and develop a development plan for directors, subcommittees and chief executive officer to enhance knowledge of both current and new employees in order that they understand the Company's business, roles and duties, and significant developments such as economic and industrial conditions, rules or laws related to the Company's business.

Determination of Remuneration

1. Consider and establish a policy and criteria for determining remuneration and other benefits (whether in cash, securities or any other forms) of the Board of Directors, Audit Committee and the Chief Executive Officer to be proposed to the Board of Directors Meeting and/or further the Shareholders' Meeting for consideration and approval

2. Establish a policy and criteria for assessing the performance of the Board of Directors, the Audit Committee and the Chief Executive Officer in order to consider annual remuneration present it to the Board of Directors for consideration and approval

3. Disclose the policy and criteria for determining remuneration and other benefits and prepare a report on the determination of such remuneration in the Company's Annual Report

4. Consider and screen the structure of salary and other benefits of the Executive Committee

(4) Corporate Governance and Sustainable Development Committee

The Board of Directors, in its Meeting No. 1/2020 held on January 21, 2020, resolved to establish a Corporate Governance and Sustainable Development Committee to help support the Board of Directors' performance of duties in developing a policy, practice guidelines, plans and good corporate governance management in an effective and transparent manner and can enhance confidence of all stakeholders in mutually creating the Company's sustainable growth in the long run. The Corporate Governance and Sustainable Development Committee consisted of 3 members as follows:

| Name | Position |
|-------------------------------|---|
| 1. MR. PISET CHIYASAK | Chairman of the Corporate Governance and Sustainable Development Committee (Independent Director) |
| 2. MR. KANIT PATSAMAN | Member of the Corporate Governance and Sustainable Development Committee (Independent Director) |
| 3. DR. PRASERT TRAIRATVORAKUL | Member of the Corporate Governance and Sustainable Development Committee |

Miss Marisara Thanasaksiri, the Company Secretary and Chief of Compliance, served as the Secretary to the Corporate Governance and Sustainable Development Committee. Since the appointment of the Corporate Governance and Sustainable Development Committee took place in 2020, therefore, there was no meeting held in 2019.

Scope of Authority, Duties and Responsibilities of the Corporate Governance and Sustainable Development Committee

1. Review, revise and comment on the policy and practice guidelines for corporate governance and ethics and any other policies and practice guidelines that will support the operation according to the principles of good corporate governance, standards and relevant regulations of related agencies and propose them to the Board of Directors for approval

2. Support and promote the enhancement of knowledge and understanding of good corporate governance and ethics adequately for directors, executives and employees for correct compliance and increase efficiency in corporate governance and business ethics to achieve the defined goals

3. Have authority to appoint a working group to conduct corporate governance tasks and perform any other duties in supportive of the Company's operations according to the good corporate governance principles as well as determine authority, duties and responsibilities of such working group

4. Oversee the management's performance and/or the working group to achieve the defined goals

5. Suggest practice guidelines and give appropriate advice on matters relating to the principles of good corporate governance and sustainability practice guidelines

6. Consider and review the Corporate Governance and Sustainable Development Committee's Charter in accordance with the circumstances and propose it to the Board of Directors for approval

7. Evaluate the performance of the Corporate Governance and Sustainable Development Committee at least once a year

8. Perform any other duties entrusted by the Board of Directors or in accordance with the policy prescribed by the Board of Directors

Meeting attendance records of Board of Directors and Subcommittees for the year 2019

| Director | Position ^{(1) (2)} | Number of Meetings Attended / Number of Meetings Entitled to Attend | | | | |
|---|--|--|-------------------------|-----------------|---------------------|---------------------------------------|
| | | Board of Directors | Non-executive Directors | Audit Committee | Executive Committee | Nomination and Remuneration Committee |
| 1. MR. BHANAPOT DAMAPONG | Chairman of the Board of Directors | 7/7 | 1/1 | - | - | - |
| 2. DR. SATIAN POOPRASERT | Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer | 7/7 | - | - | 11/11 | - |
| 3. DR. PRASERT TRAIRATVORAKUL | Director / Member of the Executive Committee / Member of the Corporate Governance and Sustainable Development Committee / Deputy Managing Director | 6/7 | - | - | 9/11 | - |
| 4. MR. VIROON MAVICHAK | Director / Member of the Executive Committee / Deputy Managing Director | 6/7 | - | - | 11/11 | - |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee | 7/7 | 1/1 | - | 11/11 | 2 / 2 |
| 6. CLINICAL PROF. DR. SARANA BOONBAICHAIRAPRUCK ⁽³⁾ | Independent Director / Chairman of the Nomination and Remuneration Committee | 5/7 | 1/1 | - | - | 2 / 2 |
| 7. MRS. VILASINEE PUDDHIKARANT ⁽³⁾⁽⁴⁾ | Director / Member of the Nomination and Remuneration Committee | 4/7 | 1/1 | - | - | 2 / 2 |
| 8. MR. KANIT PATSAMAN ⁽³⁾ | Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance and Sustainable Development Committee | 7/7 | 1/1 | 4/4 | - | - |
| 9. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA ⁽³⁾ | Independent Director / Member of the Audit Committee | 5/7 | 1/1 | 4/4 | - | - |
| 10. MR. PISET CHIYASAK ⁽⁵⁾ | Independent Director / Chairman of the Corporate Governance and Sustainable Development Committee / Member of the Audit Committee | 7/7 | - | 4/4 | - | - |
| 11. MR. SONGSAK PREMSUK ⁽⁶⁾ | Member of the Executive Committee | - | - | - | 9/11 | - |
| 12. DR. SOMCHAI PINYOPORN PANICH | Member of the Executive Committee | - | - | - | 11/11 | - |

Remarks:

- (1) Independent directors refer to non-executive directors involving in routine management who are not majority shareholders of the Company and possess qualifications as specified by the Capital Market Supervisory Board.
- (2) Appointed as Member of the Corporate Governance and Sustainable Development Committee by the resolution of the Board of Director Meeting No.1/2020 on January 21, 2020
- (3) Appointed as a director by the resolution of the Board of Directors Meeting No. 4/2017 on September 13, 2017, to replace Dr. Mongkol Tanjapatkul, Dr. Prommin Lertsuridej, GEN. Dr. Sahachart Pipitkul and Miss Pintongta Shinawatra Kunakornwong, who held the director position until September 13, 2017.
- (4) Mrs. Vilasinee Puddhikarant was appointed as an independent director in accordance with the resolution of the Board of Directors Meeting No. 4/2017 on September 13, 2017 and was appointed as the member of the Audit Committee in accordance with the resolution of the Board of Directors' Meeting No. 5/2017 on September 28, 2017, by holding the position of the member of the Audit Committee until June 2018. Mrs. Vilasinee was later appointed as a director in place of being an independent director and was appointed as a member of the Nomination and Remuneration Committee in accordance with the resolution of the Board of Directors Meeting No. 3/2018 (after the conversion into a public limited company) on July 31, 2018.
- (5) Appointed as a director by the resolution of the Board of Directors Meeting No. 4/2018 on July 31, 2018 to replace Mr. Somboon Kuptimanus who resigned from the director position in July 2018 and was appointed as a member of the Audit Committee by resolution of the Board of Directors Meeting No. 4/2018 on July 31, 2018 to replace Mrs. Vilasinee Puddhikarant.
- (6) Appointed as Deputy Managing Director on July 6, 2017, and appointed as a member of the Executive Committee by the resolution of the Executive Committee Meeting No. 7/2017 on July 20, 2017, holding the position of Deputy Managing Director until 17 October 2017. Subsequently, was appointed as Advisor to Managing Director, after the organizational restructuring in accordance with the Company's Announcement No. 121/2017 on October 17, 2017. A strategic expert in marketing and public relations with beneficial knowledge and experience for the Company's business resigned from the position of Advisor to Managing Director in July 2018 and did not serve as a director and executive as of July 31, 2018.

EXECUTIVES

As of January 21, 2020, the Company's executives according to the definition of executives of the SEC Notification No. KorChor. 17/2551 regarding the Determination of Definitions in Domestic relating to Issuance and Offer for Sale of Securities (according to additional amendment). There were a total of 6 executives as follows:

| Name | Position |
|--|--|
| 1. DR. SATIAN POOPRASERT | Chief Executive Officer |
| 2. DR. MONGKOL TANJAPATKUL | Advisor to Managing Director |
| 3. DR. VIROON MAVICHAK | Deputy Managing Director, Medical Department |
| 4. DR. PRASERT TRAIRATVORAKUL | Deputy Managing Director, Nursing and Medical Service Department |
| 5. MR. TEERAPHAN DISAYABUTARA ⁽¹⁾ | Deputy Managing Director, Accounting and Finance Department (the highest responsible person for Accounting and Finance line) |
| 6. MR. CHAROEN NUDPOBSUK ⁽²⁾ | Deputy Managing Director |

Remarks:

- (1) Mr. Teeraphan Disayabutara was appointed as the Deputy Managing Director, Accounting and Finance Department (the highest responsible person for Accounting and Finance line) on May 1, 2019.
- (2) Mr. Charoen Nubpobsuk was appointed as the Deputy Managing Director on September 27, 2019.

Scope of Authority, Duties and Responsibilities of the Chief Executive Officer⁽¹⁾

- Supervise, manage, operate and perform regular business activities for the Company's benefit to be in accordance with the vision, business directions, objectives and Articles of Association, regulations, resolutions, policies, business strategies, goals, operational plans and annual budget plans as approved by the Board of Directors and/or the Shareholders' Meeting of a legal framework with relevant laws and scope of authority determined by the Board of Directors
- Oversee overall business operations in finance, marketing, personnel management and other operations to be in compliance with the Company's policies, business strategies, goals, operational plans and annual budget plans as approved by the Board of Directors
- Determine the Company's operational plans, investment plans, annual budget plans as well as management structure and authority as proposed by the Management Department to be proposed to the Executive Committee and/or the Board of Directors for further consideration of approval
- Inspect, monitor and evaluate the performance of the Company's Management Department regularly, suggest solutions to the problems and obstacles in order that the Management Department proceeds according to the strategy and business plan as in accordance with the Company's policies and goals as well as report to the Board of Directors on a quarterly basis
- Issue orders, regulations, announcements and records within the Company to ensure the Company's operations are in accordance with the policies and for the Company's benefits as well as to maintain discipline within the organization
- Assign any person to contact with external organizations, including government agencies and other regulatory agencies as much as the Chief Executive Officer has authority or has been assigned
- Define an organizational structure, management authority, and management methods covering details in selecting development and training, recruitment, appointment, transfer and dismissal of employees as defined in the Human Resources Management Authority Table that has been approved by the Board of Directors
- Determine the wage rate, remuneration, reward, bonus and pay raise for employees as specified in the Human Resources Management Authority table that has been approved by the Board of Directors.

⁽¹⁾ Approved by the Board of Directors Meeting No. 1/2018 (after the conversion into a public limited company) on March 30, 2018

9. Negotiate and enter into agreements and/or any transactions related to Company's normal business operations within the authority limits as specified in the Approval Authority approved by the Board of Directors, and/or as determined by the Board of Directors, and/or in accordance with relevant laws and regulations, and/or in accordance with the Company's Articles of Association.

10. Have the authority to approve agreements and/or any transactions related to Company's normal business operations in accordance with authority limits approved by the Board of Directors, such as purchasing assets, making loans, applying for loans from financial institutions, spending for significant investments and/or in accordance with relevant laws and regulations and/or in compliance with the Company's Articles of Association

11. Appoint consultants in each field as necessary for the Company's operations within the authority limits and/or as determined by the Board of Directors

12. Perform other duties as assigned by the Board of Directors and have the authority to take any necessary actions to perform such duties

13. Delegate the authority to a person or persons to perform any act on behalf of the Chief Executive Officer. The delegation of authority, duties and responsibilities of the Chief Executive Officer shall not be made in the manner that the Chief Executive Officer or authorized person delegated by the Chief Executive Officer is able to approve a transaction in which he or the person may have conflict of interest (as defined in the Notifications of the SEC and/or the Capital Market Supervisory Board and/or the SET and/or relevant agencies) may have stake in or may receive benefit in any way or may have any conflicts of interest with the Company, unless the approval of the transaction is in accordance with the policies and criteria approved by the Board of Directors Meeting.

Table of Financial Approval Authority

| No. | Items ⁽¹⁾ | Manager | Assistant Chief Executive Officer | Deputy Managing Director | Chief Executive Officer | Executive Committee | Board of Directors |
|-----|--|------------------|-----------------------------------|--------------------------|-------------------------|--------------------------|--------------------|
| 1. | Business Plan and Annual Budget | - | - | - | - | - | Approved |
| 2. | Capital Budgeting per Project | - | - | - | 10 million Baht | >10 million Baht | - |
| 3. | Medical tools and equipment ⁽²⁾ | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 10 million Baht | >10 million Baht | - |
| 4. | Other Fixed Assets ⁽²⁾ | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 10 million Baht | >10 million Baht | - |
| 5. | Project budgeting | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 10 million Baht | >10 million Baht | - |
| 6. | Medications | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 5 million Baht | 20 million Baht | Unlimited |
| | - Medical Supplies and Biomedical materials ⁽²⁾ | 5 thousand Baht | 10 thousand Baht | 1 hundred thousand Baht | 5 million Baht | 20 million Baht | Unlimited |
| | - Other Extravagant Materials ⁽²⁾ | 5 thousand Baht | 10 thousand Baht | 1 hundred thousand Baht | 5 million Baht | 20 million Baht | Unlimited |
| 7. | Costs and Expenses | | | | | | |
| | - Cost of medical treatment | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 5 million Baht | >5 million Baht | - |
| | - Repair and Maintenance expenses | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 5 million Baht | >5 million Baht | - |
| | - Insurance Fees | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 5 million Baht | >5 million Baht | - |
| | - Advertising, Public Relations and Sales Promotion expenses | 10 thousand Baht | 50 thousand Baht | 2 hundred thousand Baht | 1 million Baht | >1 million Baht | - |
| | - Domestic Travelling Expenses | - | - | 50 thousand Baht | 1 hundred thousand Baht | >1 hundred thousand Baht | - |
| | - International Travelling Expenses | - | - | - | 5 hundred thousand Baht | >5 hundred thousand Baht | - |
| | - Other Expenses | - | 10 thousand Baht | 2 hundred thousand Baht | 1 million Baht | >1 million Baht | - |
| 8. | Advance | - | 10 thousand Baht | 1 hundred thousand Baht | 5 hundred thousand Baht | >5 hundred thousand Baht | - |
| 9. | Budget imprest Cash/Adjust imprest Cash | - | - | - | Approved | - | - |

Remark:

(1) Budget approval authority only

(2) Per each time of purchase

COMPANY SECRETARY

The Board of Directors Meeting No. 2/2018 (before the conversion into a public limited company) on February 28, 2018 resolved to appoint Miss Marisara Thanasaksiri to be the Company Secretary. Miss Marisara had legal education qualifications and passed various training courses which helped support her own duties such as Company Secretary Program, CGR Workshop. The appointment became effective from March 16, 2018. The Company Secretary had duties in preparing and maintaining the register of directors, invitation letter of the Board of Directors Meeting, the minutes of Board of Directors Meeting, annual report, invitation letter of shareholders' meeting, minutes of shareholders' meeting, reports of conflict of interest prepared by directors or executives as well as perform any other tasks specified by the Capital Market Supervisory Board and submit copies of reports of conflict of interest pursuant to Section 89/14.

Shareholders and Stakeholders can directly contact the Company Secretary at:

Miss Marisara Thanasaksiri

Praram 9 Hospital Company Limited 99, Rama IX Road, Bangkok, Huai khwang, Bangkok, 10310

Tel: 02-202-9999 ext. 39605 E-mail : marisarat@praram9.com

(See more details in Company Secretary Profile)

Scope of Authority, Duties and Responsibilities of the Company Secretary

1. Inform related executives of the resolutions and policies of the Board of Directors and shareholders, give basic advice to the Board of Directors in accordance with the laws, rules, regulations, policies and Articles of Association of the Company and good corporate governance practices which must be acknowledged and upheld correctly and regularly, and report on significant changes of laws, rules, regulations and/or Articles of Association to the Board of Directors for acknowledgment
2. Prepare and maintain documents such as a register of directors, invitation letter of the Board of Directors Meeting, minutes of the Board of Directors Meeting, annual report, invitation letter of the shareholders' meeting, and minutes of the shareholders' meeting.
3. Proceed to ensure that directors, executives and other persons deemed as appropriate by the Board of Directors to prepare a report of interests of their own and related persons in accordance with the laws, keeping such reports and submitting copies of such reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the day the Company receives such reports
4. Arrange the shareholders' meeting and the Board of Directors Meeting in accordance with the laws, Company's Articles of Association and relevant practices, and record meeting minutes
5. Monitor and supervise the disclosure and report of information under responsibility to related agencies in accordance with the regulations and requirements of such agencies
6. Contact and communicate with general shareholders to be informed of shareholders' rights
7. Perform any other duties as specified by the Capital Market Supervisory Board, the law on securities and exchange commission and other relevant laws and rules and/or as assigned by the Board of Directors

REMUNERATION OF DIRECTORS AND EXECUTIVES

The Company has established clear and transparent remuneration of directors in alignment with the roles, duties and responsibilities and has considered the appropriateness by taking into account the Company's utmost benefits. Details of the remuneration of directors and executives are as follows:

Monetary Remuneration

1) Remuneration of directors (only remuneration as a director)

The Annual General Meeting of Shareholders for the year 2019, on April 26, 2019 resolved to approve the directors' remuneration for the year 2019 in the amount of Baht 3,200,000 as detailed below.

| Board of Directors | Position | Meeting Allowance | Other Remuneration |
|--------------------|----------|-------------------|--------------------|
| Board of Directors | Chairman | 30,000 | None |
| | Director | 20,000 | None |

| Subcommittees | Position | Meeting Allowance | Other Remuneration |
|---------------------------------------|----------|-------------------|--------------------|
| Audit Committee | Chairman | 30,000 | None |
| | Director | 20,000 | None |
| Executive Committee ⁽¹⁾ | Chairman | 12,000 | None |
| | Director | 10,000 | None |
| Nomination and Remuneration Committee | Chairman | 30,000 | None |
| | Director | 20,000 | None |

Remark:

(1) Executive directors are not entitled to receive meeting allowance of the Executive Committee.

Remuneration of Directors and Subcommittees for the Year 2019

| Name of Board of Directors and Sub-committees | 2018 (Baht) | 2019 (Baht) |
|--|------------------|------------------|
| 1. MR. BHANAPOT DAMAPONG | 270,000 | 180,000 |
| 2. DR. SATIAN POOPRASERT | 135,000 | 110,000 |
| 3. DR. PRASERT TRAIRATVORAKUL | 135,000 | 90,000 |
| 4. DR. VIROON MAVICHAK | 135,000 | 95,000 |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | 239,000 | 242,000 |
| 6. CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK | 160,000 | 130,000 |
| 7. MRS. VILASINEE PUDDHIKARANT | 155,000 | 70,000 |
| 8. MR. KANIT PATSAMAN | 295,000 | 220,000 |
| 9. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | 215,000 | 165,000 |
| 10. MR. PISET CHIYASAK | 50,000 | 180,000 |
| 11. MR. SONGSAK PREMSUK | 66,000 | 82,000 |
| 12. DR. SOMCHAI PINYOPORNPANICH | 60,000 | 94,000 |
| Total | 2,015,000 | 1,658,000 |

2) Remuneration of Executives (only remuneration as an executive)

In 2019, the Company has paid monetary compensation to executives, which consisted of salary and bonus as follows:

| Remuneration of Executives | Number of Executives ⁽¹⁾ (Person) | 2018 (million Baht) | 2019 (million Baht) |
|----------------------------|---|------------------------|------------------------|
| Remuneration of Executives | 6 | 33.8 | 30.6 |

Remark:

- (1) Dr. Suthon Chutiniyomkarn vacated his position as the Deputy Managing Director, Business Administration Department on June 17, 2019. The Company appointed Mr. Charoen Nudpobsuk to be the Deputy Managing Director, Management Department on September 27, 2019.

Other Remuneration

1) Remuneration of directors (only remuneration as a director)

The Company has a policy to provide other remuneration to the Board of Directors in accordance with the agreement, such as medical welfare for directors and families as defined in the Company's regulations.

2) Remuneration of executives (Only remuneration as an executive)

The Company has a policy to provide other remuneration to the Company's executives, such as medical welfare, provident fund, insurance premiums, telephone fees, fuel bills and toll fees.

PERSONNEL

Number of Personnel

As of December 31, 2019, the total number of Company's personnel was 2,083 people, divided by line of work as follows:

| Line of Work | Number (people) | |
|--|-----------------|--------------|
| | 2018 | 2019 |
| Full-Time Doctor | 117 | 113 |
| Part-Time Doctor | 443 | 468 |
| Consultant Doctor | 149 | 178 |
| Nurse | 344 | 346 |
| Other Medical Personnel ⁽¹⁾ | 585 | 643 |
| Other Departments ⁽²⁾ | 348 | 335 |
| Total | 1,986 | 2,083 |

Remark:

- (1) Medical personnel includes other medical services such as pharmacists, radiologists, nutritionists and physical therapists.
 (2) Other departments include Business Development Department, Business Administration Department, Building Department and other departments.

Remuneration of Employees

In 2019, the Company paid remuneration to employees, excluding doctors, as follows:

| Remuneration of Employees | 2018 (million Baht) | 2019 (million Baht) |
|-----------------------------------|------------------------|------------------------|
| Salary and compensation | 585.9 | 624.1 |
| Bonus | 78.0 | 82.2 |
| Other Compensation ⁽¹⁾ | 94.6 | 115.3 |
| Total | 758.5 | 821.6 |

Remark:

(1) Other compensation, such as medical expenses, provident fund, social security, life insurance, retirement fund and other welfares.

Provident Fund

The Company has established a provident fund in accordance with the Provident Fund Act BE 2530 (including the additional amendment) by entering into a provident fund, K Master Pooled Fund, with Registration No. 23/2536. The Company has assigned Kasikorn Asset Management Company Limited to be the provident fund manager.

The main objective is to create morale and to motivate employees to work with the Company in the long run. The employees who join the provident fund will receive the Company's contributions of 3% or 5% of the employees' salary base and employees will pay their own contributions to the fund at the rate of 3% or 5% of the salary base depending on the employee tenure.

Major Labor Disputes over the Past 3 Years

-None-

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

Praram 9 Hospital Public Company Limited (“the Company”) registered as a public limited company on March 29, 2018 and listed its ordinary shares on the Stock Exchange of Thailand on October 30, 2018, under the securities symbol “PR9”. Recognizing the importance of compliance with the principles of good corporate governance, the Board of Directors has therefore a policy to continuously promote better corporate governance within the organization, in the belief that it is a significant factor for the Company’s effective business operations and sustainable growth. As good corporate governance is a tool that reflects the effectiveness, transparency and accountability of management systems, it will then enhance confidence of shareholders, investors and stakeholders of the Company that the Company operates business transparently and fairly to all stakeholders. In addition, this allows the Company to be able to adapt itself appropriately amidst rapid changes in business and technology, thus resulting in long-term growth and sustainable value for the business.

Since the conversion into Rama 9 Hospital Public Company Limited, the Board of Directors has developed a policy on corporate ethics and good corporate governance in written form. The content covers 5 significant key principles of good corporate governance, including shareholders’ rights, equitable treatment of shareholders, role of stakeholders, disclosure of information and transparency, and responsibilities of the Board of Directors. To ensure that the policy regularly encompasses various factors in consistent with the changes in business operations in terms of goals, strategies and operations of the Company, in 2019, the Board of Directors therefore determined that the policy shall be reviewed and improved to ensure its accuracy, completeness and clarity in accordance with recommendations of the Stock Exchange of Thailand (SET) and the Corporate Governance Code (CG Code) of the Securities and Exchange Commission (SEC), the criteria of Thai Institute of Directors (IOD) as well as the international criteria of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Company also arranged a meeting with SET’s corporate governance experts and organized a lecture for the Board of Directors, executives and related parties to create mutual understanding. Moreover, the Company provided a training to educate new employees on the orientation day, tested their knowledge and understanding after the training and gave answer explanations. As part of the work regulations, all employees were required to attend the training and pass the test on such topics. Furthermore, the Company disseminated the policy to all directors, executives and employees of the Company as well as all relevant stakeholders for acknowledgement and compliance in the same direction. The significant matters can be summarized as follows:

RIGHTS OF SHAREHOLDERS

The Company recognizes and places importance on the basic rights of all shareholders on a fair and equal basis. To enhance confidence among shareholders and investors, the Company has therefore defined the basic rights of shareholders in writing in the Company’s corporate governance policy. The basic rights of shareholders consist of the right to buy, sell, and transfer the securities of one’s own; the right to receive profit sharing from the Company; the right to attend Shareholders’ Meeting; the right to express opinions; the right to communicate between each other where the Company will not obstruct or create obstacles; the right to take part in making decisions on the Company’s significant matters such as dividend allocation and stock repurchase; the rights to the purchase of additional shares, the appointment or removal of directors, the consideration of directors’ remuneration, the appointment of auditor, the approval of significant transactions that affect the Company’s business directions and the amendment of the Memorandum of Association and Articles of Association of the Company; and the right to receive sufficient, accurate and timely information. Thus, if the shareholder agreement has a significant impact on the Company or other shareholders, the Company shall immediately provide an explanation. In addition, the Company has promoted the rights of shareholders in various aspects as follows:

1. Facilitating shareholders in the Shareholders' Meeting

- The Company has a mission to promote and facilitate shareholders and investors to fully exercise their rights through the Shareholders' Meeting, and to allow shareholders to participate in making decisions on significant matters of the business or matters that affect one's own benefits in various aspects. The Company therefore has a policy to facilitate and encourage shareholders, investors, and institutional investors to attend the Company's Shareholders' Meeting by setting the appropriate date, time and venue for the meeting. The meeting is not held during public holidays or more than 3 consecutive holidays. The meeting is held during normal business hours at 08.30 - 16.00 hours to ensure sufficient meeting time. The meeting venue is in Bangkok where the headquarters is located. Such venue is accessible to transportation systems such as buses, electric trains (MRT, Airport Rail Link). Shuttle bus service is also provided to pick up and drop off shareholders to attend the meeting. This is to facilitate the Company's shareholders in attending the meeting.
- The Company provides stamp duty service for the proxy form to the proxy attending the meeting without any charge at the registration point in order to reduce the burden of stamp duty costs incurred to shareholders.
- The Company has established guidelines for the shareholders' identification documents in case of proxy for other persons to attend the meeting, a copy of ID card or a copy of a passport can be used in place without having to use the actual documents in order to avoid complications or restrict the right of shareholders to attend the meeting.

2. Operation prior to the Shareholders' Meeting

- The Company has a policy to allow shareholders to propose additional agenda and nominate qualified persons to be elected as the Company's directors at the Annual General Shareholders' Meeting. This include the opportunity for shareholders to submit questions on the Company or about the agenda in order to inquire on doubtful issues to the Company in advance, prior to the Company's Annual General Shareholders' Meeting. The Company has published details and criteria for granting such right on the Company's website at www.pram9.com under the topic of Investor Relations and the SET's website for acknowledgement of shareholders and investors.
- For the 2020 Annual General Shareholders' Meeting, the Company offered shareholders an opportunity to propose additional agenda and nominate qualified persons to be elected as directors of the Company in advance, starting from October 1, 2019 to December 31, 2019. Shareholders can submit questions on the Company in advance from October 1, 2019 to March 31, 2020.
- The Company notified the SET of the resolutions of the Board of Directors Meeting on the determination of date of Annual General Meeting of Shareholders after the end of the meeting immediately or at least by the next following day via the SET's website and the Company's website at www.pram9.com so that shareholders and investors were rapidly informed of the schedule and agenda.
- The Company had a policy to publicize the Invitation Letter to the Shareholders' Meeting along with supporting documents in both Thai and English on the Company's website at www.pram9.com under the topic of Investor Relations at least 30 days prior to the meeting. The Company delivered the Invitation Letter to the Shareholders' Meeting in both Thai and English at least 21 days prior to the meeting. The invitation letter clearly specified the date, time and venue of the meeting, as well as map of the venue, agenda, objectives and rationales for each agenda, separate votes for each item such as the election of directors (separate the election of directors and the election of new directors into 2 agenda items), determination of director authority, director remuneration and significant and necessary information for decision making, opinions of the Board of Directors, which were complete and sufficient for decision making and voting in each agenda. The invitation letter was also advertised in a daily newspaper for 3 consecutive days at least 3 days prior to the meeting to inform the shareholders of the Shareholders' Meeting in advance and provide sufficient information for the shareholders to prepare for the meeting.

- The Company had a policy to allow shareholders, both minority shareholders and shareholders who were institutional investors to register to attend the Shareholders' Meeting in advance, prior to the meeting date. The Company viewed that it was a channel that can help facilitate all shareholders and prevent delays on the meeting date.

- The Company had a policy to protect shareholders' rights in the event that shareholders were not able to attend the meeting by themselves. The Company allowed shareholders to appoint any other persons or Company's independent directors to attend the meeting on their behalf. The Company specified the information of the independent directors as proxies in the proxy forms which had been delivered together with the invitation letter to the shareholders as well as details of documents and necessary evidence for shareholders and proxies to be presented to the Company on the meeting date in order to protect shareholders' right in attending the meeting.

3. Operation on the Shareholders' Meeting day

- The Company explained procedures for attending the meeting to enable all shareholders to clearly and accurately understand the procedures of the Shareholders' Meeting. Therefore, prior to the commencement of the meeting, the Company Secretary introduced the directors, executives, legal consultants and volunteers, vote counting inspectors and the Company's auditor to the shareholders. This included informing the number of shareholders who attended the meeting, both shareholders who came in person and by proxy, as well as explaining the procedures and methods of voting. In addition, at the end of the clarification of the Board of Directors in each agenda, the Chairman of the Board of Directors allowed shareholders to ask questions and expressed their opinions in sufficient and appropriate time. The Board of Directors answered the questions related to the business and the agenda for shareholders' acknowledgement and recorded them in the minutes of the Shareholders' Meeting of the Company. In the event that the shareholders were foreigners, the Company arranged an interpreter to translate questions and answers to the shareholders as well as the Shareholders' Meeting for acknowledgement.

In 2019, the Company held 1 Shareholders' Meeting with the Board of Directors, the first 4 executives and the Company's auditor attending the meeting. The details were as follows:

| Name of Director and Executive | Position | Number of Meetings Attended/ Number of Meetings Entitled to Attend | |
|---|--|---|------|
| | | 2018-2019 | 2019 |
| 1. MR. BHANAPOT DAMAPONG | Chairman of the Board of Directors (Non-Executive Director) | 2/2 | 1/1 |
| 2. DR. SATIAN POOPRASERT | Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer | 2/2 | 1/1 |
| 3. DR. VIROON MAVICHAK | Director / Member of the Executive Committee / Deputy Managing Director, Medical Department | 2/2 | 1/1 |
| 4. DR. PRASERT TRAIRATVORAKUL | Director / Member of the Executive Committee / Member of the Corporate Governance and Sustainable Development Committee / Deputy Managing Director, Nursing and Medical Services Department | 2/2 | 1/1 |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee (Non-Executive Director) | 2/2 | 1/1 |
| 6. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | Independent Director / Member of the Audit Committee | 2/2 | 1/1 |

| Name of Director and Executive | Position | Number of Meetings Attended/ Number of Meetings Entitled to Attend | |
|---|---|---|------|
| | | 2018-2019 | 2019 |
| 7. CLINICAL PROF. DR. SARANA BOONBAICHAIRAPRUCK | Independent Director / Chairman of the Nomination and Remuneration Committee | 2/2 | 1/1 |
| 8. MR. KANIT PATSAMAN | Independent Director / Chairman of the Audit Committee / Member of the Corporate Governance and Sustainable Development Committee | 2/2 | 1/1 |
| 9. MRS. VILASINEE PUDDHIKARANT | Director / Member of the Nomination and Remuneration Committee (Non-Executive Director) | 2/2 | 1/1 |
| 10. MR. PISET CHIYASAK | Independent Director / Chairman of the Corporate Governance and Sustainable Development Committee / Member of the Audit Committee | 2/2 | 1/1 |
| 11. MR. TEERAPHAN DISAYABUTARA ⁽¹⁾ | Deputy Managing Director, Accounting and Finance Department (Chief Financial Officer) | 0/0 | 0/0 |
| 12. MR. CHAROEN NUBPOBSUK ⁽²⁾ | Deputy Managing Director, Management Department | 0/0 | 0/0 |
| 13. DR. SUTHON CHUTINIYOMKARN ⁽³⁾ | Deputy Managing Director, Management Department / Deputy Managing Director, Business Development Department | 2/2 | 1/1 |
| 14. MISS NUCHANEE UTONG ⁽⁴⁾ | Assistant Managing Director, Accounting and Finance Department | 2/2 | 1/1 |

Remarks :

- (1) Mr. Teeraphan Disayabutara was appointed as the Deputy Managing Director, Accounting and Finance Department on May 1, 2019.
- (2) Mr. Charoen Nudpobsuk was appointed as the Deputy Managing Director, Management Department on September 27, 2019.
- (3) Dr. Suthon Chutiniyomkarn resigned from the position as the Deputy Managing Director, Management Department / Deputy Managing Director, Business Development Department on July 17, 2019.
- (4) Miss Nuchanee Utong vacated her position as the Chief Financial Officer on May 1, 2019.

- With respect to voting and vote counting methods in each agenda, the Company arranged to use ballots for every agenda. In the agenda on the election of directors, the Company gave shareholders an opportunity to vote to elect directors individually and implemented a barcode system to facilitate the shareholders and ensure rapidity and accuracy. The Company immediately presented the vote counting results to the shareholders for acknowledgement. To ensure transparency in voting and vote counting in the Shareholders' Meeting, the Company invited 2 shareholder representatives to observe the vote counting with the independent legal consultants as the shareholder representatives to check the voting and oversee that the Shareholders' Meeting was conducted transparently and in accordance with the laws and the Company's Articles of Association.

- The Company had a policy to conduct the Shareholders' Meeting in accordance with the order of the meeting agenda as stated in the invitation letter, without adding any sudden significant information during the Shareholders' Meeting as well as avoid adding other agenda items that were not scheduled in advance or change the order of the meeting agenda or significant information without notifying the shareholders in advance. This was to inform the shareholders of the matters to be considered in advance for decision making in attending the meeting.

- The Company had a policy to allow all shareholders to have equal rights in expressing opinions, suggestions or asking questions on related agendas independently and allocated appropriate time prior to the voting. The Company's directors and executives answered questions and clarified false statements in the meeting appropriately.

- In determining director remuneration, such as regular remuneration, meeting allowance, other benefits (if any), the Company established a clear policy, methods and criteria by benchmarking with other companies in the same industry, meeting plans of the Board of Directors and subcommittees, business expansion and profit growth, which were approved by the Nomination and Remuneration Committee and the Board of Directors before proposing to the Shareholders' Meeting for approval.

4. Operation after the Shareholders' Meeting

- The Company published the resolutions of the Shareholders' Meeting along with the vote results after the adjournment of the Shareholders' Meeting or at least within 9.00 hours of the next business day from the date of the Shareholders' Meeting through the SET's website and the Company's website at www.pram9.com.

- The Company recorded and prepared the minutes of the Shareholders' Meeting in both Thai and English correctly and completely on essential matters, such as the proportion of shareholders attending the meeting, criteria and methods for voting and vote counting, names and positions of directors, top executive, the first 4 executives, auditors, inspectors to check vote counting in the meeting, content of the meeting agenda, Q&As, suggestions, comments, and meeting resolutions, together with voting results i.e. approval, disapproval, abstention and void ballots for shareholders who did not attend the meeting for acknowledgement and verification. The Company published the minutes of the Shareholders' Meeting on the Company's website at www.pram9.com under the topic of Investor Relations so that Thai and foreign shareholders can quickly and equally get information as well as check the accuracy of information. Should the shareholders had suggestions or questions or opinions regarding the minutes of Shareholders' Meeting, kindly contact the Company Secretary without having to wait for the next meeting and submit the minutes to the relevant authorities within the period specified by the law.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Company recognizes and places importance on equitable treatment of shareholders. The Board of Directors has therefore established a policy by taking into account the protection of rights of every group of shareholders, whether majority shareholders, minority shareholders, institutional shareholders or foreign shareholders, to ensure that they are treated equally and their interests are safeguarded correctly, fairly and transparently, in order to protect shareholders from being exploited by the regulator as follows:

1. Types of shares and voting rights

The Company's shares are of the same type as the company's regulations, i.e. ordinary shares with specified shareholders names. All shareholders have the right to vote in proportion to their shareholding, with one share equivalent to one vote and holding a majority vote as a resolution. In case of a tie vote, the Chairman of the meeting shall cast the deciding vote, as one extra vote apart from voting as a shareholder.

2. Shareholding structure of the Company

The Company has a policy to disclose the Company's shareholding structure of the top 10 shareholders, namely majority shareholders, shareholders with controlling power, shareholders who are institutional investors as well as the proportion of minority shareholders (Free Float) of the Company as well as maintain the shareholding ratio of minority shareholders in accordance with the rules set by the SET, that is, the Company has a proportion of minority shareholders of more than 40 percent. As of the record date to determine a name list of shareholders entitled to attend the 2019 Annual General Shareholders' Meeting on March 11, 2019, the Company had a proportion of minority shareholders of approximately 57.22 percent. The Company has disclosed the Company's shareholding structure in an annual report, an annual registration statement (Form 56-1), the Company's website at www.pram9.com and the SET's website. In addition, the Company has transparent and accountable operating structure and there is no complex shareholding structure with difficulty in identifying the beneficial owner. This includes no cross or pyramid holdings in any way.

3. Invitation letter to the Shareholders' Meeting

The Company places importance on treating each shareholder equally, whether majority shareholders, minority shareholders or foreign shareholders. In organizing the Annual General Shareholders' Meeting, all

shareholders will receive information on the meeting agenda in advance and although the majority of the Company's shareholders are Thai, the Company still prepare the invitation letter to the Shareholders' Meeting and related documents in 2 languages, Thai and English, to facilitate both Thai and foreign shareholders. The Company also publishes a complete invitation letter to the Shareholders' Meeting in both Thai and English on the Company's website at www.pram9.com at least 30 days prior to the meeting date. The Company sends the invitation letter to the Shareholders' Meeting along with supporting documents for the shareholders to study them in advance, at least 21 days prior to the meeting.

4. Proxy forms and proxy granting for the Shareholders' Meeting

The Company prepares proxy forms in accordance with the Ministry of Commerce for shareholders to select and use as deemed appropriate, Form A, Form B and Form C (proxy form only for the custodian) published on the Company's website at www.pram9.com as well as delivers proxy forms to the shareholders by specifying documents and evidence necessary for the shareholders and proxy holders to present on the meeting date as well as simple step-by-step proxy instructions for the shareholders to be able to correctly prepare and not having problems in attending the meeting of proxy holders. This is to facilitate and maintain the rights to shareholders in the event that they are unable to attend the meeting by themselves.

5. Broadcasting of Shareholder's Meeting

The Company arranges for the live broadcasting of the meeting and publishes the recorded video of the Shareholders' Meeting on the Company's website at www.pram9.com for the shareholders, investors and interested parties that have no opportunity to attend the meeting.

6. Report on conflict of interest of the Company's Board of Directors and Executives

To comply with the Securities and Exchange Act of Thailand and ensure fairness to all stakeholders, the Board of Directors has therefore established a policy on the reporting of conflicts of interest of the Company's directors and executives, specifying that directors and the first 4 executives shall report to the Company of their own interests or of the related persons. In case of having a stake in the management of the Company's business or its subsidiaries (if any) conflict of interest of directors and executives shall be reported as follows:

(1) First time reporting: Report to the Company by informing the Company Secretary when the director or executive takes the position of director or executive.

(2) Report on changes in interests: report without delay within 3 business days from the date of data change by specifying the number of time of changes. The Company Secretary shall send a copy of the revised report to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgement within 7 working days from the date the Company receives the said report.

(3) Report on conflict of interest or involvement in the consideration item: The directors and executives, who have conflict of interest or are involved in the transactions to be considered by the Audit Committee or the Board of Directors, shall inform the Company Secretary of the relationship or the conflict of interest of one's own and persons involved in the said transaction at least 10 days prior to the consideration of agenda in the Board of Directors Meeting (or at least 3 days before sending the invitation letter and/or supporting documents) and record them in the minutes of the Audit Committee or Board of Directors Meeting at that time and shall not participate or have voting rights in considering as well as have no authority to approve the transaction.

In 2019, there were 2 new executives among the first 4 executives of the Company, all of whom had submitted the conflict of interest reports to the Company Secretary to store them as a registration database of the Company's directors and executives. The Company Secretary sends a copy of the report on such conflict of interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgment and already keeps such information.

7. Preparation and dissemination of minutes of Shareholders' Meeting

To enable the shareholders to acknowledge and check the Company's Shareholders' Meeting information within a reasonable time, the Company has therefore a policy to publish the minutes of the

Shareholders' Meeting, which contain complete significant information, namely significant content of the agenda, resolutions, along with the vote results of approval, disapproval, abstention and void ballots as well as inquiries, explanation and opinions in the meeting. The Company prepares the minutes both in Thai and English and publishes them simultaneously on the Company's website at www.praram9.com, within 14 days from the meeting date so that Thai and foreign shareholders can quickly and equally receive information and check for the accuracy of the information without having to wait for the next meeting as well as submit to the Department of Business Development, Ministry of Commerce, within the timeframe specified by law.

8. Internal information protection and confidentiality policy

The Company places importance on the supervision of the use of internal information and confidentiality, maintenance of information and confidential documents of customers, and information security in the information technology system. The Company has therefore established a policy on the use of information and confidentiality as guidelines for keeping and preventing the use of internal information that may be significant and may affect the changes in the company's stock price as follows:

(1) Prohibit individuals or units that perceive internal information to disclose such information to unrelated individuals or units unless the Company has disclosed such information to the public

(2) Directors, executive directors, employees and staff as well as advisors to the Chief Executive Officer that have acknowledged significant internal information which has or may have an effect on the price of the Company's securities as well as financial information, shall refrain from trading of the Company's securities during the 30 days prior to the disclosure of financial statements or internal information to the public and during the 24 hours after the Company's information has been publicly disclosed. Those related to such information shall not disclose that information to other persons, unless such information has been notified to the SET.

(3) Doctors, consultants and staff who play significant roles must sign a content to maintain confidentiality of the Company.

The Company has disclosed a policy on the prevention of the use of internal information and confidentiality to all directors, executives and employees for acknowledgement and compliance through the Company's website at www.praram9.com. The Company's new employees will be informed of this policy as the Company has included it in the orientation course for new employees.

9. Policy to prevent conflict of interest

The Company has established a policy and practice guidelines on the prevention of conflict of interest based on the principle that any decision in conducting business activities shall be for the best interests of the Company and shareholders and shall avoid actions that cause conflict of interest to ensure fairness to all stakeholders. Therefore, such is considered as the Company's policy to prevent personal exploitation from being a director, executive or employee of the company. As a result, the Company has determined practices for directors, executives and employees of the Company as follows:

(1) Avoid conducting related party transactions or connected transactions with oneself or related persons that may cause conflict of interest with the Company, except for transactions that will support medical services and/ or are transactions that are reasonable and most beneficial to the Company.

(2) Refrain from seeking benefits for oneself and others by using and disclosing information or internal information that has not been disclosed to the public or is confidential to outsiders

(3) Not use documents or information obtained from being the Company's director, executive or employee in doing his/her own business or other persons' that is in competition with or having common characteristics or related to the Company

10. Policy on related party transactions and connected transactions

The Company has established a policy on related party transactions and/or connected transactions in order to ensure transparency and fairness in the Company's business operations. The details are as follows:

Processing of transaction and transaction approval

In conducting related party transactions or connected transactions, the Company has to comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the SEC and the SET whereby directors, executives or persons who may have conflict of interest in the said transaction shall not be able to participate or have the right to vote for approval of the said transaction.

Measures/procedures for entering into related party transactions

(1) In considering of entering into related party transactions, the Company shall apply the same criteria for general customers and/or the general public as well as shall be in accordance with the Company's normal operating procedures in order to support the business operations which shall be fair and reasonable as well as create the highest benefits to the Company.

(2) If there is no such price, the Company shall consider comparing the price of the products or services with the external price, under the same or similar conditions.

(3) The Company may utilize the report of independent appraiser, who has been appointed by the Company or the Company in the Group, to compare prices for significant related party transactions in order to ensure that such prices are reasonable and are for the best interests of the Group.

(4) In conducting a related party transaction or a connected transactions in which the Company or directors or senior executives have related interests, which is not a normal business transaction or has different commercial terms from that conducted with general customers or external parties, shall be able to proceed only when such transaction has been approved by the Board of Directors Meeting with no less than three-fourths of the votes whereby directors, or senior executives who have related interests shall not participate in considering and approving that transaction and must not have any special conditions or requirements in accordance with the criteria set by the Company.

(5) The Company shall disclose information on transactions that may have conflict of interest or related party transactions or connected transactions in accordance with the criteria of the regulatory agencies.

(6) Related party transactions shall be reviewed according to the audit plan by the Internal Audit Unit which shall directly report to the Audit Committee. There shall be control measures, inspection and supervision to ensure that there are randomly re-examine the conduct of actual transactions to be accurate and in accordance with contracts or policies or conditions

Approval of related party transactions or connected transactions

In case where the law determines that related party transactions shall be approved by the Board of Directors or the Shareholders' Meeting prior to the entering into any related transactions (if any). The Company shall assign the Audit Committee to participate in the meeting to consider and express opinions on the necessity and reasonableness of the transactions. However, when entering into normal business transactions or normal business support transactions that are trade agreements with general commercial terms and transactions that are trade agreements without general commercial terms, the Company shall ensure that the transactions are in accordance with the following principles.

(a) Transactions that are trade agreements with general commercial terms

To conduct related party transactions which are normal business transactions or normal business support transactions that are trade agreements with general commercial terms and are beneficial to the Company's business or operations, the Management Department or the Executive Committee shall propose the Board of Directors to approve the transaction in principle before entering into the said transactions. If the said transactions have trade agreements in the same manner as ordinary person ought to be done with the general partner of contract in the same situation; with the bargaining power of trade that is free from the influence of oneself being a director, executive or related person.

The Management Department shall prepare a summary report of such transactions to report in the Audit Committee Meeting and the Board of Directors Meeting every quarter. The transactions that are in accordance with the general commercial terms are trade conditions with fair prices and terms and cause no transfer of benefits as follows:

- is the price and conditions that the Company has received or provided to the general public
- is the price and conditions that the connected person provided to the general public
- is the price and conditions that the Company can show to the general public that it is the entrepreneurs that operate business in the same manner to the general public.

(b) Transactions that are trade agreements without general commercial terms

A transaction that is a trade agreement without general commercial terms shall be considered and commented on the necessity and reasonableness of the transaction by the Audit Committee before submitting it to the Board of Directors and/or the Shareholders' Meeting (as the case may be) for approval, that is in compliance with the securities and exchange law and other relevant criteria. This includes being in compliance with accounting standards and the Company will disclose related party transactions as mentioned in the Notes to the Financial Statements of the Company.

In the event that the Audit Committee does not have an expertise in considering the related party transactions, the Company shall appoint persons with knowledge, expertise such as auditors, assets appraisers or experts in related fields that are independent from the Company and persons who may have conflict with the Company to be the person who gives opinions on such related party transactions in support of the decision making of the Audit Committee and/or the Board of Directors and/or the Shareholders' Meeting (as the case may be). This is to ensure that such transaction is necessary and reasonable by significantly taking into account the interests of the Company and shareholders.

Policy and trends of future related party transactions

For future related party transactions, the Board of Directors must comply with the law on securities and exchange, regulations, notifications, orders or regulations of the Capital Market Supervisory Board, the SEC and SET. The Company will disclose related party transactions in the Annual Registration Statement and Notes to Financial Statements examined by the Company's auditor as well as comply with the regulation on disclosure of related party transactions of the Company according to the financial reporting standards prescribed by the Accounting Profession Act B.E. 2547 (2004) and the additional amendment.

The Company may conduct future related party transactions in a continuous manner by determining price and commercial terms according to normal business operations and the requirement that a person and/or company without conflicts of interest or involvement such as provision of medical services to contractual parties, payment of remuneration in the form of medical fees, offering of medical expenses. Such transactions will be conducted according to the Company's normal operations and for the benefits of the Company and shareholders.

The Company's related party transactions that occur and may occur in the future may be necessary and/or reasonable for the best interests of the Company and determined to be in accordance with the general business nature. The price and conditions of such transaction are fair and at arm's length basis, no transfer of benefits between the Company and the person who may have conflict of interest. The Company's Audit Committee will give opinions on the necessity and appropriateness of the transactions. In addition, if the related party transaction is conducted, the directors, executives or persons who may have conflict of interest shall not be able to participate or entitled to vote for the approval of such transactions. This is to ensure transparency and independence in considering and making decision in conducting the transactions.

11. Policy for directors and senior executives to inform the trading of the Company's securities

Due to the Securities and Exchange Act B.E. 2535 (1992) (and the additional amendment) and the Notification of the Office of the Securities and Exchange Commission No. SorJor. 38/2018, requiring the directors and the first 4 executives and persons who have relationships, namely spouses or partners and minor children as well as juristic persons, spouses or partners and minor children holding shares exceeding 30 percent of the

total voting rights of such legal entity and the holding of such shares is the largest proportion in that legal entity. Such holding of securities shall be reported in electronic form via an online system to the SEC within 3 business days from the date of trading or transfer of the Company's shares. The directors and the first 4 executives shall submit a copy of such report to the Company Secretary on the same day that the report is already submitted to the SEC and the SET. In addition, the Board of Directors has set a policy for directors and the first 4 executives to notify the Company Secretary on the trading of the Company's securities at least 1 day in advance, prior to the trading. In case that they require the Company Secretary to facilitate and coordinate the reporting of changes in securities holding to the SEC, the Company Secretary shall report the changes of such securities holding to the Board of Directors Meeting for acknowledgment on a quarterly basis.

12. Financial assistance

In 2019, the Company had no related party transactions in the form of financial assistance to other companies such as loans, credit guarantee according to the proportion in accordance to the joint venture agreement.

13. Violation / non-compliance with the rules of asset trading

In 2019, the Company had no trading of asset that violate/not in compliance with the SET's regulations

ROLES OF STAKEHOLDERS AND BUSINESS ETHICS

The Company realizes and places the importance on the rights of both internal and external stakeholders, including shareholders, employees, service recipients, suppliers, competitors, creditors, as well as society and environment as a whole. The Company ensures those rights are protected and are treated fairly, with the belief that a successful organization with sustainable growth will have to be driven and grow along with the surrounding societies. The Company also supports and promotes business ethics among its alliances, to ensure that the consciousness of social development also grows in tandem with the Company, according to roles and duties of each group of stakeholders to ensure the Company's steady growth and fair benefits to all parties. The Company has therefore established a policy and practice guidelines towards stakeholders, including shareholders, employees, service recipients, suppliers, competitors, creditors, society and environment, as well as the policy on business ethics as follows:

1. Policy on the Role of Stakeholders

1.1 Shareholders

The Company has a strong intention to operate its business with transparency and efficiency, based on honesty and ethics while creating good performance results and sustainable growth and with great effort to ensure business sustainability. The Company adheres to the obligation given to its shareholders to enhance their satisfaction and maximize their long-term benefits by taking into account good returns to the shareholders in a continuous manner and disclosing reliable information to the shareholders in a transparent manner, the Company has therefore set a policy and practice guidelines for shareholders as follows:

Policy and Practices Guidelines for Shareholders

(1) Respect and promote shareholders' rights to ensure that the shareholders are taken care of and are facilitated properly and adequately as well as treating all shareholders fairly and justly.

(2) Perform duties with honesty as well as make any professional decisions with discretion, prudence, and fairness towards majority and minority shareholders, for the utmost benefits of the overall shareholders.

(3) Control and safeguard against depreciation or loss of property of the Company improperly

(4) Present the Company's actual status, turnover, financial status, accounting and other significant reports to shareholders in a regular and complete manner as well as convey the Company's current and future directions both positive and negative ways, based on probability and sufficient supporting information

(5) Manage to ensure that the Company has high capacity to achieve long-term and short-term objectives effectively and efficiently as well as competitiveness to achieve its goal to generate shareholders' annual returns in the form of the Company's dividend according to the announced dividend policy

(6) Prohibit all directors, executives and employees from disclosing any non-public information of the Company for their own personal gains or those of their family members and close relatives and/or take any actions that may lead to conflicts of interest with the Company.

1.2 Employees

The Company always realizes that employees are the most valuable resources and critical factors contributing to Company's success. The Company, therefore, sets its policy to develop and promote a unity culture within the organization, as well as adherence to fair and equal treatment of employees in terms of opportunity, career advancement, compensation, benefit, development of capability, knowledge, personal rights, and employee's health and safety by the following practices:

Policy and Practice Guidelines for Employees

- (1) Fair and equal treatment towards all employees and offer them proper compensation.
- (2) Treat employees politely with respect for individualism and human rights principles
- (3) Determine employee compensation fairly with respect for human rights, non-discrimination and appropriateness according to their roles, duties and responsibilities in line with Company short-term and long-term performance results
- (4) Promote employees' career advancement by clearly determining employees' development direction and ensure that all levels of employees are systematically and continuously developed such as giving an opportunity of employees to suggest to their supervisor of each function the training courses / seminars of interest that will support and benefit the performance of duties, and inform them to the Human Resources Department to consider and proceed according to Company's internal procedures. Each function has to determine 4 trainings / seminars on this way each year. This may include inviting external speakers or setting up mentor system, aiming to ensure that employees will effectively perform current duties and will be ready for more responsibilities in the future.
- (5) Use a merit system as a basis of salary increase and/or promotion, by also considering knowledge, responsibilities, and potential of each employee altogether
- (6) Put in place the process to protect a complainant or a person reporting misconduct from any trouble from whistleblowing or grievances as well as fair investigation process of employee misconduct and proper employee punishment based on the Company's regulations
- (7) Determine anti-corruption guidelines as well as foster all employees to act in compliance with relevant laws and regulations such as strict prohibition on the use of insider information

Policy and Practice Guidelines on Employee Compensation and Benefits

The Company focuses on the enhancement of quality of life of all employees, as a motivation to drive the organization to mutual success. The Company has therefore determined employee compensation and benefits policy on a fair and appropriate manner based on knowledge, experience at fair rates between male and female employees. The Company considers salary adjustment and bonus on an annual basis. In addition, the Company utilizes KPI (Key Performance Indicator) as an incentive for short-term compensation for employees. Long-term compensation includes the provident fund and cooperative. The compensation is based on the roles, duties and responsibilities of each employee as follows:

- (1) The Company pays salaries, wages, bonus, special compensation, and provides benefits on a fair and appropriate basis, aligning with its business performance and profitability, and in a competitive level within the same industry
- (2) The Company provides provident fund and social security for employees, who receive the Company's contributions serving as their security, as well as tax benefits
- (3) To provide free medical treatment and offer discounts for medical expenses of family members as well as maternity expenses

(4) Rama 9 Hospital Cooperative to promote and support savings of members who are the Company's employees as well as offer loan interest rates which are lower than that of financial institutions, in case members have some financial difficulties

(5) Subsidy of loan interest in the Government Housing Bank

(6) Cheap accommodation for nurses working with the Company, to ensure nurses' convenience and availability during hours of emergency

(7) Other benefits as appropriate such as vaccinations, holidays, cremation supports, special events or activities for employees, employee's uniforms, employee's transportation, birthday gifts and special payments

(8) Employee training to promote better understanding in financial management in each stage of life or risk level, as a guideline after retirement.

Policy and Practice Guidelines on Knowledge and Capability Development

The Company aims to continuously develop its employees of all levels and functions to enhance their ability and increase efficiency of human resources, which are the Company's important foundation for handling challenges coming along with business growth opportunities. To ensure that its employees are ready for the emerging challenges and opportunities, the Company has therefore set its policy and practice guidelines for directors, executives and employees to place the importance on the development of professional knowledge and potential development by regularly participating in both in-house or outside trainings and seminars whenever there is a chance. In the past year, the Company supported training to develop its employees as follows:

| | |
|-------------------------------|---|
| Courses for New Employees | <ul style="list-style-type: none"> (1) Course on Code of Business Conduct (2) Course on Services for New Employees (3) Course on "We are one (OD) for New Employees for the Year 2019" |
| Courses for General Employees | <ul style="list-style-type: none"> (1) Course on "G suite for collaboration" to adjust work patterns into digital form by linking relationships of people, process and G Suite technology to ensure higher efficiency in work processes to increase business potential to catch up with technologies and changes (2) Course on "Development of Personality and Social Learning to Mutually Build Happiness at Work" for all employees (3) Workshop on the preparation of financial statements according to the Thai Financial Reporting Standards, TFRS 15 : Revenue from Contracts with Customers (4) Course on Outbreak Response Plan and Use of Personal Protective Equipment (PPE) for all employees (5) Workshop on Digital Transformation : PR9 Evangelist (6) Course on Service Culture (7) Course on knowledge of medial laws and medical lawsuits (8) Course on Pain Management and Wellness Center (9) Course on Respiratory Fit Testing |

Moreover, the Company organizes a "Knowledge Sharing" activity on a monthly basis by inviting specialist doctors and senior executives to provide knowledge and exchange professional experience for doctors, dentists and Company's staff. The knowledge gained from this activity will be used for work and service improvement for patients. In the previous year, the Company organized the following activities:

1. Lecture on “Less Pain/Painless after Post op. TKA” “Platelet Rich Plasma” and “Navigator TKA” conducted by a team of doctors from the Joint Care Center
2. Lecture on “Things you can be allergic to” by allergic testing methods and skull-base surgery and update in Neurovascular surgery
3. Lecture on Power and Science of smile
4. Lecture on Unlocking happiness
5. Lecture on Personalized or Individual Patient Care prior to Serious Illness
6. Lecture on FAQs about Cancer
7. Lecture on Proactive marketing Strategy

In 2019, the Company’s employees attended both in-house and external trainings as follows:

| Number of Employees | Number of Training Hours | Average Training Hours |
|---------------------|--------------------------|------------------------|
| 2,083 | 9,323 | 7.05 |

Note: Number of training hours excluding training of Doctor.

Policy and practice guidelines on employees’ health and safety

Realizing an importance of safety, occupational health and working environment and hospital service recipients, the Company has therefore established its security and safety plan policy and appointed a “Facilities Management and Safety Committee” to be responsible for examining, searching and assessing safety risks within the organization to present safety and security improvements.

The Company has determined significant practice guidelines on safety and occupational health as follows:

- (1) Promote knowledge and understanding and awareness of safety, occupational health, and working environment among directors, management, and employees
- (2) Support the issuance of the Company’s rules, regulations and practice guidelines for safety, occupational health, and working environment in alignment with relevant standards and laws
- (3) Organize campaign activities for its employees’ cooperation according to Company’s safety, occupational health, and working environment plan, as well as express opinions to improve working environment and working safely approach
- (4) Ensure that employees could work safely with good occupational health by establishing accident prevention measures and raise safety awareness among employees, as well as organize trainings and promoting good hygiene among employees
- (5) Monitor, evaluate, and develop and improve safety, occupational health, and working environment systematically and continuously by creating awareness of safety, occupational health, and working environment among employees as their responsibility, with great emphasis on participation of all executives and employees

In addition, the Company realizes the risks of employees working in the hospital as they are more exposed to chemicals or diseases than usual. The Company has therefore promoted and conducted trainings to ensure that the employees working in the hospital are able to appropriately protect themselves from infection, and to look after employees in terms of safety and hygiene. The list of training is provided below.

- (1) Course on Use of Radiation in Medical Operations and Prevention of Radiation Hazards
- (2) Wearing and Taking Off Personal Protective Equipment (PPE)
- (3) Neonatal Resuscitation Program
- (4) Basic Life Support program and PALS: Pediatric Advanced Life Support program
- (5) Basic firefighting and evacuation drill for the year 2019

In addition, the Company has established an Infectious Disease Prevention and Control Committee, to inspect, monitor and assess risks and prevent personnel to have personal contact with contagious patients, or to treat those who have already been in contacted by patients suspected of being contagious.

In 2019, the Company's statistics of employee absence, accidents, and work-related illnesses were as follows:

| Category | Number Days/Times | Average day per person |
|--|-------------------|------------------------|
| Employees leave of absence for the year 2019 | | |
| • Errand leave | 233 | 0.1 |
| • Sick leave | 1,205 | 0.9 |
| • Annual leave | 10,459 | 7.9 |
| Work-related accidents for the year 2019 | 8 | - |
| Work-related illnesses for the year 2019 | None | None |

1.3 Service Recipients

The Company show its responsibility towards service recipients by maintaining its service quality and standard as well as completely and thoroughly satisfying the needs of service recipients as much as possible to enhance their satisfaction in the long run. The Company also provides to its service recipients the precise information of services as well as establishes proper channels for service recipients to report problems or complaints, thereby allowing the Company to prevent and solve its service problems quickly.

Policy and Practice Guidelines for Service Recipients

- (1) Provide fast, accurate and reliable services with courtesy, sincerity, mindfulness and enthusiasm
- (2) Have physicians and medical personnel with different expertise, and good quality and modern medical equipment, to ensure that service recipients are properly treated in accordance with medical standards. The Company adopts international hospital standards and criteria such as Joint Commission International Accreditation Standards in its service process.
- (3) Provide accurate, adequate, and timely information to its service recipients to acknowledge and utilize it to make a decision effectively, without exaggeratedly advertising of its services.
- (4) The Company will maintain the confidentiality of every service recipient without using it for Company's own or related person's benefit, and will not disclose the information of its service recipients without permission from the service recipients or Company's authorized person, unless it is the information that must be disclosed to the related person for clarification or regarding a legal process.
- (5) Follow up and measure satisfaction results of service recipients for better service development and improvement.

(6) Establish communication channels for service recipients to inquire and make a suggestion to the Company or to ask for support and advice relating to the Company 24 hours a day via either call center number 1270 or the Company's website at www.praram9.com.

1.4 Suppliers

The Company has a policy to treat its suppliers fairly, honestly, without taking any advantage of suppliers for the utmost benefits of the Company based on fair returns. The Company has therefore determined its supplier selection plan and guideline towards suppliers by taking into account reputation, compliance with the laws and regulations, and important norms, as well as adhering to agreements made between the Company and its suppliers, to ensure fair and equal benefits among all parties. This includes:

Policy and Practice Guidelines for Suppliers

(1) Supplier selection process which based on equal information given and establish a committee to select suppliers, using identical criteria of selection to ensure fairness as follows:

- Business size and/or financial status
- Workforce readiness
- Readiness of equipment or source of raw material used in production
- Experience, expertise, and past performance
- Work deliverable
- Guarantee and aftersales services
- Credibility in terms of financial records and growth capacity

(2) Ensure procurement process, agreement and memorandum of understanding are made in a proper and fair manner

(3) Strictly adhere to the agreed conditions and urgently inform the suppliers in the event that such conditions cannot be met to mutually find solution based on business relationships

(4) Neither call for, nor accept, or pay any benefit, in a dishonest way, to suppliers

(5) Support and encourage suppliers to operate business fairly under good corporate governance to grow sustainably with the Company

(6) Provide information and ensure suppliers' respect for human rights, fair labor treatment, and social and environmental responsibility

(7) Establish channels for suppliers to report abuses or unfair treatment in any case to the Company's Audit Committee. All complaints or clues of misconduct reported to the Company will be kept confidential. The Audit Committee will call for an investigation and find solutions (if any), and will further report to the Board of Directors.

Reporting Channels

(7.1) Via Post

Audit Committee

Pharam 9 Hospital Public Company Limited

99 Rama IX Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310

(7.2) Via Phone: 1270

(7.3) Via the Company's website at www.praram9.com under the Investor Relations section in the topic of whistleblowing

1.5 Competitors

Policy and Practice Guidelines for Competitors

Conducting fair and transparent business operation based on good corporate governance in competition, under the framework of trade competition laws, are the business practices that the Company has focused on and adhered to as follows:

- (1) Perform business operation within good competition and widely accepted framework.
- (2) Support and promote free and fair trade and refrain from any act of monopoly or oblige its partners to only trade with the Company
- (3) Refrain from breaching and eliciting of competitors' confidentiality using dishonest, illegal, or unethical approach.
- (4) Refrain from destroying competitors' reputation using accusation
- (5) Refrain from entering into trade agreement or any act leading to unfair competition or trade monopoly
- (6) Refrain from defamation, abuse, or distorting competitors' facts

1.6 Creditors

Policy and Practice Guidelines for Creditors

The Company has a policy of fair treatment and responsibility towards creditors, whether trade creditors and financial institution creditors, and obliges to debt payment in an agreeable timeframe to maintain its credibility by adhering to practices towards creditors to ensure fairness as follows:

- (1) Strictly abide by contract terms, agreements, obligations made with creditors in terms of objectives, spending of loan, payment of debt and interest, maintenance of collateral mortgage under relevant agreements as well as look after the quality of assets or other agreeable conditions
- (2) Correctly and adequately report the Company's financial status, financial information, or any other facts to creditors regularly and in the event that the Company is unable to comply with any conditions under agreements, the Company will strictly proceed to the requirement of information disclosure and will urgently inform its creditors to mutually and reasonably seek solutions on capital management.
- (3) In the event that the Company faces financial problems or there are issues that might significantly affect its financial status or repayment ability, the Company sets its plan to resolve the financial problem by taking into consideration fairness against creditors and stakeholders and the management has duties to constantly report resolutions to the Board of Directors.
- (4) To maintain the interest bearing debt ratio of less than 2 times, under the rate specified by institution creditors

1.7 Community and Society

Policy on Social and Community Responsibilities

The Company recognizes the importance of sustainability in business under corporate social responsibilities, by focusing on its business operation while looking after all stakeholders in all aspects of economy, society, to environment morally and ethically, as well as adhering to the principle of good corporate governance to operate business in compliance with related laws and acting against all forms of corruption. The Company expects that its business under corporate social responsibility will be a key driver for sustainable development of community and society.

The Company pays attention to and places its importance on the safety of society, environment, and quality of life of those who are part of business operation and encourages its employees to be conscious and responsible for the environment and society, as well as ensure that its employees strictly comply with

relevant laws and regulations. The Company also took part in a number of activities aiming to develop and preserve the environment and society, as well as local cultures in the area where it operates. The Company determines its policy and practice guidelines on social and community responsibilities as follows.

(1) Promote honesty, fairness, ethics, in business operations within competition framework and in compliance with laws, regulations, and ethics, as well as reject behaviors that obstruct fair competition.

(2) Promote respect for human rights and fair treatment towards others, regardless of difference in race, skin color, gender, age, language, religion, mental status, and social status

(3) Develop human resources and fair treatment of labors

(4) Promote the development of the Company's services regularly to ensure service recipients' good health and satisfaction and that the Company is able to meet the needs of the customers

(5) Promote environmental care and comply with the laws, regulations, and standards relating to environmental management.

(6) Promote and support activities that provide care and take responsibility for all stakeholders in the society and community in a continuous manner in disseminating knowledge and providing medical support to people in the community as well as monitoring and measuring results on both short-term and short-term progress according to the circumstances. More details on social or community development activities can be found in the topic of Responsibility for Society and Environment.

1.8 Environment

Business Policy under Environmental Standards

The Company has established a policy on environmental care by requiring that operations under Company's business must strictly comply with environmental management related laws, regulations, and standards, as well as acting and monitoring to ensure its compliance with the laws relating to environmental care and maintenance such as Promotion and Conservation of National Environmental Quality Act, B.E. 2535 (1992), Health Ministerial Regulation on Infectious Waste Disposal B.E. 2545 (2002), Bangkok Provisions on Waste Collection and Disposal of Waste or Solid Waste B.E. 2544 (2001) and Ministry of Natural Resources and Environment Announcement Subject: Determining the type of food and sources of pollution that must be controlled from discharging waste water into public water sources or into the environment, and other related laws. The Company also determines preventive and corrective measures when there is environmental impact due to the Company's business operation. Moreover, the Company utilizes natural resources effectively and efficiently. The Company has a system in place, which is of good quality and standards to treat production waste and to assess environmental management system. The Company determines its guideline on environment as follows.

(1) The Company manages its waste disposal system by hiring an external entity that has been certified to dispose garbage, infectious waste, and hazardous waste to prevent environmental impacts due to substandard management of waste systems.

(2) The Company hires an external juristic person that has been certified to measure the quality of the environment in the Hospital, which is one of the measures to monitor health of personnel working in the Hospital. This is achievable by measuring and evaluating the working environment in physical, chemical and biological aspects. The results of this measurement will be used to increase the efficiency of hazard control and prevention, hazard surveillance, and to prevent possible work-related diseases.

Policy on efficient use of resources

The Company strives to conduct its business under the responsibility towards all stakeholders, as well as the society, community and environment. It also recognizes the importance of maximizing efficient use of resources while minimizing effects on the society and environment. The Company believes that effective

and efficient management and allocation of resources will enable the organization to achieve the goal of creating value for the business and of sustainable growth. The Company has therefore established a policy to use resources efficiently, by requiring executives and employees to control and appreciate the value of resources, as well as reducing the use of natural resources and supporting the reuse of natural resources that have been used for the utmost benefit, coupled with cultivating and developing concrete guidelines to prevent or to reduce the impact on the environment. The Company supports the economic use of natural resources. This matter is considered along with the approval of the company's annual budget and is the responsibility of all executives and employees to cooperate and comply with the prescribed measures. The guidelines for the effective use of natural resources are as follows.

(1) Support and set up campaigns for natural resources and energy saving both within the hospital and office, for example, a campaign to use the stairs instead of elevators, turning off electrical appliances when not in use, and using energy saving devices

(2) Promote, set up campaigns and establish measures to ensure that all employees are aware of and cooperate to reduce unnecessary use of resources as well as the efficient use of natural resources for utmost benefit by adhering to the principles of Reduce, Reuse, and Recycle

(3) Enable an E-Document system in order to adopt an electronic working system in the work process to increase working speed, reduce the work process, and to reduce the use of documents and consumables.

Environmental knowledge and use of resources trainings

The Company recognizes the importance of the environment and foresees that most of the environmental issues are caused by misunderstanding of users. Therefore, the Company has a policy to promote and encourage all of its employees to be aware of the value of resources in all aspects, as well as the impact of business operation on the environment by organizing environmental trainings for its employees to support their operation and enhance their knowledge.

In 2019, the Company organized trainings / seminars related to environmental knowledge and use of resources as follows:

(1) Course on outbreak response plan and use of personal preventive equipment (PPE)

(2) Course on Facility Management and Safety

(3) Course on knowledge of energy engineering to prepare for professional certificates from the Engineering Institute of Thailand

(4) Course on human resource development to enhance capacity level and form networks responsible for energy. The electricity-saving activity was organized to change electricity devices, install lighting equipment, and energy-efficient air conditioners to reduce energy consumption and save costs.

(5) Course on water-waste water treatment system

(6) Course on Generator system

(7) Course on use of chemicals/cleaning equipment for housewives

(8) Course on fire safety

(9) Course on mass casualty incident

2. Human Rights Policy

The company values and respects human rights by requiring all the doctors, nurses and other medical personnel and employees to treat patients and service recipients with equality using the same standards without discrimination. Therefore, all service recipients are served equally according to the patient rights,

regardless of differences in race, skin color, sex, age, language, religion, mental status, and social status. In addition, the company provides proper channels for its customers to give suggestion and complaints.

The Company places the importance on and respect patients' rights by including patients' rights topics in the orientation course for all new employees for acknowledgement, understanding and correct practices, and communicating them to patients by posting on various service points within the Company.

3. Fair Labor Treatment Policy

The Company recognizes the importance of human resource development and fair labor treatment which is a factor that will increase the value of the business and enhance its competitiveness and sustainable growth in the future. The Company has set out the following policy and practice guidelines:

- (1) Respect employees' rights according to human rights principles and in compliance with the labor law
- (2) Ensure fair employment process and employment conditions as well as consider performance based on evaluation process on a fair basis
- (3) Promote personnel development via trainings and seminars and various related academic training to enhance employees' knowledge, competency and potential of personnel as well as cultivate positive attitudes, morality, ethics and teamwork
- (4) Provide various benefits for employees as required by law and beyond
- (5) Focus on organizing work environment and various facilities required for work to ensure safety, as well as ensure that employees are able to work safely with good hygiene in the workplace
- (6) Allow employees to express their opinions or complaints about unfair treatment or wrongdoing in the Company as well as provide protection for employees who report such matters
- (7) Encourage all employees to adhere to and respect the rights of others, starting from refraining from using aggressive words, writing, verbal or expressing aggressive, obscene, threatening, and harassing behaviors, or acting as an adversary while communicating with others

4. Policy on Non-infringement of Intellectual Property and Copyright

The Company applies the concept of corporate social responsibility in its business, using fair business practices to build confidence among all related parties without taking advantage of other benefits obtained from unethical acts. One of the important guidelines is to respect the intellectual property rights of others. The Company does not support the operation that violates intellectual properties, whether they are copyrights, patents, trademarks or trade secrets. The Company has defined relevant practice guidelines as follows:

- (1) The Company will not use information, documents, publications, or trade secrets that are not allowed to use legally or acquired incorrectly. If the Company uses information, documents, publications of others, the Company will refer to the source of information or the author, or showing link connecting to the work of the creator.
- (2) Every employee's computer will only install software that is legitimate and in case employees require specific software, the Information Technology Department will install copyrighted software that the Company has purchased.
- (3) Ensure that regular checking of Information, documents and publications that will be used in the business are not copyrighted works of others

5. Policy to Innovation Promotion and Development

With the current global conditions, the advancement of technology and the speed of the digital world have brought significant changes to the way of life of human and business operations. To ensure that the Company's business operations respond to the changes in the current era, the Company, therefore, has a policy to promote and develop innovation with main focus on research, innovation development, and

creation of new things to increase product quality as well as creation of increased market value to elevate the competitiveness of the Company to be in compliance with the goals and strategies of the Company. The development of the innovation of the Company will not only be considering on the economic value of the organization but the Company will also develop the potential of the employees to be aware of the changes, take into account human needs as a center and break the details into customers or all stakeholders concerned and under social and environmental responsibilities which creates mutual value for the society so that all sectors can grow simultaneously.

6. Policy on Information Management and Safety Protection

The Company places importance on the use of information technology as a major component of business processes to increase efficiency in quality, precise and speedy services, thereby increasing competitiveness and creating sustainable growth. However, the Company also recognizes possible risk factors caused by the use of information technology. The Company has therefore established a policy on information management and safety protection as a framework and guidelines for information management for employees at all levels as well as outsiders related to the Company's information. The policy covers the management of information safety risks to ensure accuracy, credibility, safety and availability. The Company has disclosed such policy to all employees for acknowledgement and made the policy available on the Company's website. The practice guidelines can be summarized as below:

(1) The Company determines and limits the right to access to different types of information of employees in the hospital deemed as necessary and appropriate according to the classification of information groups based on information levels.

(2) Determine practice guidelines on the use of software on employees' computers by installing only software with standards and if any units have to use other software or upgrade software for the Company's operations, those units have to proceed with a written request for approval of purchase of additional software copyright and have the information technology unit install or upgrade software to prevent problems of software copyright and computer safety

(3) The Company's employees must comply with the information privacy and confidentiality processes.

7. Anti-Corruption Policy

The Company focuses on business management based on transparency, ethics, adherence to the principles of corporate governance and compliance with the laws related to the prevention and anti-corruption, giving or receiving bribes to government officials or the private sector. The Company has clearly defined the organizational structure to share responsibility, work process and command line in each unit in order to have a proper balance of authority and a concise examination as well as set practice guidelines for directors, executives and employees of the Company to prevent involvement in corruption as follows:

(1) Directors, executives and employees of the Company are prohibited from performing or accepting corruption in all forms, either directly or indirectly, encompassing all relevant departments and to regularly review compliance with the anti-corruption policy in response to the changes in regulations and legal requirements.

(2) Directors, executives and employees of the Company have duties to report to the Company on actions that fall within the corruption that are related to the Company by notifying the supervisor or responsible person and cooperate in examining the facts.

(3) The Company ensures fairness and protects the complainants who report corruption. As well as persons who cooperate in reporting and in investigating process of corruption

(4) The Board of Directors and the management of the Company must behave as a role model in anti-corruption, promote and support the anti-corruption policy to communicate it to all employees and

related parties as well as review the appropriateness of policies and measures to be suitable for changes in business conditions, regulations and legal requirements.

(5) Those who commit corruption will be subject to disciplinary actions in accordance with the regulations set by the Company and may be punished in accordance to law if the action is illegal.

(6) The Company provides training and dissemination of knowledge to directors, executives and employees of the Company to have an understanding of compliance with the anti-corruption policy as well as promote morality, honesty, responsibility and one's obligations.

(7) The Company encourages contractual parties, business partners or other persons who shall perform duties related to the reporting of violations of the Company's anti-corruption policy.

(8) The Company has the policy on recruitment or selection of personnel, promotion, training, performance assessment and fair and sufficient determination of remuneration of employees and staff to prevent corruption within the organization and to create security for the Company's employees and staff

(9) For clarity in the implementation of matters that are at high risk of corruption, the directors, executives and employees of the company must exercise with caution in the following matters:

(9.1) Giving or receiving gifts and entertaining shall be transparent, legal, and in accordance with normal commercial practices or appropriate conventional values

(9.2) Giving or receiving donations or financial support, shall be transparent and legal by ensuring that the purpose of giving or receiving donations or financial support is not to disguise bribery.

(9.3) Conducting business, contacts, negotiations, auctions and other actions with the government or private agencies shall be transparent and legal. In addition, directors, executives, employees and staff of the Company shall not give or receive bribes in all stages of the business operation.

8. Assessment of Corruption Risk

The Company has annually reviewed and improved the new risk management framework and assessed the risk management in accordance with the framework of such risk management and clearly specified the responsible person. The Company has established the criteria for risk assessment into 5 levels by considering both the occurrence of incidents and the consequences that will occur, to cover all risks apart from the medical treatment risk.

The fraud and corruption risk that may occur from business operations and the reputation risk is one of the six potential risks that may occur such as financial report preparation, loss of assets and corruption. However, the Company has the internal audit process in accordance with the annual audit plan in which the auditing includes risk review and internal control of the related activities or processes as well as report the audit results to the Audit Committee. The Internal Audit Department is not under the Management Department.

9. Supervision and Control to Prevent and Monitor Corruption Risk

The Company has established practice guidelines for supervision and control to prevent and monitor the corruption risk as follows:

(1) Directors and executives are responsible for preventing and detecting fraud and errors by applying sufficient accounting system and internal control system in a continuous manner. In addition, directors and executives at all levels shall also perform their duties with honesty, ethics and morality.

(2) The Company will provide risk management that covers the identification and consideration of various risks, assessing the impacts of such risks, considering control activities. This includes the process of monitoring internal control results and risk response methods which include monitoring, assessing, preventing and detecting for fraud, and errors as well as compliance or non-compliance with the law.

(3) Arrange an internal control system in terms of both prevent control and detective control, which is a tool that helps reduce chances and incentives for misconduct and corruption, by establishing criteria for the segregation of duties, such as the segregation of duties between the procurement unit from the finance and accounting unit. In addition, the Company has in place monitoring and assessment processes where the executives will receive reports and acknowledge the causes of the defects or suspicious situations in a timely fashion as well as be able to appropriately improve the preventive control system in assessing internal control. The Internal Audit Department acts as part of the process.

10. Guidelines for Monitoring and Assessing the Implementation of the Anti-corruption Policy

The Company has set guidelines for monitoring and assessing the implementation of the anti-corruption policy as follows:

(1) Entrust the Audit Committee to review the accuracy of reference documents and self-assessment form regarding the Company's anti-corruption measures and approve the Company's assessment report on corporate governance and corporate social responsibility and anti-corruption.

(2) Directors, executives and employees of the Company shall report to the Company on the actions that fall within the corruption related to the Company by notifying the supervisor or responsible persons and cooperate in examining various facts.

(3) The Board of Directors and executives of the Company shall behave as a role model in anti-corruption to communicate to all employees and related parties and review the appropriateness of policies and measures to be appropriate with changes in business conditions, regulations and legal requirements.

(4) Directors, executives and related persons shall provide risk management that covers the identification and consideration of various risk factors and monitor the process of internal control monitoring and methods in responding to risks as well as monitoring the prevention ability assessment and detect for fraud, error and compliance or non-compliance with the regulations.

The Company ensures communication of such guidelines through various channels such as the Company's intranet and the Company's website at www.pram9.com for executives and all employees for acknowledgement and compliance.

11. Employee Training on the Policy and Practice Guidelines for Anti-corruption.

The Company has communicated and arranged a training on the policy and practice guidelines for anti-corruption as well as relevant policies, such as the Code of Business Conduct, the policy on giving or receiving gifts or entertainment, the good corporate governance policy to all new employees for acknowledgement on the orientation day. All employees shall pass the training and the test. The Company has also communicated them to all employees for acknowledgement, through various channels such as the Company's intranet and the Company's website at www.pram.com. The Company has also sent personnel to external trainings organized by both public and private sectors.

12. Policy for Giving and Accepting Gifts

To support and promote the anti-corruption policy of the Company against actions that may lead to future corruption, the Company has therefore established a policy regarding the giving and accepting gifts as follows:

(1) Directors, executives or employees shall not request, accept or consent to accept money or any other benefits from persons involved in the business.

(2) Directors, executives or employees may accept or give gifts according to conventional practices. The acceptance of such gift shall not affect any business decision making of the recipient.

(3) If the executives or employees receive gifts on occasion in accordance to conventional practices that are higher than normal from those involved in the business with the Company; the recipient shall report the supervisors in hierarchy.

13. Policy for Protecting and Ensuring Fair Treatment to the Whistleblower

The Company has the policy to protect and ensure fair treatment to directors, executives and employees who report the information or provide clues on corruption or non-compliance with the laws, regulations, Articles of Association of the Company as well as the Code of Business Conduct (Whistleblower Policy) which are as follows:

Method in filing a complaint or reporting a misconduct

(1) The complainant shall directly send complaints or clues of wrong doing and fraud in writing through the supervisor responsible (from manager level up). However, if in a situation where it is not appropriate or inconvenient, the Complainants can report via the Company's intranet system, E-mail, Comment box or send a letter to the Manager of Quality Department.

(2) The supervisor who accepts a complaint or clue to wrongdoing and corruption shall notify the Manager of Quality Department without delay or within 3 working days, to proceed with the investigation process.

(3) In the event that the complainant chooses not to disclose the name, the complainant shall clearly specify facts or sufficient evidence to prove that there is a reason to believe that there is fraud or violation of laws, regulations and Articles of Association of the Company or the Code of Business Conduct of the Company.

Scrutiny process

(1) In conducting an investigation and collecting facts, the recipient of a complaint shall present the complaint to the following persons to inspect and collect facts ("Inspector") according to the complaint.

(1.1) In case where the person being complained is a lower-level employee, the Deputy Managing Director and/or the persons or units assigned by the Deputy Managing Director to act as the inspector.

(1.2) In case where the complaine is an employee at the level from the executive upwards, the Audit Committee and/or the persons or units assigned by the audit committee to act as the inspector.

In case where there are inquiries or questions, the inspector can invite any employee or supervisor who is directly responsible for the complainant to provide information or request to send any documents related to the investigation.

(2) If inspected and found that the complaint is true, the Company shall proceed within 7 days as follows:

(2.1) In the case of complaints related to fraudulent acts or non-compliance with the laws or regulations, Articles of Association or Code of Business Conduct, the inspector shall consider proposing such complaint along with opinions to the Audit Committee for further consideration.

(2.2) The inspector shall inform of the progress and results of complaint on misconduct and corruption to the complainant who has disclosed the name, address, telephone number, email or other contact channels. However, sometimes for privacy and confidentiality of personal information and confidentiality, the Company may not be able to provide detailed information of the investigation or disciplinary action

(2.3) In case where such complaint is significant, such as the matter that affects the reputation, image or financial position of the Company, conflict with the Company's business policy or related to high-level executives, the inspector shall consider proposing the said matter with comments to the Board of Directors for further consideration,

(2.4) In case where the complaint causes damage to any person, the inspector shall propose appropriate and fair damage mitigation methods to the victims as deemed appropriate under the framework set by the Board of Directors and/or the Audit Committee.

Safeguarding the whistleblower

(1) The complainant can choose not to reveal oneself if he/she feels that the disclosure may cause damage. Though the complainant shall specify clear and sufficient details of facts or evidence proving that there is a reasonable cause to believe of such fraudulent act or violation of laws, rules, regulations and Articles of Association of the Company or Code of Business Conduct truly occurred. However, if choosing to reveal oneself, the complaint recipient will be able to proceed with the matter in a more quickly manner.

(2) The Company considered the Information related to the complaint as confidential and will disclose as necessary with regard to safety and damage of the whistleblower, source of information or the related persons. The person responsible in all procedures shall keep the information at the highest level of confidentiality and shall not disclose it to others. If violating, it is considered a violation of discipline.

(3) In case where the whistleblower considers that he/she may be unsecured or troubled or damaged, the complainant can request the Company to establish appropriate protection measures or the Company may establish protection measures without having to request if it is deemed that such matter is likely to cause damage or insecurity.

(4) Employees who treat other people with unfair methods, discriminate others with inappropriate methods or cause damage to other persons with incentives from being reported by other person's complaint, have informed, complaint or provide clues on corruption or non-compliance with laws, rules, regulations or business ethics of the Company. Also, the fact that other persons are prosecuting, being witnesses, giving statements or providing any cooperation to the court or government agency, is considered as an offense for discipline that shall be punished. Such persons may be punished as specified by law if the persons commit offense under the law

(5) Those who have suffered from the damage will receive mitigation of damage with methods or processes that are appropriate and fair where the Quality Department makes considerations.

In addition, stakeholders can ask for information, report complaints or clues of illegal acts, inaccuracy of financial reports, defective internal control system or violation of the Company's Code of Business Conduct or violation of rights through the complaint channels as follows:

(1) By mail:

Audit Committee

Rama 9 Hospital Public Company Limited

No. 99 Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310

(2) By phone: 1270

(3) On the Company's Website at www.pram9.com under the Investor Relations section in the topic of whistleblowing

The information, complaints and signs of misconduct that are reported to the Company will be kept confidential. The Audit Committee shall command for the inspection of information to find solutions and shall further report to the Board of Directors.

14. Violation of Labor Law, Employment, Consumers, Trade Competition and Environment

In 2019, the Company did not take any actions that violated labour law, employment, consumers, trade competition and environment.

15. Execution by Regulatory Agencies

In 2019, the Company had announced the information on important events within the timeframe specified by the regulatory agencies, therefore, the Company was not executed by the regulatory agencies in any way.

INFORMATION DISCLOSURE AND TRANSPARENCY

The Company realizes the importance on information disclosure, which is a factor that represents the transparency in operation. This includes building confidence to shareholders, investors and all stakeholders. The Company, therefore, has the policy to disclose the information together with financial information, performance results and other non-financial information related to the Company in an accurate, complete, precise, timely and regular manner to ensure that shareholders, investors and stakeholders of the Company are able to access the information equally through a simple and convenient channel to receive information.

The information disclosed via the SET's system will be made available on the Company's website in both Thai and English under the topic of Investor Relations. Moreover, other significant information on the website will be regularly updated to keep pace with situations and create the utmost benefits for the recipients. Therefore, the Company has established an information disclosure policy and guidelines as follows:

1. Clearly explain the shareholder structure, without the nominee, such as names of majority shareholders or regulators and the proportion of minority shareholders to allow the information users to be able to clearly know the beneficial owner of the Company.
2. Compliance with the principles of good corporate governance

The Board of Directors places importance on and adheres to the policy to operate business in accordance with the principles of good corporate governance, ethics, respect the rights and responsibility to all shareholders and stakeholders as well as operate business that benefits the society and the environment for sustainable growth. The Board of Directors promotes and directs the implementation in the work process, such as allowing employees to attend training and do the test to pass the scoring criteria. This includes for employees to adhere as implementation guidelines as well as published the principles of good corporate governance on both the internal and external websites of the Company to communicate to employees at all levels of the organization and external parties for acknowledge and for practical implementation.

In addition, the Company has a policy to review the principles of good corporate governance, corporate ethics and the charter of committees such as scope of authority, duties and responsibilities at least once a year to be in accordance with the SET's policy, the Asean Corporate Governance Scorecard (ASEAN CG Scorecard) and the current situation to be implemented as deemed appropriate and clarify the reason for not being able to implement in accordance with the said criteria and/or alternative measures that the Company has applied as practice guidelines for all directors, executives and employees.

In 2019, the Board of Directors reviewed and improved the corporate governance policy according to the SET's recommendations, CG Code of the SEC, criteria of the IOD and criteria of the ASEAN CG Scorecard with the following details:

| Category | Reviews and Improvements |
|-----------------------------|---|
| Responsibility of Directors | <ul style="list-style-type: none"> - Established a policy on the Chief Executive Officer's directorship in no more than 5 listed companies altogether - Arranged a non-executive meeting without presence of the management on July 10, 2019 - Entrusted the Nomination and Remuneration Committee to nominate the members of the Corporate Governance and Sustainable Development Committee (CG Committee)⁽¹⁾ and propose to the Board of Directors for appointment. |

Remark: ⁽¹⁾The Board of Directors, in its Meeting No. 1/2020 dated January 21, 2020, resolved to appoint the CG Committee.

In case that the Company is unable to comply with the principles of good corporate governance, but the Company has a policy to be apply the above principles as much as possible as deemed appropriate, of which details can be summarized as follows:

| Unaccomplished Items | Reason and Necessity |
|---|--|
| The Company has not yet determined the cumulative voting method for the election of directors | The Company is of the opinion that cumulative voting encourages minor shareholders to cast all the votes they have for any director that he/she wants to elect as a director; or as well can divide votes to elect several directors. As such, the elected person will not be considered by the Company's Nomination and Remuneration Committee in terms of qualifications and not being in compliance with the Company's strategic plan which is to promote the development and sustainability of the Company. |
| The Chairman of the Board of Directors shall be an independent director. | <p>Although the Chairman of the Board of Directors was not an independent director, he did not take part in any management tasks within the Company. Therefore, independent discretion of decision making can be exercised. The Company prescribed guidelines for checks and balances as follows:</p> <ol style="list-style-type: none"> 1) The Chairman of the Board of Directors was not an authorized director and did not hold any positions in other subcommittees of the Company. 2) The Chairman of the Board of Directors was not the same person as the Chief Financial Officer. The roles and duties of both positions were clearly segregated. The Chairman of the Board of Directors was responsible for encouraging the Board of Directors to perform duties within the scope of authority and duties, while the Chief Executive Officer was the top executive of the management responsible for ensuring that the Company's management was in accordance with the directions and policies determined by the Board of Directors. 3) Specify that there shall be one independent director who considered and determined meeting agenda with the Chairman of the Board of Directors and the Chief Executive Officer. |
| The Nomination and Remuneration Committee shall mostly consist of independent directors (more than 50%) | Although the majority of the members of the Nomination and Remuneration Committee were not independent directors. The Nomination and Remuneration Committee consisted of the Chairman of the Committee who was an independent director and a non-executive director who can perform duties with transparency and independence. |
| The Board of Directors shall comprise more than 50% of independent directors. | The Board of Directors comprised 10 members: 3 executive directors, 4 independent directors, and 3 non-executive directors. When considering the systematic management structure with efficient checks and balances and internal control, although the number of independent directors was less than 50% according to the definition of independent directors, but for internal management, both independent directors and non-executive directors, totaling 7 out of 10 directors were not full-time directors, did not control the management's performance and were not those who exercised decision making and expressed free opinions on the management's performance. The authority on internal management mainly belonged to the executive directors who were entrusted by the Board of Directors. |

3. Company's objectives and long-term goals

The Company operates a private hospital business, accepting overnight patient type, with long-term objectives / goals as summarized below

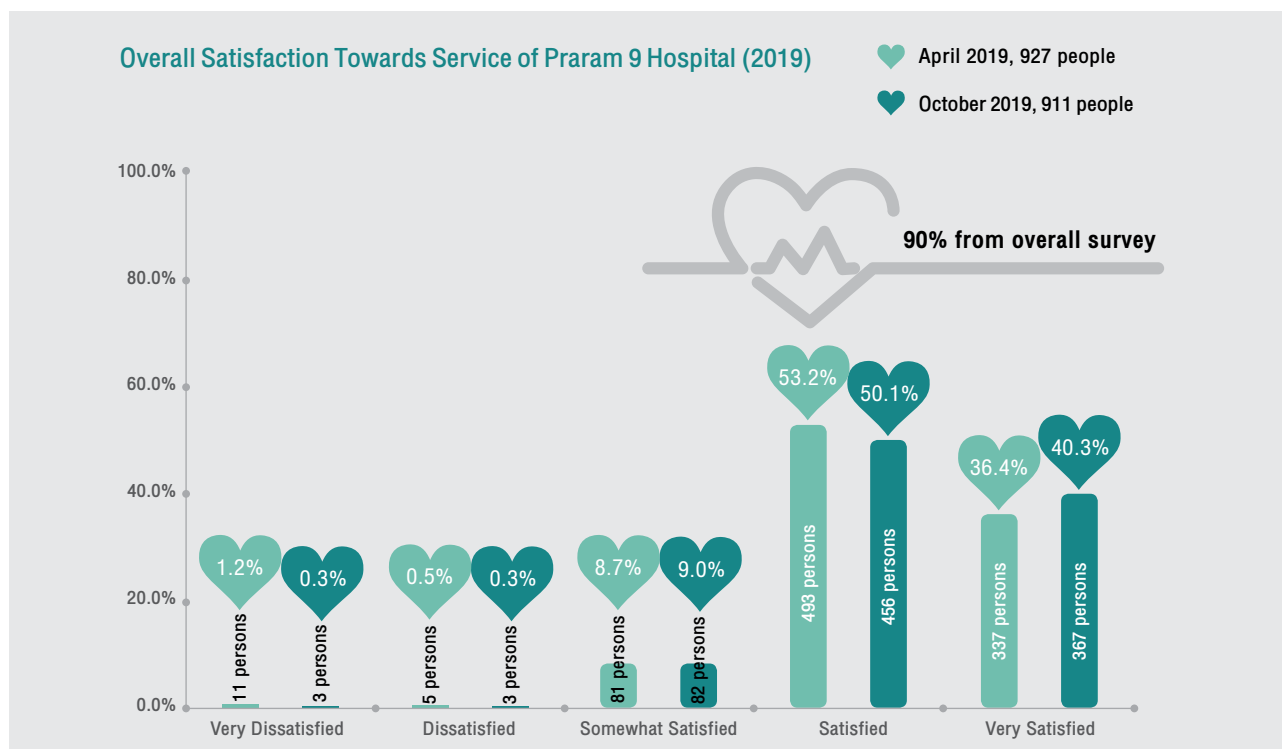
- Aim to be a leading hospital with expertise in comprehensive medical services for the treatment of diseases, disease prevention and control, rehabilitation of physical health and health promotion.
- Expand the customer base from general service recipients, elderly group, patients with complicated disease group, intensive care group as well as critically ill patients group to the group of service recipients who prioritize on health promotion & wellness.
- Construct new buildings and plan to improve the service area of the current building to support the expansion of the service recipient base.
- Increase the potential and scope of services of the existing medical center and add a new medical center to provide more comprehensive medical services.
- Set a goal to become the digital hospital and apply modern technology to diagnose, treat and promote health care.

4. Financial status and operating performance (More details can be found in the section of Description of financial status analysis and operating performance)

5. Customer satisfaction level

With the nature of the Company business that must pay close attention to the service recipients, therefore creating customer satisfaction is something that the Company pays attention to and is used as a tool to improve the work and create competitive value as well as more business opportunities for the Company.

From the Company's mission that wants to provide healthcare solution for prevention and treatment that is the best in class and value for money by professional team and advanced technology, the Company therefore places importance on customer satisfaction management at every step in using the service. The Company had previously conducted satisfaction surveys of outpatients and inpatients regarding doctors, nurse/medical personnel, services, location and things that need improvements, which can be summarized as follows:



6. The Company has a policy to disclose the information on the shareholding of directors, executives and the shareholding of their spouses or partners as well as minor children in Form 56-1 and the Company's Annual Report. (More details can be found in the section of Details on directors, executives, controlling persons and company secretary) and require directors and executives to report the trading of the Company's shares of one's own, of spouses or partners, and minor children to the Board of Directors Meeting on a quarterly basis.

In 2019, directors and the first 4 executives of the Company acquired and sold shares as follows:

| Name of Director and Executive | Number of Shared Held and Changed ⁽¹⁾ | | | |
|--|--|---------------------------|-----------------------|-------------------------|
| | As of December 31, 2018 | Number of Shares Acquired | Number of Shares Sold | As of December 31, 2019 |
| 1. MR. BHANAPOT DAMAPONG | 1,000,000 | - | - | 1,000,000 |
| 2. DR. SATIAN POOPRASERT | 11,550,000 | - | - | 11,550,000 |
| 3. DR. VIROON MAVICHAK | 9,250,000 | - | - | 9,250,000 |
| 4. DR. PRASERT TRAIRATVORAKUL | 10,233,500 | - | - | 10,233,500 |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | - | - | - | - |
| 6. MRS. VILASINEE PUDDHIKARANT | - | - | - | - |
| 7. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | 100,000 | - | - | 100,000 |
| 8. CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK | 1,200,000 | 100,000 | 400,000 | 900,000 ⁽⁷⁾ |
| 9. MR. KANIT PATSAMAN | - | - | - | - |
| 10. MR. PISET CHIYASAK | - | - | - | - |
| 11. DR. MONGKOL TANJAPATKUL ⁽²⁾ | 10,550,000 | - | - | 10,550,000 |
| 12. DR. SOMCHAI PINYOPORNPANICH ⁽³⁾ | 50,000 | - | - | 50,000 |
| 13. MR. SONGSAK PREMSUK ⁽⁴⁾ | - | - | - | - |
| 14. MR. TEERAPHAN DISAYABUTARA ⁽⁵⁾ | - | - | - | - |
| 15. MR. CHAROEN NUDPOBSUK ⁽⁶⁾ | - | - | - | - |

Remark:

- (1) The number of shares held by the directors including oneself, spouses or partners and minor children as well as juristic persons holding more than 30% of shares
- (2) Held the position of the Advisor to the Chief Executive Officer
- (3) Held the position of the Member of the Executive Committee
- (4) Held the position of the Member of the Executive Committee
- (5) Appointed as the Deputy Managing Director, Accounting and Finance Department, on May 1, 2019
- (6) Appointed as the Deputy Managing Director, Management Department, on September 27, 2019
- (7) Clinical Prof. Dr. Sarana Boonbaichaiyapruk sold 90,000 shares on January 10, 2020. Therefore, there are 810,000 remaining shares.

7. Publication of annual reports

The Company has a policy to simultaneously publish annual reports both in Thai and English versions on the Company's website and the SET's website no less than 30 days in advance prior to the Annual General Shareholders' Meeting as well as within 120 days from the end of the accounting period as specified by the SET.

8. Provide various channels for communicating the Company's information such as the SET's website, the Company's website, meetings with analysts, quarterly performance report, annual registration statement, annual report, Press conferences and newsletters. In addition, the Company has prepared the published and presented information in both Thai and English so that both Thai and foreign shareholders are able to access the information equally.

9. Public information shall be accurate, complete, and transparent, with no objective to create the price of the Company's securities from the actual data in accordance with the Company's performance and is cautious on providing the information that may cause misunderstanding and does not publish significant information prior to public disclosure via the SET's website.

10. The Company has established an Investor Relations Unit to serve as a center for public relations and disclosure of significant and useful information for shareholders, investors, as well as supervise financial reporting processes such as presentation of performance, financial statements, financial reports, management discussion and analysis (MD&A) as well as significant information notified to the Stock Exchange of Thailand both in Thai and English.

In addition, in 2019, the Company organized public relations activities to present its operational directions and operating performance to the analysts and investors as follows:

|  | Activities | 2019 (Number of Times) |
|---|---------------------------------|---------------------------|
| | Analyst Meeting | 4 |
| | Opportunity Day | 1 |
| | Roadshow and Conference | 4 |
| | Company Visit / Conference Call | 13 |

The Company also participated in Investor Relations Club's activities to exchange knowledge and experience for improvement of the Company's investor relations works as well. Please contact the Investor Relations Unit of Rama 9 Hospital Public Company Limited No. 99 Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 Tel: 02-2029999 or 1270 Ext. 39204 Fax: 02-2029998 Email: jirarojc@praram9.com or study more information on the Company's website at www.praram9.com in the topic of Investor Relations.

11. The Company has disclosed significant information through the Company's website in order for interested shareholders and investors to be able to study and download the information at www.praram9.com in the topic of Investor Relations.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

All directors understand the roles, duties and responsibilities and are aware of the responsibility as the organization leader to ensure that the Company has in place good and effective management with transparency and in compliance with the laws, rules, regulations and Articles of Association of the Company. The roles, duties and responsibilities of the Board of Directors and the management team are clearly segregated. The Company places importance on the policy on the responsibilities of the Board of Directors as follows:

1. Structure of Board of Directors

The Company places importance on Board diversity for effective, flexible, and beneficial management which can lead the Company to achieve the main objectives and goals laid down. For this reason, the company has established the policy on the diversity of structure of Board of Directors as follows.

1.1 The structure of the Company's Board of Directors is consistent with the Company's Articles of Association which prescribes that Company shall have a Board of Directors of not less than five (5) persons. Not less than half of the total number of directors shall have residence in Thailand and shall have all the qualifications required by the Company's Charter as well as shall not be a person with prohibited qualifications as required by law. The shareholders will consider the appointment of the Company's directors.

1.2 The Board of Directors shall consist of not less than one-third of independent directors of the total number of directors which shall not be less than 3 persons, and shall have at least 1 female independent director to create a variety of ideas and counterbalance consideration and voting on various matters appropriately.

1.3 The Board of Directors shall consist of persons with knowledge and skills, a variety of expertise and work experience related to the Company's business as well as in accordance with the Company's short-term and long-term business strategies, regardless of gender, age, race, religion, educational background, knowledge and professional skills.

Therefore, the nomination and appointment of Board of Directors depend on the diversity of the structure of the Board of Directors in each aspect appropriately, in terms of professional skills, specialized expertise and experience. The details are as follows:

| Knowledge, Skills, Experience and Expertise of Directors | | | | | | | | | | |
|--|------------------------------------|-------------------------------|----------------|------------------|-------------------|--------------|------------------|-------------------|-------------------------------|--------------------------|
| Name | Type of Director | Administration and Management | Medical Aspect | Financial Aspect | Accounting Aspect | Legal Aspect | Marketing Aspect | Mass Media Aspect | Information Technology Aspect | Foreign Relations Aspect |
| 1. MR. BHANPOT DAMAPONG | Chairman of the Board of Directors | ✓ | | ✓ | | | | | | |
| 2. DR. SATIAN POOPRASERT | Executive Director | ✓ | ✓ | | | | | | | |
| 3. DR. VIROON MAVICHAK | Executive Director | ✓ | ✓ | | | | | | | |
| 4. DR. PRASERT TRAIRATVORAKUL | Executive Director | ✓ | ✓ | | | | | | | |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | Director | ✓ | | ✓ | ✓ | | | | | |
| 6. MRS. VILASINEE PUDDHIKARANT | Director | ✓ | | ✓ | | | ✓ | | ✓ | |
| 7. PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA | Independent Director | ✓ | ✓ | | | | | | | ✓ |
| 8. CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK | Independent Director | ✓ | ✓ | | | ✓ | | | | |
| 9. MR. KANIT PATSAMAN | Independent Director | ✓ | | ✓ | ✓ | | | | | |
| 10. MR. PISET CHIYASAK | Independent Director | ✓ | | | | ✓ | | ✓ | | |

1.4 The Chairman of the Board of Directors is not the same person as the Chief Executive Officer.

1.5 The Board of Directors has a tenure of not more than 3 years in accordance with the specified laws. The Board of Directors has established the policy specifying that the tenure of an independent director shall not exceed nine consecutive years from the first day of appointment as independent director. Unless the Board of Directors considers the reasonableness of necessity, the Board of Directors then may appoint such person to continue holding the position of independent director of the Company.

1.6 To ensure the Company's proper and smooth management, in the case where the Chairman of the Board of Directors is not able to attend the meeting, the Company has then determined a position of Vice-Chairman of the Board of Directors and resolved to appoint Dr. Sathien Pooprasert to be a Vice-Chairman of the Board of Directors.

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

The roles, duties and responsibilities of the Board of Directors are determined in accordance with the Board of Directors's Charter. The objective is to supervise the performance of the Board of Directors to ensure for the highest efficiency and effectiveness, consisting of the following guidelines:

2.1 Responsibility as an organization leader

The Board of Directors recognizing the significant role of directors as the organization leader, which has the duties and responsibilities to supervise the organization to have good management, including setting a vision, goals, strategies and operating policies as well as managing significant resources to achieve the objectives and goals. This includes monitoring, assessing and supervising the operating performance report to ensure that it is accurate, in order to create sustainable value for the business as well as creating the highest returns for shareholders

2.2 Policies related to vision and mission

The Board of Directors has the duty to determine and consider objectives, vision, mission strategies, business directions, goals, policies, business plans, management structure and Company's approval authorities as well as supervise and monitor the performance of management to accurately and appropriately be in accordance with the goals under the framework of legal requirements and business ethics for the benefit of the Company, shareholders and all stakeholders.

In 2019, the Board of Directors approved and reviewed strategies, goals, budgets and business plans appropriately and in accordance with the Company's business directions.

Therefore, to monitor the implementation of the Company's strategies and business plans, the Board of Directors, in every quarterly meeting, has specified that there shall be a performance report of all subcommittees, namely the Executive Committee, the Audit Committee (including the performance of duties on risk management), the Nomination and Remuneration Committee and the Corporate Governance and Sustainable Development Committee. The reports include operating performance in several aspects in accordance with the defined operational plan.

2.3 Corporate Governance Policy and Code of Business Conduct

The Board of Directors has adhered to the principles of good corporate governance and therefore established a written corporate governance policy. The Board of Directors has prepared a corporate governance manual and published it on the Company's website at www.praram9.com. The manual serves as guidelines for the performance of duties for all directors, executives and employees of the Company as well as all relevant stakeholders for acknowledgement and adherence to as practice guidelines in the same direction.

In addition, to achieve its intention to conduct business with transparency, morality and responsibility towards stakeholders as well as the society and the environment, which is the key to sustainable business operations, the Board of Directors has therefore established the Code of Business Conduct in writing and published it on the Company's Website at www.praram9.com and announced and communicated it to the Board of Directors, executives and all employees for acknowledgement and strict compliance.

To ensure that all employees receive correct, appropriate and sufficient knowledge and understanding on laws, rules, regulations, regulations, good corporate governance policy as well as the Code of Business Conduct of the Company, the Company has therefore promoted communication and organized trainings to educate employees and new employees on the orientation day as well as tested their knowledge and understanding after the training and explained the answers. All employees shall attend trainings and pass the tests on such matters by treating this as part of the work regulations. The results of the test will be used as the key knowledge and understand indicator of the employees in the organization and to be guidelines for improving communication as well as creating awareness for all employees in the Company. Moreover, the Board of Directors has determined that the corporate governance and Code of Business Conduct are regularly reviewed at least once a year so that they are updated and in consistent with the constantly changing environment and business context.

2.4 Internal control and risk management

The Company has established an internal control system for supervision and internal control both at the management level and the operational level in an efficient manner. The Company has established an internal audit unit by outsourcing an auditor, namely Ms. Wanna Maluengnon, ACC-PLUS Consultant Company Limited to audit the operation and assess the sufficiency of the Company's internal control system. In order for the operation of the internal audit unit to be independent from the management, the Board of Directors therefore assigns internal auditors to directly report the audit results to the Audit Committee so that the Audit Committee can effectively audit and monitor the operations of the Company

Furthermore, the Company has established risk management working group to determine a risk management policy encompassing the entire organization as well as supervise to have appropriate process or risk management system to reduce the impact on the Company's business. The Risk Management Working Group is under the Internal Audit unit. More details on the Company's internal auditor can be found in the topic of "Details on the head of the internal audit and the head of compliance").

2.5 Supervision of the Company's operation

The Board of Directors has established a compliance unit to support the operation of the Board of Directors and supervise the performance of duties of the Company's Board of Directors, executives, employees as well as various units to be in compliance with the laws and relevant regulations of regulatory agencies such as the SEC and the SET as well as coordinate with regulatory agencies to ensure that the operation of the Company is accurate, and transparent. The Board of Directors will consider and determine work plans and governance systems, monitor and evaluate performance, and revise annual operational supervision plans in response to the changing events and rules.

Miss Marisara Thanasaksiri acts as the Company Secretary and Chief of Compliance. More details on the Chief of Compliance can be found in the topic of "Details of Directors, Executives, Regulators and Company Secretary".

2.6 Appointment of Company Secretary

The Board of Directors has prescribed that there shall be a Company Secretary appointed by the Board of Directors Meeting. The appointment of Company Secretary shall be in accordance with the criteria specified by the law and good corporate governance guidelines. The Company Secretary shall be a person with knowledge and graduated in law or accounting and has completed training courses related to the performance of duties of the Company Secretary to provide legal and regulatory advice to the Board of Directors and supervise the activities of the Board of Directors. This includes to make an appointment, prepare a meeting invitation letter together with supporting documents for the meeting accurately, completely and sufficiently as well as coordinate to ensure the implementation in accordance with the Board of Directors' resolutions.

Miss Marisara Thanasaksiri acts as the Company Secretary and Chief of Compliance. More details on the roles and duties of the Company Secretary can be found in the topics of "Company Secretary" and "Details of Directors, Executives, Regulators and Company Secretary".

3. Policy on the Segregation of Positions of Chairman of the Board of Directors and Chief Executive Officer

The Company has a policy that the Chairman of the Board of Directors shall not be the same person as the Company's Chief Executive Officer to ensure checks and balances each other's authority and no relationship with the management department. The Company has clearly segregated duties and responsibilities in policy formulation, monitoring and supervision of operations and management. The Chairman of the Board of Directors has a significant role in determining the policy, monitoring and overseeing that the business operations of the Company are in accordance with the policies set forth. As well as provide support and advice on the operations of the management without interference with the works under the management's responsibility. The Company has clearly defined and segregate the duties and responsibilities of the Chairman of the Board of Directors and the Chief Executives Officer, which can be summarized as follows:

| Position | Duties and Responsibilities |
|---|--|
| Chairman of the Board of Directors | <ul style="list-style-type: none"> • Jointly consider meeting agenda with the Chairman of the Executive Committee and the Chief Executive Officer • Encourage the Board of Directors to attend the Board of Directors Meeting and Shareholders' Meeting and lead and control the meetings to achieve results effectively • Encourage the Board of Directors to participate in the meetings, allocate sufficient time for the management or related persons to present information, support and offer an opportunity to raise questions and express opinions freely, control discussion issues and conclude meeting results • Provide assistance, suggestions and comments that are beneficial to the Company's business operation • Consider matters that may have conflicts with interest to ensure accuracy and transparency • Encourage the Board of Directors to perform duties within the scope of authority, duties and responsibilities of the Board of Directors in accordance with laws. Charters and the principles of good corporate governance |
| Chief Executive Officer | <ul style="list-style-type: none"> • Act as the Company's chief of management team by being responsible to the Board of Directors and the Executive Committee in operating business and overseeing the business management of the Company • Supervise, manage and perform for the benefits of the Company and to be in accordance with the vision, business direction, objectives and regulations as well as rules, resolutions, policies, business strategies and annual budget plan that have been approved by the Board of Directors and/or approved by the Shareholders' Meeting under the relevant legal framework and the scope of authority determined by the Board of Directors. • Inspect, monitor and evaluate the operating performance of the Company's management to ensure that the management implements the strategy and business plan laid down to be in accordance with the Company's policies and goals as well as report to the Board of Directors on a quarterly basis. • Perform duties as assigned by the Board of Directors and have the authority to take any actions necessary for the performance of such duties. |

More details on responsibilities of the Chairman of the Board of Directors and Chief Executive Officer can be found in the section of Management structure under the topics "Roles and responsibilities of the Chairman of the Board of Directors" and "Scope of duties and responsibilities of the Chief Executive Officer"

4. Policy of the Board of Directors's Independence from the Management

All directors are independent in expressing their opinions on the operations of the management; by clearly separating the roles, duties and responsibilities of the Board of Directors and the Chief Executive officer and has clearly delegated authority to manage the business for the management in writing to enable the Board of Directors to truly perform their duties independently from the management. The Board of Directors has a duty to set policies, vision, mission, objectives and main goals in business operations, directions and business strategy plans so that the management can implement and supervise the management by determining the audit methods. In order to counterbalance the work of the management and supervising the management's operations to be efficient, transparent, and in compliance with laws and regulations to ensure that the operation of the Company is appropriate and for the best benefits of the company and shareholders. (More details can be found in the section of "Management Structure")

5. Policy regarding the Board of Directors Meeting

In order to ensure that the Board of Directors is able to continuously monitor and control the Company's operations, the Company has therefore formulated a policy for the Board of Directors Meeting as follows:

5.1 According to the Company's charter, the Board of Directors' Meeting shall be held at least 4 times a year (once a quarter) and can hold special meetings as deemed necessary. To ensure compliance with the principles of good corporate governance, the Board of Directors has therefore a policy prescribing that there shall be more than 6 meetings per year for effective monitoring of the Company's operations.

5.2 The Company will set the agenda and the dates of the Board of Directors Meeting, Subcommittee Meeting and the Annual Shareholders' Meeting in advance. The Company will notify the Board of Directors in advance in the last Board of Director Meeting before next year, so that all directors can allocate time to completely attend the meeting. The schedule and agenda is subject to change as deemed necessary and appropriate.

The Board of Directors, in its Meeting No. 7/2019 held on November 12, 2019 resolved to schedule the meeting of the Board of Directors and shareholders for the year 2020 in advance (excluding the meeting of non-executive directors scheduled on July 14, 2020 after the Board of Directors Meeting). The details are as follows

| Schedule of the Board of Directors' Meeting and Shareholders' Meeting | |
|---|-------------------|
| No. | Date |
| 1/2020 | January 21, 2020 |
| 2/2020 | February 18, 2020 |
| Shareholders' Meeting | April 24, 2020 |
| 3/2020 | April 24, 2020 |
| 4/2020 | May 14, 2020 |
| 5/2020 | July 14, 2020 |
| 6/2020 | August 11, 2020 |
| 7/2020 | November 12, 2020 |
| 8/2020 | December 15, 2020 |

Remark: Such meeting schedule is subject to change as deemed necessary and appropriate.

Furthermore, the Company has scheduled subcommittee meetings for the year 2020 in advance, such as the Executive Committee, the Audit Committee (responsible for risk management as well) and the Nomination and Remuneration Committee. The details are as follows:

| No. | Executive Committee Meeting | Audit Committee Meeting | Nomination and Remuneration Committee Meeting |
|---------|-----------------------------|-------------------------|---|
| 1/2020 | January 17, 2020 | February 17, 2020 | January 21, 2020 |
| 2/2020 | February 17, 2020 | May 13, 2020 | February 18, 2020 |
| 3/2020 | March 19, 2020 | August 10, 2020 | |
| 4/2020 | April 16, 2020 | November 11, 2020 | |
| 5/2020 | May 13, 2020 | | |
| 6/2020 | June 18, 2020 | | |
| 7/2020 | July 13, 2020 | | |
| 8/2020 | August 19, 2020 | | |
| 9/2020 | September 17, 2020 | | |
| 10/2020 | October 22, 2020 | | |
| 11/2020 | November 17, 2020 | | |
| 12/2020 | December 17, 2020 | | |

Remark: The meeting schedule is subject to change as deemed necessary and appropriate.

5.3 In determining the agenda of the Board of Directors Meeting, the Chairman of the Board of Directors and the Chief Executive Officer will approve the meeting agenda by having one independent director to participate in considering the agenda of the Board of Directors Meeting in order that the significant matters related to the Company be completely included in the agenda.

5.4 The Company has entrusted the Company Secretary to send the meeting invitation letter and supporting documents to all directors at least 7 days prior to the meeting date. This is to allow the Board of Directors to have sufficient time to study the information before attending the meeting unless in case where there is an urgent need. To preserve the rights or benefits of the Company, notifying of the meeting can be made by other methods or set the meeting date to be earlier than that.

5.5 The Company prepares the record of minutes of the meeting as well as collects and stores the certified documents for reference and accountability. In every meeting, the executives and related persons shall attend the meeting to provide information and details in making correct and timely decisions.

5.6 In the Board of Directors meeting, there shall be not less than one half of the total number of directors of the Company to constitute a quorum.

5.7 In the event that the Chairman of the Board of Directors is not present at the meeting or is unable to perform one's duties, the Vice-Chairman of the Board of Directors shall act as the Chairman; or if the Vice-Chairman is unable to perform one's duties as well, the directors who attend the meeting shall select one director to act as the Chairman of the meeting.

5.8 In voting, one director shall have one vote to cast and in voting for resolution at the Board of Directors Meeting, there shall have a minimum quorum of not less than two-thirds of the total number of directors.

5.9 In the event that a director having any conflict of interest will have no rights to vote on that matter. The director having such conflict of interest can participate in the meeting while considering on the matter to allow the meeting to directly inquire about details from the directors who have such conflict of interest. However, the director with such conflict of interest shall leave the meeting when voting is completed. If the votes are equal, the Chairman of the meeting shall cast an additional vote to be the decisive vote by using a majority vote and if there is a director opposing the resolution, the objections shall be recorded in the minutes of meeting.

In 2019, the Board of Directors held a total of 7 Board of Directors Meetings where all directors regularly attended the meetings. The proportion of attendance was at 87.14%.

In the previous year's meetings, the agenda for consideration was divided into 2 main agenda items for clarity i.e. a matter for acknowledgement and a matter for consideration/approval/expression of opinions. Major agenda items were as follows:

Matter for Acknowledgement

1. Acknowledge the reports of subcommittees
 - Executive Committee
 - Audit Committee
 - Nomination and Remuneration Committee
2. Report on shareholding of directors and executives (on a quarterly basis)
3. Score results of the “AGM quality assessment” project
4. Results of Corporate Governance Report of Thai Listed Companies Project
5. Report on the offer of opportunity for shareholders to propose an agenda and nominate a qualified person to be appointed as a director in advance of the Annual General Meeting of Shareholders
6. Report on exchange of experience in sustainable corporate governance

Matters for Acknowledgement/Endorsement/Approval

1. Consider business plans according to the strategic plan, the quality improvement plan and annual budgets
2. Consider annual performance assessment results of the Board of Directors and subcommittees
3. Consider salary raise and bonus of the Chief Executive Officer
4. Consider annual KPI of the Company
5. Consider the report on the annual performance of duties of the Board of Directors and subcommittees
6. Consider the report on the Board of Director's responsibility towards financial reporting
7. Consider and raise opinions on related party transactions and/or connected transactions of the Company (on a quarterly basis)
8. Consider and approve an annual registration statement and an annual report
9. Approve the schedule date of Annual General Meeting of Shareholders and determine agenda of the Annual General Meeting of Shareholders
 - Acknowledge the report of the Board of Directors on annual operating results
 - Approve Statement of Financial Position and Profit and Loss Statement of the Company
 - Approve annual dividend payment and allocate annual net profit as reserve according to the law
 - Approve the appointment of directors in replacement of those retired by rotation
 - Approve the determination of annual director remuneration
 - Approve the appointment of auditor and the determination of annual audit fee
10. Consider and approve the appointment of directors to hold positions in subcommittees of the Company
11. Report business results according to the strategic plan, the quality improvement plan and annual budgets (on a quarterly basis)
12. Certify the Company's financial statements (on a quarterly basis)
13. Approve the authority to operate financial tasks
14. Consider and review business plans according to the strategic plan, the quality improvement plan and annual budget
15. Consider the adequacy of the Company's internal control system
16. Consider and review the Company's 3-year risks

(More details can be found in the topic of “Information on meeting attendance records of the Board of Directors and subcommittees of each director”)

6. Policy on Non-executive Directors Meetings

The Board of Directors has a policy to encourage non-executive directors to hold a meeting between themselves without presence of executive directors and the management at least once a year as deemed necessary to discuss problems or proposals, suggestions on the topic of the agenda of the Board of Directors Meeting as well as manage issues of interest such as the strategic plan and guidelines for the Company's sustainable growth of the Company. A summary report on considerations and suggestions shall be prepared to be proposed to the Board of Directors or the management for acknowledgement, as the case may be; and be implemented to improve better management systems and the Company's operations. This will create benefits for the Company and all stakeholders.

In 2019, the Company arranged one Non-Executive Directors Meeting on July 10, 2019 with major agenda as follows:

- Internal management in supportive of the Notification of the Central Committee on Product and Service Prices No. 52 B.E. 2562 (2019)
- Presentation of significant figures to the Board of Directors

The Chief Executive Officer was informed of the meeting results for further consideration after the end of the meeting.

7. Limiting the Number of Listed Companies in which Directors and Chief Executive Officer can Hold Directorships

The Company has determined the qualifications of directors who are allowed to hold directorships in other companies. However, such directorships shall not obstruct the performance of duties of the Company's directors and shall be in compliance with the SET's guidelines. To support the guidelines for good corporate governance and promote the highest efficiency in performing duties. The Company has therefore established a policy to allow the Company's directors and Chief Executive Officer to hold directorships in no more than 5 listed companies and shall inform the Board of Directors at all times in the event that they wish to hold directorships in other businesses.

At present, there were no director and Chief Executive Officer of the Company who held directorships in more than 5 listed companies.

8. Policy for Determining Tenure of Directors

The Company has determined tenure of directors to be in accordance with the Public Limited Companies Act B.E. 2535 (1992) and the Company's Articles of Association, specifying that one-third of directors shall retire by rotation in every Annual General Shareholders' Meeting. The directors who hold the positions the longest shall retire by rotation. In the event where the number of directors cannot be divided into three parts, the number nearest to one-third of the directors shall retire. The directors who vacate from the positions may be re-elected. The Nomination and Remuneration Committee shall consider nominating appropriate and qualified persons to the Board of Directors for consideration before proposing the matter to the Annual General Shareholders' Meeting.

In this regard, the Company has disclosed the information on each director's appointment date and independence in accordance with the details of the Board of Directors. In case where any independent directors, who hold the position of directors for more than 9 years, has been nominated to resume holding the position of independent director of the Company, the Board of Directors shall present the reasons and necessity to the Annual General Shareholders' Meeting for consideration and approval. Currently, none of the Company's independent directors holds the position of independent director for more than 9 years.

9. Policy on Nomination of Directors and Top Executive

The Company has a policy to recruit directors by determining the director nomination criteria as well as qualifications of directors and appointment process of new directors clearly and transparently, whereby the Board of Directors shall consider the appropriateness of the structure and composition of the Board of Directors in accordance with the Board of Directors structure policy to be in accordance with the business

strategy, by taking into account the requirements of qualifications, professional skills and specific expertise of the directors that the Company still lacks of according to the Board Skill Matrix such as medication, finance and accounting, law, marketing, management or other aspects to ensure diversity in different areas as well as qualifications and experiences that are consistent and in support of short-term and long-term business strategy of the Company, regardless of gender, race and religion. In some cases, the Company uses the Director Pool to help make decisions in recruiting and creating a wide variation in the structure of the Board of Directors. For more details, please refer to the topic of “Nomination and Appointment of Directors and Top Executive”.

10. Remuneration Policy

To ensure the process of determining remuneration and other benefits of the Board of Directors, subcommittees and the Chief Executive Officer is transparent and in compliance with the principles of good corporate governance and in alignment with the Company’s long-term strategy and goals and the components of remuneration and other benefits are appropriate and sufficient to motivate and retain qualified personnel, the Company has therefore formulated a policy and criteria for determining remuneration and other benefits of the Board of Directors, subcommittees and the Chief Executive Officer as follows:

10.1 Process of determining remuneration and other benefits

The Nomination and Remuneration Committee shall consider and determine remuneration and other benefits of the Board of Directors, subcommittees and the Chief Executive Officer and shall proceed as follows:

(1) Remuneration and other benefits of the Board of Directors and subcommittees shall be proposed to the Board of Directors for consideration within the framework approved by the Shareholders’ Meeting.

(2) Remuneration and other benefits of the Chief Executive Officer shall be proposed to the Board of Directors for approval.

10.2 Guidelines for determining remuneration and other benefits

(1) Remuneration and other benefits of the Board of Directors and subcommittees

The determination of remuneration of the Board of Directors and Sub-Committees shall be based on the obligations of directors; which must be in compliance with the fiduciary duty principle, responsibilities, dedication, values received from the performance of duties of directors as well as incentives for qualified directors who are appropriate for the needs of the Company. Such is done by determining the components of remuneration for directors as follows:

(1.1) Retainer fee paid to non-executive directors on a monthly basis, whether or not there is a Board of Directors Meeting, by taking into account the following factors:

- Practice guidelines in the industry
- Operating results and business size
- Knowledge, competence and experience of directors to be recruited or in need of the Company at that moment

(1.2) Attendance fee paid to directors attending each meeting paid only to the directors who attended the meeting, which is divided into

- Attendance fee of the Chairman of the Board of Directors and the Chairman of the subcommittees
- Attendance fee of directors and subcommittees

(1.3) Incentive fee is a special remuneration paid to the directors once a year, by considering the values created for shareholders such as the Company’s profits or dividends paid to shareholders, but will not focus on the Company’s short-term performance

(1.4) Other benefits (both monetary and non-monetary forms) which may be considered as an exact amount at a fixed rate or a special criterion and will be paid from time to time or to be effective until the Shareholders' Meeting has resolved to change otherwise.

(2) Remuneration of the Chief Executive Officer

The determination of the remuneration of the Chief Executive Officer is in accordance with the principles and policy approved by the Board of Directors and considered by the Nomination and Remuneration Committee. For the best interests of the Company, the types and levels of the remuneration, in terms of salary, bonus, and long-term incentives shall be consistent with the Company's performance and performance assessment results. The components of the Chief Executive Officer remuneration are as follows:

(2.1) Regular remuneration such as salary and other regular remuneration of its level is based on the following factors:

- Knowledge, competence and experience
- Practice guidelines in the industry with similar business size
- Performance assessment (In case of considering remuneration increase)

(2.2) Medical welfare in accordance to the welfare specified in the regulations and employee manual

(2.3) Performance-based remuneration, namely bonus and other special remuneration, considered from performance assessment results which shall be under the policy framework set by the Board of Directors.

11. Policy on Performance Assessment of the Board of Directors, Subcommittees and Chief Executive Officer

To ensure that the process of governance, control and management is in accordance with the principles of good corporate governance and to monitor and assess the results in accordance with the objectives or goals set forth, the Company has therefore established a policy for the Board of Directors, subcommittees and the Chief Executive Officer to conduct performance assessments at least once a year to be used for considering and reviewing the performance, problematic issues and obstacles during the past year and increase the effectiveness of the Board of Directors and the Chief Executive Officer. The process and criteria for performance assessment are as follows.

11.1 Performance Assessment of the Board of Directors and Subcommittees

The Company arranges for assessments of the performance of the Board of Directors and subcommittees once a year, divided into 3 forms:

- (1) Collective self-assessment form of the Board of Directors and subcommittees
- (2) Individual self-assessment form of the Board of Directors and subcommittees
- (3) Individual assessment form of the Board of Directors (assessing others)

Performance assessment process

(1) The Nomination and Remuneration Committee considers and establishes a policy and scoring criteria on each topic in accordance with the assessment form.

(2) The Company Secretary hands out the Board assessment forms so that all directors can conduct annual performance assessments of both the Board and individual.

(3) The Board of Directors submits assessment forms to the Company Secretary in order to collect and summarize the assessment results and report to the Nomination and Remuneration Committee as well as the Board of Directors for acknowledgement at the first Board of Directors Meeting of the year.

Scoring Criteria and Summary of Assessment Results

| Score Received (%) | Scale Received |
|--------------------|------------------|
| 85 - 100 | Excellent |
| 75 - 84 | Very Good |
| 65 - 74 | Good |
| 50 - 64 | Fair |
| Below 50 | Need improvement |

The performance assessment results of the Board of Directors, can be summary summarized as follows:

| Assessment Results | Score (%) | |
|--|-----------|-------|
| | 2018 | 2019 |
| Individual performance assessment of the Board of Directors (self-assessment) | 96.54 | 97.23 |
| Individual performance assessment of the Board of Directors (assessing others) | 99.25 | 98.64 |
| Collective performance assessment of the Board of Directors | 97.96 | 98.79 |

The performance assessment results of sub-committees, can be summarized as follows:

| Assessment Results | Score (%) | |
|--|-----------|-------|
| | 2018 | 2019 |
| Performance assessment of the Executive Committee (Individual) | 93.50 | 98.25 |
| Performance assessment of the Executive Committee (Collective) | 96.26 | 97.39 |
| Performance assessment of the Audit Committee (Individual) | 94.44 | 96.05 |
| Performance assessment of the Audit Committee (Collective) | 93.67 | 99.63 |
| Performance assessment of the Nomination and Remuneration Committee (Individual) | 91.66 | 95.61 |
| Performance assessment of the Nomination and Remuneration Committee (Collective) | 97.09 | 95.17 |

11.2 Performance Assessment of Chief Executive Officer

The Company arranges for an assessment of the performance of the Chief Executive Officer once a year. The Nomination and Remuneration Committee shall propose to the Board of Directors for consideration within the first month of the year. The main assessment topics as follows:

- Understanding of Company and businesses
- Positioning and strategic planning
- Financial management
- Resource management
- Achievement of goals and strategic plans
- Leadership
- Ability to analyze and make decision
- Communication skills
- Trust, confidence and commitment
- Adherence to corporate governance principles

Performance Assessment Process

(1) The Nomination and Remuneration Committee shall consider and establish a policy and scoring criteria on each main topic in accordance with the assessment form and jointly assess the performance of the Chief Executive Officer.

(2) The Nomination and Remuneration Committee shall report the assessment results to the Board of Directors for consideration.

Criteria for Performance Assessment

| Achieved Score (%) | Achieved Criteria |
|--------------------|-------------------|
| 85 - 100 | Excellent |
| 75 - 84 | Very Good |
| 65 - 74 | Good |
| 50 - 64 | Fair |
| Below 50 | Need Improvement |

The performance assessment of the Chief Executive Officer for the year 2019, can be summarized as follows:

| Assessment Results | Score (%) | |
|---|-----------|------|
| | 2018 | 2019 |
| Performance assessment of the Chief Executive Officer | 91 | 96 |

12. Director and Executive Development Policy

The Company has a policy to promote and develop knowledge for directors, executives and Company Secretary. The Nomination and Remuneration Committee, at its Meeting No. 1/2020 held on January 21, 2020, considered patterns and plans for the development of directors, subcommittee members and executives in order to continuously and annually increase the skills and knowledge necessary for the performance of duties and responsibilities. The knowledge development training may be done within the Company or use the services of outsource institutions

In 2019, there were directors and executives attending seminars on programs related to the performance of duties as well as meetings to exchange opinions with experts from other organizations as follows:

| Name of Director | Training Program/Seminar |
|---------------------|---|
| MR. KANIT PATSAMAN | <ul style="list-style-type: none"> Ethical Leadership Program (ELP) (Class 16/2019) |
| MR. PISET CHIYASAK | <ul style="list-style-type: none"> Personal data Protection act Course (PWC) Digital Transformation Course (IOD) Personal data Protection act Course (EY) Corporate Innovation Masterclass (Alex Osterwalder) |
| MR. SONGSAK PREMSUK | <ul style="list-style-type: none"> The Role of Chairman Program (RCP) (Class 45/2019) |

In addition to the seminar in 2019, the Company has disclosed training and seminar information of directors and the first 4 executives of the Company in the profiles of the Company's directors and executives.

13. Policy on the Succession Plan for the Top Executive Position

The Board of Directors has developed a succession plan and continuity in appropriate management for executives from assistant managing director level up to the Chief Executive Officer. The Company has in place a nomination process with consideration on knowledge, experience, competence, ethics and leadership to prepare personnel in response to business growth. The Company conducts an assessment of the efficiency and potential of the executives, promotes the development of appropriate knowledge and skills as well as continuously monitors the development results. The Company has disclosed the policy for succession plan all directors, executives and employees for acknowledgement through the Company's website at www.pparam9.com to ensure that the Company's operations continue with the highest efficiency.

The Company has a plan to appropriately and transparently select personnel that will be responsible for significant management positions at all levels to ensure that the Company has professional executives. The Board of Directors has required that a succession plan be prepared for the successions of the Chief Executive Officer and senior executives. In the event that the Chief Executive Officer or a senior executive retires, resigns or is unable to perform one's duties. For the Company's continuity of management, the Nomination and Remuneration Committee ("Nomination Committee") has been entrusted to oversee the succession plan and intermittently report to the Board of Directors for acknowledgement at least once a year.

The Nomination and Remuneration Committee, in its Meeting No. 1/2020 held on January 21, 2020, considered successions of the Chief Executive Officer and senior executives and report its performance to the Board of Directors Meeting for acknowledgement. Moreover, the Nomination and Remuneration Committee supervised human resource management and development to ensure appropriate number, knowledge, skills, experience and incentives as follows:

(1) Chief Executive Officer

When the Chief Executive Officer position becomes vacant or the person in the position cannot perform one's duties, the Company will assign an executive at a similar level or the Deputy Managing Director level to hold the position until the recruitment and selection of persons with qualifications in accordance to the criteria set by the Company.

(2) Senior Executives

When the senior executive positions, ranging from the Assistant Director level up to the Deputy Managing Director level or those who are in such positions are not able to perform their duties, the Company will propose a successor selected by the Deputy Managing Director, the Human Resources Management Department (In case that the vacant position is the Deputy Managing Director, the Human Resources Management Department, it shall be the duty of the Chief Executive Officer) and propose to the Chief Executive Officer for consideration and approval of the appointment.

14. Director Orientation

In the event that there is a change in directors or new directors, the Company will organize an orientation for new directors. To offer them a chance to meet with senior executives such as the Chief Executive Officer and Deputy Managing Directors for in-depth inquiries on business operations. The Company as well provides a manual for new directors in order to prepare them for the performance of duties as directors and to create knowledge and understanding on the Company's business nature, operational plans, policies and information related to the Company. The Company Secretary acts as a coordinator on various matters such as organizational structure, majority shareholders and the composition of the listed company directors, vision, mission, and the Company's operating performance in order to help support the performance of duties of directors efficiently and able to hold the position as soon as possible.

In 2019, the Company had no new directors.

NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

- **Criteria for Considering the Appointment of Directors and Senior Executives**

(1) The Nomination and Remuneration Committee shall be responsible for considering and nominating the Company's directors and Chief Executive Officer, who possess qualifications in accordance with the criteria of the Board of Directors determined by the Company. Such criteria specify that directors and Chief Executive Officer shall have knowledge, competence and work experience that are in alignment with the business strategies and readiness to devote time to perform duties as a director as well as necessary skills that are still absent in the structure of the Board of Directors according to the Board Skill Matrix (More details on the qualifications of directors can be found in the topic of "Qualifications of the Board of Directors" under the section of "Management Structure" to proceed in accordance with the process of appointment of directors and senior executives.

(2) In case where the shareholders nominate qualified persons to be elected as directors and/or the Company's Chief Executive Officer, the Nomination Committee shall then use the information of the person who has been nominated to consider the qualifications in accordance with the criteria set by the Company in order to further proceed in accordance with the process of appointment of directors and senior executives.

- **Process for Recruiting and Appointing Directors and Senior Executives (Chief Executive Officer)**

(1) In the nomination and appointment of directors and the Company's Chief Executive Officer is partly based on the Director Pool to create diversity in the structure of the Board of Directors.

(2) Prepare Board Skill Matrix to determine the qualifications of directors that the Company wants to recruit, by considering the necessary skills the Board of Directors still lacks of and work experience that is in alignment with the Company's business strategy.

(3) In case where the Nomination and Remuneration Committee considers that the Company still lacks of the directors or executives who have more knowledge, competency or specific experience, the Nomination and Remuneration Committee will consider recruiting persons for additional positions to comprehensively help develop work potentials in various aspects of the Company.

(4) Once the Nomination and Remuneration Committee has nominated qualified persons appropriately, the Committee will propose the names of new directors and senior executives to the Board of Directors Meeting for consideration and/or proposing to the Shareholders' Meeting for approval, as the case may be.

(5) In case of the appointment of directors to replace the vacant positions for reasons other than the expiration of the term of office, the Nomination and Remuneration Committee shall select persons who are fully qualified in accordance with the determined criteria to propose to the Board of Directors Meeting to appoint a replacement position in the next Board of Directors Meeting unless the term of the director is less than 2 months. The person who holds the position of director in such case shall remain in the position for only the remaining term of the vacating director.

SUPERVISION OF THE USE OF INTERNAL INFORMATION

The Company has a policy on securities trading and the use of the Company's internal information, which has not yet been disclosed to the public to be used for personal gain as well as securities trading as follows

(1) Directors, executives and auditors of the Company issuing securities are obliged to disclose and report of their securities holding, their spouses or partners as well as minor children to be in accordance with the regulations of the SET and the SEC.

(2) The Company shall comply with the law on the use of internal information by ensuring equality and fairness to all shareholders and prevent illegal actions of the Company's personnel at all levels as well as all family members who have been informed or may have acknowledge the internal information that has not been disclosed to the public. The Company therefore prohibits such person from trading shares or persuading others to trade or offer to trade shares of the Company, whether by oneself or through a broker while still possessing the information that has not yet been disclose to the public. The Company and the SET considered that trading of securities in such way is the trading for speculation or advantage creation for a particular group of people.

(3) The Company has established a security system in the workplace to safeguard files and confidential documents. The Company has also restricted access to non-public information by providing only to necessary and related persons. This is considered the duty of the information owner or the person who possesses the non-public information to urge those involved to strictly follow the security procedures. Violators of the use of internal information shall be subjected to disciplinary actions and/or laws, as the case may be.

AUDITOR REMUNERATION

The Company has hired EY Office Limited as the Company's auditor, which is an auditor who has been approved by the SEC to audit, comment and certify the Company's financial statements. The auditor is also independent and has no relationship or conflict of interest with the Company, directors, senior executives or majority shareholders or individuals who are related to such person.

In 2019, the Company paid the auditor remuneration without any non-audit fees:

| Auditor Remuneration | 2019 (Unit/Baht) | 2018 (Unit/Baht) |
|----------------------|---------------------|---------------------|
| 1. Audit Fee | 1,900,000 | 1,800,000 |
| 2. Non-audit fee | None | None |

COMPLIANCE WITH THE SET'S CODE OF BEST PRACTICES

Prior to the listing of ordinary shares as listed securities on the Stock Exchange of Thailand, the Company has established good governance principles and policies for becoming a listed company on the Stock Exchange of Thailand to ensure compliance with the laws and related practices guidelines and create transparency and responsibility towards the duties of the Board of Directors. The Company realizes that shareholders' confidence is a key factor for becoming a sustainable listed company. After becoming a listed company on the Stock Exchange Market on October 30, 2018, the Board of Directors realized the significance of the mechanism and measures that will supervise the Company to be responsible to all stakeholders with fairness. Therefore, the Company has established a policy to review the good governance principles and significant policies to be in accordance with and appropriate for the business context at least once a year, which will lead to better development and improvement. In the end, the Company foresees that the benefits received would be passed through shareholders and various stakeholders as well as more values are created for the business in the future.

CORPORATE SOCIAL RESPONSIBILITY

OVERALL POLICY

The Company recognizes the importance of sustainability in its business operations. Besides returns to shareholders, the Company is committed to its corporate social and environmental responsibility under corporate governance principles as well as anti-corruption to be in accordance with the Company's vision to become the most trusted high technology healthcare community.

In this regard, the Board of Directors has a policy to promote a corporate governance framework in its business operations by appointing a Corporate Governance and Sustainable Development Committee for the time on January 21, 2020 (More details can be found in "Corporate Governance and Sustainable Development Committee" topic) to promote and support the Board of Directors' performance of duties in relation to policy, practice and plan formulation and the management of corporate governance function and sustainability practices in an efficient and transparent manner as well as to foster all stakeholders' confidence in long-term sustainable growth.

The Company gives priority to the safety and quality of life for those involved in its operations. The Company also encourages all employees to become socially and environmentally responsible as well as to strictly comply with relevant laws and regulations. Moreover, the Company actively takes part in a wide range of activities aiming at building and sustaining the society and environment as well as promoting local culture in localities where the Company operates its business. The Company has established policies and practices for corporate governance principles and social and environmental responsibility as follows:

Category 1 Fair business practices by promoting honesty, fairness, and business ethics under competition law and in compliance with laws, rules, regulations and morals as well as rejecting any behaviors that obstruct fair competition

Category 2 Respect for human rights and equality regardless of differences by nationality, skin color, sex, age, language, religion, emotional state, social status, etc.

Category 3 Fair and equitable treatment of workers and human resource development

Category 4 Responsibility towards service recipients by regularly enhancing the Company's provision of services to ensure service recipients' good health and satisfaction and respond to their needs

Category 5 Caring for the environment by promoting environmental care as well as strictly complying with laws, regulations and standards related to environmental management

Category 6 Participation in community or social development by encouraging and supporting activities that provide continuous assistance and take responsibility for all stakeholders in the society and community in terms of medical support

ACTIVITIES FOR SOCIETY AND ENVIRONMENT

The Company continuously takes part in encouraging and supporting a wide array of activities that benefit all stakeholders, especially those to enhance the public's medical knowledge and understanding both internally and externally. In the previous year, the Company undertook social and environmental activities as below:

1. Knowledge Enhancement Activity for Hospital Staff

With strong commitment to all of its employees or staff who are considered as major stakeholders taking part in driving efficiency in the hospital's operations, the Company has therefore placed importance on its operations based on corporate social responsibility towards nearby societies within the Company's business process in a continuous manner. Training courses on enhancement of medical knowledge and understanding, safety and occupational health of employees, promotion of morals, and provision of assistance to employees in various aspects. More details can be found in "Roles of Stakeholders: Employees" topic. For examples:



- Workshop to disseminate knowledge on the preparation of financial statements according to the Thai Financial Reporting Standard (TFRS 15), conducted by the external lecturer, for employees related to financial statements



- Training course on "Medical Use of Radiation and Prevention of Radiation Hazards", arranged by the external expert, for medical staff using radiation generators to ensure correct and safe work practices and highest efficiency
- Training course on "Epidemic Response Plan and Personal Protective Equipment (PPE)", arranged by the external expert, for nurses, laboratory technicians and x-ray technicians as well as concerned parties in the hospital
- Training course on "Basic First Aids", arranged by the external expert, for the Hospital's executives and employees to enhance correct knowledge and understanding and work practices, and ensure efficiency in the performance of duties of the Company's personnel

2. Knowledge Dissemination Activities for Doctors and Nurses among the Hospital Networks



- Training on knowledge and understanding dissemination in kidney disease and kidney transplantation, conducted by nephrologists, for doctors and nurses in the provincial areas of hospital networks such as Thaksin Hospital in Surat Thani Province



- Training on knowledge and understanding dissemination in kidney disease and kidney transplantation, conducted by nephrologists, for doctors and nurses in the provincial areas of hospital networks such as Paknampo Hospital, Nakhon Sawan Province

3. Health Knowledge Dissemination Activities for Hospital's Service Recipients

The Company is committed to promoting good health of all service recipients and ensuring that they receive correct and appropriate information on healthcare. The activities to enhance knowledge and understanding of correct healthcare by specialized doctors are regularly organized for the Hospital's service recipients and interested persons outside the Hospital. For example:



- Seminar on 9-Month-Old Baby's Developments in the Womb to educate new parenthoods to be prepared for quality self-care



- "Kidney Disease Day" activity to disseminate knowledge and give advice on kidney disease to patients, patients' relatives and general public as well as provide free kidney check-ups



- "Your Signature Heart Day" activity to disseminate knowledge and give advice on the prevention and treatment of heart disease for patients, patients' relatives and general public as well as provide free health check-ups, blood pressure measurement and sugar tests



- Activity to provide knowledge on prevention and reduction risks of breast cancer as part of the "Sewing Cup Sewing Heart" project and the activity to teach how to perform a breast self-exam so that the public can perform basic tests in a correct manner, held at Robinson Rama 9
- Seminar on office syndrome, conducted by expert physical therapists of Praram 9 Hospital, to provide knowledge and health advice on office syndrome to executives and employees of MSIG Insurance (Thailand) and John Deere (Thailand) Limited

4. Social and Community Support Activities

Medical support activities for the public such as setting up mobile health service units to provide free basic health check-ups for organizations or both public and private agencies such as Thai Airways International Public Company Limited, Krunghthai-Axa Life Insurance Public Company Limited, PTT Public Company Limited, AIA Company Limited, ItalThai Group Public Company Limited, employees of Unilever Thai Trading Limited and employees of True Tower Ratchada, etc. to raise public awareness of healthcare and regularly have basic health check-ups, and organizing a blood donation activity. For example:



- Mobile health service unit to provide basic health check-ups, blood pressure measurement and diabetes screening tests for executives and employees of Thai Airways International Public Company Limited
- Mobile health service unit to provide basic health check-ups, blood pressure measurement and diabetes screening tests for executives and employees of Krunghthai-Axa Life Insurance Public Company Limited



- Mobile health service unit to provide basic health check-ups, blood pressure measurement and diabetes screening tests for executives and employees of PTT Public Company Limited



- Mobile health service unit to provide free basic health check-ups, blood pressure measurement and diabetes screening tests for residents of the Room Condominium



- Mobile health service unit to provide knowledge, basic health check-ups, blood pressure measurement and diabetes screening tests for the public in Healthy Living fair 2019 event at Central Rama 9



- Mobile health service unit to provide health knowledge, basic health check-ups, blood pressure measurement and diabetes screening tests for the general public on Life Insurance Day, held in collaboration with Krungthai-Axa Life Insurance Public Company Limited



- Mobile health service unit to provide basic first aids for employees and participants on Annual Sports Day of ItalThai Group Public Company Limited



- Param 9 Hospital, in collaboration with the Thai Red Cross Society, regularly organized a blood donation activity with supports of doctors, nurses, staff, and healthy service recipients every 3 months, with the aim to promote a sense of sharing for injured patients in need of blood for treatment, for the benefits of humanity and society as a whole.

5. Environmental care

The Hospital places great emphasis on environmental care, health, occupational health and safety by establishing the Facility Management and Safety (FMS) Working Group which plays an important role in being the center for the management of buildings, facilities, safety, occupational health and environment. More details are disclosed in the “Environmental and Safety Impact Management” topic. For example:



- The Company has a policy on waste sorting by classifying into 4 types of waste: general waste, hazardous waste, infectious waste and recycle waste. The Company hired an agency under Bangkok Metropolitan Administration to dispose of general waste and a certified private company to deal with infectious and hazardous waste, respectively. This is to prevent environmental impacts caused by the non-standard waste management system.

INTERNAL CONTROL AND RISK MANAGEMENT

The company recognizes the importance of internal control systems and ensures that it is in compliance with the principles of Good Corporate Governance, including internal control guidelines and frameworks that are international. In order to achieve the objectives the Board of Directors therefore appointed 3 audit committee members who were able to perform their duties efficiently and independently. In addition, the appointed audit committee members are responsible for reviewing the internal control system and monitor various internal controls to ensure that it is sufficient and appropriate for business operations; as well as efficient and effective in operating. Furthermore, to ensure that such internal control and internal control system can prevent or reduce risk or damage that may occur. The appointed audit committee members are as well responsible for providing financial reports that are accurate and reliable as well as practice in accordance with the laws, rules and regulations relating to the Company's business and relevant rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.

The company has internal control system for both medical treatment and medical services which has been certified by JCI (USA) by the Joint Commission International (JCI), United States, since 2010 till present Including the Clinical Care Program Certification (CCPC), as well as the internal control system that can be supervised to ensure that it is in compliance with Good Corporate Governance policies and internal control systems that has been determined appropriately. The internal audit department is independent from other departments in order to perform its duty in assessing the implementation to be compliance with the specified internal control system and report the results to the Audit Committee on a quarterly basis. The Company has hired ACC Plus Consultant Co., Ltd, Outsourcing, to perform such duties, including preparing annual internal audit plan and propose to the Audit Committee Meeting to consider approving the plan. Such plan is to be use in auditing and monitoring the implementation to be in accordance with the plans and policies set by the Company. At which the Company has continuously developed and improved the quality of the internal control system.

The Board of Directors has considered the sufficiency of the internal control system together with the report of internal control system auditing

results which the Audit Committee has reported to the Board of Directors on a quarterly basis. The report covered the details that are in accordance with the COSO's internal control principles (The Committee of Sponsoring Organization of the Treadway Commission)

1. CONTROL ENVIRONMENT

The Company has established the organization a structure for supervising and managing, as well as the authority to consider and approve in order to ensure that the internal control system effectively promotes and supports the achievement of objectives. Moreover, to ensure that it is in compliance with relevant laws, regulations, rules and standards under the principles of good corporate governance which is written in the Company's Code of Conduct; as well as communicating both the requirements and penalties for the executives and employees to militantly become aware of the importance and value of integrity and ethics as a culture of the organization. The Code of Conduct covers various practices such as recognizing the roles and responsibilities of the Board of Directors as a leader that creates value for the business sustainably, setting objectives, the main goal of the business that aims for sustainability, effectively strengthening the Board of Directors, nomination and development of senior management and personnel management. This includes promoting innovation and operating business with responsibility, supervising to ensure that there are appropriate risk management and internal control system; as well as maintaining financial credibility and disclosure the disclosure of information and support participation and communication with shareholders.

The Company determined annual plans and strategic plans, including operational goals and budgets in order to be frameworks for operating in accordance with the appropriately specified plans and strategic plans. The Company has determined the Unit level Key Performance Indicators with the main objective in aiming at developing service quality of the Company and evaluation based on responsible duties both in performance and core competency.

2. RISK ASSESSMENT

The company has realized the importance of systematic and effective risk management. Therefore, the Company has appointed Risk Management Committee to report directly to the Audit Committee

in order to perform its duties in determining guidelines, measures, action plan, risk management framework and policy that is consistent with the Company's risk management, supervising, monitoring and the risk management assessment policies to be in accordance with the Company's strategy and business direction; which covers both internal and external risk management policies and scopes. This includes strategic risk, operational risk, financial risk, compliance risk, fraud and corruption risk that may occur from the business operations and reputation risk as well as the administration and management of patient care to be supervised in accordance with the policies and international standards of Joint Commission International (JCI). The Company has as well determined the Total Quality Center : TQC to be the unit that considers and monitors complaints in terms of service quality and ethics and report the results to the risk management working group. The risk management process has passed the Root Cause Analysis of the relevant unit and has systematically determined the Leading Key Risk Indicators where the risk management working group reported to the Audit Committee every quarter.

3. CONTROL ACTIVITIES

The Company has appropriately established policies and procedures that covered various processes in writing as well as clearly defined the scope of authorities and duties. This includes having both preventive and monitorial internal control processes and regularly review to ensure that such policies and procedures can truly be implemented at all levels throughout the organization. The Company has determined the breakdown of duties in approving, assets management and the recording of accounting and information separately from each other in order to appropriately create balance and be able to inspect each other.

So that operational controls can manage risks in order to support goals in accordance with the strategic plan and sustainable growth The Company regularly reviews internal control processes at all levels of control activities.

4. INFORMATION & COMMUNICATION

The Company has information system with appropriate security control that can provide quality information for consideration and decision making. The policy and various regulations have been communicated in order to effectively support the implementation of the internal control system such as the communication of executives to all employees to acknowledge through the Knowledge Sharing Session where the representatives of the

division participated. In addition, the executives as well communicated through sub-meeting, the use of intranet system, Email, announcements, and the rotation of public relations' communication letter both within the department and within the Company; including appropriately and sufficiently report the information and news of the Company.

The Total Quality Center (TQC) has been determined as a department that considers and monitors complaints in terms of service quality and ethics; including accepting complaints and informs information or clues on fraud or corruption from both inside and outside the Company safely.

The Company requires that sufficient significant information is reported to the Board of Directors and the Audit Committee on a quarterly basis. To monitor the company's performance in accordance with the company's goals, plans and strategic plans as well as risk management reports, the observations that were found during the auditors' audit and guidelines for improvement. This includes the findings and suggestions of the internal auditors and the preparation of meeting reports of the Board of Directors and the subcommittees in writing.

5. MONITORING ACTIVITIES

The company has monitoring process, internal control assessment and practice in accordance with the code of conduct. The internal audit department which is independent from other agencies perform its duty in auditing the practice in accordance with the determined internal control system and report directly to the Audit Committee on a quarterly basis or report promptly if found significant defects. The results of the previous inspection show that there was no significant defect.

Based on the assessment of the sufficiency of the Company's internal control system, the assessment shows that the system covered all five major components mentioned above at which the system have been reviewed by the Audit Committee. In the past year, the auditor and the internal audit department finds no significant internal control defect. The Audit Committee and the Board of Directors are at the opinion that the Company's internal control system is sufficient and appropriate for the size and business conditions of the Company and is in comply with the relevant laws and regulations; as well as in accordance with the principles of Good Corporate Governance and has appropriately practice in accordance with the determined internal control. Furthermore, the Company has provided sufficient personnel to effectively implement the internal control system.

DETAIL OF DIRECTOR, EXECUTIVE AND COMPANY SECRETARY



MR. BHANAPOT DAMAPONG (71 years)
Chairman of the Board of Directors

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Master of Social Studies, Texas Southern University
- Bachelor's degree in Business Administration, Kasetsart University

Training :

- Director Accreditation Program (DAP), Class 142/2017 (IOD)

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

- | | |
|----------------|---|
| 2011 - Present | Chairman of the Board of Directors, B.B.D. Development Company Limited |
| 2006 - Present | Chairman of the Board of Directors, B.B.D. Property Company Limited |
| 1998 - Present | Chairman of the Board of Directors, OAI Education Company Limited |

Percent of Shareholding :

- | | |
|------------|---------------------------|
| • Director | 1,000,000 Shares (0.127%) |
| • Spouse | - None - |
| • Minor | - None - |

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -



DR. SATIAN POOPRASERT (67 years)
Vice-Chairman of the Board of Directors /
Member of the Executive Committee /
Chief Executive Officer / Authorized Director

Appointed Date : March 28, 2018

Highest Academic Qualification :

- American Board of Rheumatology Loma Linda University, California, USA
- American Board of Internal Medicine Christ's Hospital, Oak Lawn, Illinois, USA
- Doctor of Medicine, Ramathibodi Hospital

Training :

- High-level executive development program Cambridge - Thammasat, Class 1
- Director Certification Program (DCP), Class 82/2006 (IOD)
- Role of the Chairman Program (RCP), Class 36/2015 (IOD)
- Director Accreditation Program (DAP), Class 142/2017 (IOD)

Work Experience and Position held in other companies :

Listed Company

- | | |
|----------------|---|
| 2015 - Present | Chairman of the Board of Directors, Pioneer Motor Public Company Limited |
| 2013 - Present | Independent Directors, Major Cineplex Group Public Company Limited |

Other companies or organizations

- | | |
|----------------|---|
| 1995 - Present | Directors, Rely (Thailand) Company Limited |
|----------------|---|

Percent of Shareholding :

- | | |
|------------|----------------------------|
| • Director | 10,550,000 Shares (1.342%) |
| • Spouse | 1,000,000 Shares (0.127%) |
| • Minor | - None - |

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -



DR. PRASERT TRAIRATVORAKUL (71 years)
 Director / Member of the Executive Committee /
 Member of the Corporate Governance and
 Sustainable Development Committee /
 Deputy Managing Director / Authorized Director

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Certificate in Orthopedic Surgery, United Hospital and Medical Center of New Jersey, USA
- Certificate in Surgery, The Jewish Hospital and Medical Center of Brooklyn, NY, USA
- Diplomate, American Board of Surgery
- Bachelor in Doctor of Medicine, Mahidol University
- Bachelor of Science Mahidol University

Training :

- Director Accreditation Program (DAP), Class 145/2018 (IOD)

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

2015 - Present Directors,
 Manorom International Christian School

2014 - Present Directors, Christian Learning Foundation

2013 - Present Directors, CPT Company Limited

2004 - Present Chief of Surgery,
 Rama 9 Hospital Public Company Limited

1992 - Present Department of Surgery Advisor,
 Ramathibodi Hospital

Percent of Shareholding :

- Director 9,950,000 Shares (1.265%)
- Spous 283,500 Shares (0.036%)
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

* Appointed as Member of the Corporate Governance and Sustainable Development Committee by the resolution of the Board of Director Meeting No.1/2020 on January 21, 2020



DR. VIROON MAVICHAK (69 years)
 Director / Member of the Executive Committee /
 Deputy Managing Director / Authorized Director

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Higher Graduate Diploma, Division of Internal Medicine, Nephrology, Diplomate, American Board of Nephrology
- Higher Graduate Diploma, Division of Internal Medicine, Diplomate, American Board of Internal Medicine
- Bachelor of Science, Doctor of Medicine, Mahidol University

Training :

- Director Accreditation Program (DAP), Class 145/2018 (IOD)

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

- None -

Work Experience

2010 - Present President of Medical Organization,
 Rama 9 Hospital Public Company Limited

Percent of Shareholding :

- Director 9,250,000 Shares (1.176%)
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -



MR. ATTAPOL SARIDDIPUNTAWAT (54 years)
Director / Chairman of the Executive Committee /
Member of the Nomination and Remuneration Committee

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Master of Business Administration, Kasetsart University
- Bachelor Degree in Accounting, Kasetsart University

Training :

- Director Accreditation Program (DAP), Class 142/2018 (IOD)

Work Experience and Position held in other companies :

Listed Company

2017 - Present Director / Chief Corporate Officer,
SC Asset Corporation Public
Company Limited

Other companies or organizations

2020 - Present Director,
SC Asset Three Company Limited

2019 - Present Director, SC Expedition Company Limited

2019 - Present Director, Bridge Group (Thailand)
Company Limited

2018 - Present Director, SC NNR1 Company Limited

2017 - Present Director,
V. Land Property Company Limited

2017 - Present Director,
Up Country Land Company Limited

2017 - Present Director, SC ABLE Company Limited

2017 - Present Director, SCOPE Company Limited

2017 - Present Director,
SCOPE TOWER Company Limited

Percent of Shareholding :

- Director - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -


MRS. VILASINEE PUDDHIKARANT (64 years)

Director / Member of the Nomination and Remuneration Committee

Appointed Date : March 28, 2018

Highest Academic Qualification :

- MINI MBA, Chulalongkorn University
- Bachelor of Science Economics, East Texas State University

Training :

- Director Certification Program (DCP), Class 134/2010 (IOD)
- Advanced Audit Committee Program (AAP), Class 29/2018 (IOD)
- Boards that Make a Difference (BMD), Class 8/2018 (IOD)
- Leadership Program, Capital Market Academy, Class 14
- Certificate of Good Governance for Medical Executives, Class 3, King Prajadhipok's Institute

Work Experience and Position held in other companies :

Listed Company

- 2018 - Present Director,
Forth Corporation Public Company Limited
- 2016 - Present Director,
SC Asset Corporation Public
Company Limited
- 2015 - Present Consultant,
Advanced Info Service Company Limited

Other companies or organizations

- 2016 - Present Consultant,
SCB Abacus Company Limited

Work Experience

- 2013 - 2015 Chief Executive Officer on Customer and Service,
Advanced Info Service Public
Company Limited
- 2007 - 2012 Deputy Managing Director on Customer and Service,
Advanced Info Service Public
Company Limited

Percent of Shareholding :

- Director - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -



CLINICAL PROF. DR. SARANA BOONBAICHAIIYAPRUCK (60 years)
Independent Director / Chairman of the Nomination and Remuneration Committee

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Medical specialist - Cardiac Catheterization for diagnostic and treatment the Hospital of the Good Samaritan Los Angeles, Los Angeles, California, United State of America
- Medical Specialist in Internal Medicine, Kaiser Permanente Medical Center, Los Angeles, California, United States of America
- Residency, Los Angeles Country University of Southern California Medical Center, Los Angeles, California, United State of America
- Medical Intern, Chulalongkorn University
- Bachelor of Science, Chulalongkorn University
- Bachelor of Medicine, Chulalongkorn University

Training :

- Director Accreditation Program (DAP), Class 145/2018 (IOD)

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

| | |
|----------------|---|
| 2015 - Present | Director, Pruk Suk Sabai Company Limited |
| 2012 - Present | Director, Sarana Cardiology and Associates Company Limited |
| 1992 - Present | Doctor of Cardiology, Faculty of Medicine, Ramathibodi Hospital |

Work Experience

| | |
|-------------|---|
| 2015 - 2019 | Chairman of the Sub-commission, Public Health Commission, The National Legislative Assembly |
| 2014 - 2019 | Member, The National Legislative Assembly |
| 2014 - 2019 | Director, Energy Commission, The National Legislative Assembly |
| 2014 - 2018 | Director, Public Health Commission, National Legislative Assembly of Thailand |

Percent of Shareholding :

| | |
|------------|--------------------------|
| • Director | 810,000 Shares* (0.103%) |
| • Spouse | - None - |
| • Minor | - None - |

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

* Clinical Prof. Dr. Sarana Boonbaichaiyapruk sold 90,000 shares on January 10, 2020. Therefore, there are 810,000 remaining shares.



PROF. WG. CDR. DR. SIRINTARA SINGHARA NA AYUDHAYA (59 years)
Independent Director / Member of the Audit Committee

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Higher Graduate Diploma in Clinical Medical Sciences, Division of Radiology, Graduate Studies Mahidol University
- Diplomate in Diagnostic Neuroimaging, The Medical Council of Thailand
- Diplomate in Interventional Neuroradiology, The Medical Council of Thailand
- Certificate in training Neuro-intervention Bicetre Hospital University, Paris, France
- Professional Medical Diploma, General Radiology, Medical Council of Thailand
- Bachelor in Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University

Training :

- Director Accreditation Program (DAP), Class 151/2018 (IOD)
- Directors Certification Program (DCP), Class 268/2018 (IOD)

Position held in other companies :

Listed Company

- None -

Other companies or organizations

2009 - Present Co-director,
Pierre LAjuanias Neurovascular
Educational course in Thailand (PLANET)

2004 - Present Visiting Lecturer,
Chao-Ray Hospital and HCMC University
Hospital, Vietnam

2004 - Present Co-director,
Pedagogic committee of Joint Programme
of Diploma or Master of Science in
Neurovascular diseases

Past Work Experience

2015 - 2018 President,
World Federation of Therapeutic
and Interventional Neuroradiology

2011 - 2013 Consultant,
The Thai Society of Vascular &
Interventional Radiology

Percent of Shareholding :

- Director 100,000 Shares (0.013%)
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -



MR. KANIT PATSAMAN (58 years)

Independent Director / Chairman of the Audit Committee /
Member of the Corporate Governance and Sustainable Development Committee*

Appointed Date : March 28, 2018

Highest Academic Qualification :

- Master of Business Administration,
National Institute of Development Administration
- Bachelor of Economics, Ramkhamhaeng University

Training :

- Director Certification Program (DCP), Class 156/2012 (IOD)
- Audit Committee Program (ACP), Class 40/2012 (IOD)
- IT Governance and Cyber Resilience Program (ITG),
Class 5/2016 (IOD)
- The Role of Chairman Program (RCP), Class 45/2019 (IOD)

Work Experience and Position held in other companies :

Listed Company

2014 - Present Independent director/
Member of the Audit Committee Member
of the Nomination and Remuneration
Committee/Member of the Risk,
Carabao Group Public Company Limited

Other companies or organizations

2016 - Present Consultant,
P&T Consulting Company Limited

2015 - Present Director, Gifts for Health Limited

Work Experience

2013 - 2014 Director,
Bank for Agriculture and Agricultural
Cooperatives

Percent of Shareholding :

- Director - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

* Appointed as Member of the Corporate Governance and Sustainable Development Committee by the resolution of the Board of Director Meeting No.1/2020 on January 21, 2020


MR. PISET CHIYASAK (55 years)

Independent Director / Chairman of the Corporate Governance and Sustainable Development Committee* / Member of the Audit Committee

Appointed Date : July 31, 2018

Highest Academic Qualification :

- Doctor of Philosophy in Organization Development, Saidi University, Philippines
- Master of Laws in Jurisprudence, Temple University, Philadelphia, USA
- Bachelor of Laws in Jurisprudence, Thammasat University

Training :

- Personal data Protection act Course (PWC)
- Digital Transformation Course (IOD)
- Personal data Protection act Course (EY)
- Corporate Innovation Masterclass (Alex Osterwalder)
- Director Certification Program (DCP), Class 213/2015 (IOD)
- Risk Management Program for Corporate Leaders (RCL), Class 2/2015 (IOD)
- IT Governance and Cyber Resilience Program (ITG), Class 1/2016 (IOD)
- Ethical Leadership Program (ELP), Class 11/2018 (IOD)
- Advanced Certificate Course in Politics and Governance in Democratic
- Systems for Executives (Class of 20), King Prajadhipok's Institute

Work Experience and Position held in other companies :

Listed Company

2015 - Present Director, MCOT Public Company Limited

Other companies or organizations

2017 - Present Legal Advisor,
Music Copyright (Thailand)
Company Limited

2015 - Present Director, Inter Law Biz Company Limited

Work Experience

| | |
|-------------|---|
| 2018 - 2019 | Director, Sentinel Consulting (Thailand) Company Limited |
| 2018 - 2019 | Director, Global Trade Shield (Thailand) Company Limited |
| 2017 - 2018 | Legal Advisor, Digital Entertainment Expert Company Limited |
| 2016 - 2018 | Legal Advisor, Electronic Transactions Development Agency (Public Organization) |
| 2016 - 2017 | Director, MCOT Public Company Limited |
| 2016 - 2017 | Chairman of the Executive Committee, Seed MCOT Company Limited |

Percent of Shareholding :

- Director - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

* Appointed as Member of the Corporate Governance and Sustainable Development Committee by the resolution of the Board of Director Meeting No.1/2020 on January 21, 2020

DR. SOMCHAI PINYOPORNPANICH (68 years)

Member of the Executive Committee

Appointed Date : March 30, 2018

Highest Academic Qualification :

- Doctor of Medicine, Mahidol University

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

2015 - Present Chairman of the Board of Directors,
Mahanakorn Maesod Vejchakarn
Company Limited

Work Experience

2013 - 2014 Chairman of the Board of Directors,
General Hospital Products Public
Company Limited

2012 - 2014 Director,
The Government Pharmaceutical
Organization

Percent of Shareholding :

- Director 50,000 Shares (0.006%)
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

MR. SONGSAK PREMSUK (60 years)

Member of the Executive Committee

Appointed Date : March 30, 2018

Highest Academic Qualification :

- Certificate in Strategic Marketing Management Program, Harvard Business School, USA
- Bachelor of Architecture, King Mongkut's Institute of Technology Ladkrabang

Training :

- Director Accreditation Program (DAP), Class 9/2004 (IOD)
- The Role of Chairman Program (RCP), Class 45/2019 (IOD)

Position held in other companies :

Listed Company

2015 - Present Director,
SC Asset Corporation Public
Company Limited

Other companies or organizations

2007 - Present Director, Thaicom Foundation

Work Experience

2013 - 2019 Director,
Voice Creation Company Limited

2009 - 2019 Director, Voice TV Company Limited

2013 - 2015 Qualified Director,
National Science and Technology
Development Agency,
Ministry of Science and Technology

2012 - 2015 Qualified Director,
The institute for the Promotion of
Teaching Science and Technology,
Ministry of Education

2010 - 2014 Chairman of the Board of Directors,
Office of Knowledge Management
and Development,
Office of the Prime Minister (OKMD)

Percent of Shareholding :

- Director - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

MONGKOL TANJAPATKUL, MD (77 years)
Advisor to Managing Director

Highest Academic Qualification :

- Qualifications equivalent to a Doctorate in Surgery, Good Samaritan Hospital, USA
- Bachelor of Science, Chiba University, Japan
- Bachelor of Medicine, University of Tokyo, Japan

Work Experience and Position held in other companies :

Listed Company

- None -

Other companies or organizations

2011 - Present Foundation President,
La Salle Alumni Foundation of Thailand

2002 - Present Consultants,
Old Japanese Students Association

Work Experience

2000 - 2018 Director,
Rama 9 Hospital Company Limited

Percent of Shareholding :

- Advisor 9,350,000 Shares (01.189%)
- Spouse 1,200,000 Shares (0.152%)
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

MR. TEERAPHAN DISAYABUTARA (41 years)
Chief Financial Officer (The highest responsible person in Accounting and Finance)

Highest Academic Qualification :

- Master of Business Administration, National Institute of Development Administration
- Master of Science Program in Information Technology Management
- Bachelor of Commerce and Accountancy, Chulalongkorn University
- Certified Public Accountant, Federation of Accounting Professions

Training :

- CFO's Orientation Course (SET)
- TLCA CFO Professional Development Program, Class 1, 2, 3, 4, 5 of year 2020 (Thai LCA)
- Refreshment Traditional Costing, Class 2/2562 (TFAC)
- Thai Accounting Standards Examination Course, Class 3/2019 (TFAC)
- Accounting and Financial Analysis Course, Class 3/2019 (TFAC)
- Thai Financial Reporting Standards Revise 2019 Seminar (TFAC)
- TFRS 16 Leases Seminar

Position held in other companies :

Listed Company

- None -

Other companies or organizations

- None -

Work Experience

| | |
|-------------|--|
| 2018 - 2019 | Assistant Chief Financial Officer, One Enterprise Company Limited |
| 2017 - 2018 | Director of Accounting and Financial, Nakornthon Hospital Company Limited |
| 2016 - 2017 | Director of Accounting and Financial, Zen Corporation Group Public Company Limited |
| 2012 - 2018 | Managing Partner, TK Consulting Partnership Limited |
| 2007 - 2012 | Accounting Manager, Bangkok Dusit Medical Services Public Company Limited |

Percent of Shareholding :

- Executive - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -**Family Relationship with the executive:**

- None -

Illegal record in the past 10 years :

- None -

MR. CHAROEN NUDPOBSUK (57 years)
 Deputy Managing Director
Highest Academic Qualification :

- Master of Business Administration (CEO),
Ramkhamhaeng University
- Bachelor of Business Administration of Tarleton State
University, USA

Work Experience and Position held in other companies :**Listed Company**

- None -

Other companies or organizations

| | |
|----------------|--|
| 2009 - Present | Managing Director, OAI Consultant and Management Company Limited |
| 2008 - Present | Director, Solid Asset Company Limited |
| 2004 - Present | Director, Fortay (Thailand) Company Limited |
| 2000 - Present | Director, Health link Company Limited |

Percent of Shareholding :

- Executive - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -**Family Relationship with the executive:**

- None -

Illegal record in the past 10 years :

- None -

MISS SUREE APICHAYAPHORN (53 years)

The person supervising accounting /
Deputy Accounting Manager

Highest Academic Qualification :

- Master of Business Administration (M.B.A.)
(Finance and Banking), Ramkhamhaeng University

Training :

- Budgeting for Profit Planning
- TFRS 16 Leases Seminar

Position held in other companies :**Listed Company**

- None -

Other companies or organizations

- None -

Work Experience

1993 - Present Deputy Accounting Manager,
Rama 9 Hospital Company Limited

Percent of Shareholding :

- Executive - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

Note : Miss Suree Apichayaphorn was assigned to be the position of the person supervising accounting in replacement of Mrs. Supakarn Wangkapan who resigned from position of The person supervising accounting / Chief Accountant in the Company, effective from February 8, 2020 onward.

MISS MARISARA THANASAKSIRI (50 years)

Company Secretary / Head of Compliance

Highest Academic Qualification :

- Certificate in Intellectual Property and International Trade Law, Ramkhamhaeng University
- Bachelor of Laws, Thammasat University

Training :

- Company Secretary Program (CSP), Class 43/2011 (IOD)
- Effective Minutes Taking (EMT), Class 44/2019 (IOD)
- Preliminary to Corporate Sustainability Course
- Medical and Public Health Law 2018 Course, Ramkhamhaeng University
- The Personal Data Protection Act B.E. 2019 (PDPA@TH): Guidelines and preparation to support law enforcement

Position held in other companies :**Listed Company**

- None -

Other companies or organizations

- None -

Work Experience

2013 - 2018 Assistant Company Secretary,
Pruksa Holding Public Company Limited

2003 - 2013 Legal Specialist,
SC Asset Corporation Public
Company Limited

Percent of Shareholding :

- Executive 15,000 Shares (0.001%)
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

DETAIL OF CHIEF OF INTERNAL AUDIT

MISS WANNA MALUEANGNON (49 years)
Chief of Internal Audit

Highest Academic Qualification :

- Master of Business Administration, Chulalongkorn University, 1994
- Certificate of Auditing, Thammasat University, 1991
- Certified Public Accountant Registration Number 4170
- Bachelor of Accounting, Chulalongkorn University, 1990

Training :

- Certificate of Risk Management Program for Corporate Leader (RCL5/2016) (IOD)
- Audit training on corruption investigation Organized by the Federation of Accounting Professions
- COSO 2013 Workshop, The latest internal control system framework, Batch 3/56 by the Federation of Accounting
- Workshop on Risk assessment method for internal audit planning, Batch 3/55 by the Federation of Accounting
- Workshop Assessment of the internal control system COSO-ERM of each work system
- Audit Committee Program (ACP) Class 42/2013 (IOD)
- Director Accreditation Program (DAP) Class 99/2012 (IOD)

Position held in other companies :

Listed Company

- None -

Other companies or organizations

- 2018 - Present Director,
Siam Biomass Supply
Company Limited
- 2016 - Present Independent Director and Chairman
of the Audit Committee,
Dimet (Siam) Public Company Limited
- 1994 - Present Managing Director,
ACC Plus Consultants
Company Limited

Work Experience

- 2017 - 2018 Chairman of the Board of Directors,
Ocean Commerce Public Company
Limited

Percent of Shareholding :

- Executive - None -
- Spouse - None -
- Minor - None -

Conflict of Interest : - None -

Family Relationship with the executive:

- None -

Illegal record in the past 10 years :

- None -

* The Audit Committee Meeting has approved the appointment of ACC Plus Consultants Company Limited ("ACC Plus Co., Ltd."), an external organization (Outsourcing) to perform the duty of internal auditor of the company, where ACC Plus Co., Ltd. has assigned MISS WANNA MALUEANGNON, the managing director of ACC Plus Co., Ltd., to be the main person responsible for the duty as the head of Internal audit of the company.

POSITION OF DIRECTORS AND EXECUTIVE IN RELATED COMPANIES

| List of Director and Executives | PR9 | Related Companies |
|--|---------------|---------------------------------------|
| 1. MR. BHANAPOT DAMAPONG | A | 1, 2, 3 (A) |
| 2. DR. SATIAN POOPRASERT | B / E / F / H | 4(A), 5(D), 6(C) |
| 3. DR. VIROON MAVICHAK | C / E / H | - |
| 4. DR. PRASERT TRAIRATVORAKUL | C / E / H / N | 7, 8, 9 (C) |
| 5. MR. ATTAPOL SARIDDIPUNTAWAT | C / G / L | 10, 11, 12, 13, 14, 15, 16, 17 (C) |
| 6. MRS. VILASINEE PUDDHIKARANT | C / L | 10 (D), 18 (D) |
| 7. ASSOC. PROF. DR.SARANA BOONBAICHAIIYAPRUCK | C / D / K | 19, 20 (C) |
| 8. MR. KANIT PATSAMAN | C / D / I / N | 21, 22 (D) |
| 9. PROF.WG.CDR.DR.SIRINTARA SINGHARA NA AYUDHAYA | C / D / J | - |
| 10. MR. PISET CHIYASAK | C / D / J / M | 23, 24 (C) |
| 11. DR. SOMCHAI PINYOPORNPANICH | H | 25 (C) |
| 12. MR. SONGSAK PREMSUK | H | 10 (D), 26 (C) |
| 13. DR. MONGKOL TANJAPATKUL | O | - |
| 14. MR. TEERAPHAN DISAYABUTARA | P | 27 (Q) |
| 15. MR. CHAROEN NUDPOBSUK | P | 28 (F), 29, 30, 31 (C) |

Remark:

| | | | | | |
|---|--|-----|---|-----|--|
| A | Chairman of the Board of Directors | 1. | B.B.D. Property Company Limited | 17. | Bridge Group (Thailand) Company Limited |
| B | Vice-Chairman of the Board of Directors | 2. | B.B.D. Development Company Limited | 18. | Forth Corporation Public Company Limited |
| C | Directors | 3. | OAI Education Company Limited | 19. | Pruk Suk Sabai Company Limited |
| D | Independent Director | 4. | Pioneer Motor Public Company Limited | 20. | Sarana Cardiology and Associates Company Limited |
| E | Authorized Director | 5. | Major Cineplex Group Public Company Limited | 21. | Carabao Group Public Company Limited |
| F | Managing Director | 6. | Rely (Thailand) Company Limited | 22. | Gifts for Health Limited |
| G | Chairman of the Executive Committee | 7. | CPT Company Limited | 23. | MCOT Public Company Limited |
| H | Member of the Executive Committee | 8. | Manorom International Christian School | 24. | Inter Law Biz Company Limited |
| I | Chairman of the Audit Committee | 9. | Christian Learning Foundation | 25. | Mahanakorn Maesod Vejchakarn Company Limited |
| J | Member of the Audit Committee | 10. | SC Asset Corporation Public Company Limited | 26. | Thaicom Foundation |
| K | Chairman of the Nomination and Remuneration Committee | 11. | V. Land Property Company Limited | 27. | TK Consulting Partnership Limited |
| L | Member of the Nomination and Remuneration Committee | 12. | Up Country Land Company Limited | 28. | OAI Consultant and Management Company Limited |
| M | Chairman of the Corporate Governance and Sustainable Development Committee | 13. | SC ABLE Company Limited | 29. | Solid Asset Company Limited |
| N | Member of the Corporate Governance and Sustainable Development Committee | 14. | SCOPE Company Limited | 30. | Fortay (Thailand) Company Limited |
| O | Advisor to Managing Director | 15. | SCOPE TOWER Company Limited | 31. | Health link Company Limited |
| P | Executive | 16. | SC NNR1 Company Limited | | |
| Q | Managing Partner | | | | |

1. Persons who may have conflicts of interest

Persons or legal entities that may have conflicts of interest entered into related party transactions with the Company for the accounting period ended December 31, 2018 and 2019 as follows:

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|---|---|
| 1. OAI MANAGEMENT CO., LTD. (“OAI MANAGEMENT”) | Real Estate Business | - Mr. Bhanapot Damapong, the Company’s Chairman of the Board of Directors, is a majority shareholder who directly holds 100.00% shares in OAI MANAGEMENT. |
| 2. OAI CONSULTANT AND MANAGEMENT CO., LTD. (“OAI CONSULTANT”) | Hotel Business | - Khunying Potjaman Damapong is a common majority shareholder who directly holds 48.68% shares in the Company, and directly and indirectly holds 21.56% shares in OAI CONSULTANT through SC OFFICE PLAZA CO., LTD. - Ms. Pintongta Shinawatra Kunakornwong is a common director, who directly and indirectly holds 39.00% shares OAI CONSULTANT through in SC OFFICE PLAZA CO., LTD. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company’s director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018 ⁽¹⁾ - Mr. Charoen Nudpobsuk, the Company’s first 4 executives, is the President of OAI CONSULTANT ⁽¹³⁾ |
| 3. B.B.D.PROPERTY CO., LTD. (“B.B.D.PROPERTY”) | Real Estate Business | - There are 2 common directors with the Company, namely Mr. Bhanapot Damapong and Mr. Somboon Kuptimanus. However, Mr. Somboon Kuptimanus resigned from the positions of the Company’s director and member of the Nomination and Remuneration Committee since July 2018. - Mr. Bhanpot Damapong, the Company’s Chairman of the Board of Directors, is a majority shareholder of B.B.D.PROPERTY who directly holds 100.00% shares. |
| 4. VOICE CREATION CO., LTD. (“VOICE CREATION”) | Other Entertainment and recreation activities | - Mr. Bhanapot Damapong, the Company’s Chairman of the Board of Directors and Ms. Pintongta Shinawatra Kunakornwong, the Company’s director are 2 majority shareholders who indirectly hold 100.00% shares through VOICE TV CO., LTD. and indirectly hold 100.00% shares in VOICE CREATION through VOICE TV CO. LTD. and P.T. CORPORATION CO., LTD. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company’s director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018 ⁽¹⁾ |

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|--|--|
| | | <ul style="list-style-type: none"> - Mr. Songsak Premasuk, the Company's member of the Executive Committee, is a director⁽²⁾ - Ms. Pintongta Shinawatra Kunakornwong is a common director with the Company. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018⁽¹⁾ |
| 5. VOICE TV CO., LTD. ("VOICE TV") | Import and distribution of all types of communication tools and entertainment services | <ul style="list-style-type: none"> - Mr. Bhanapot Damapong, the Company's Chairman of the Board of Directors and Ms. Pintongta Shinawatra Kunakornwong, the Company's director are 2 majority shareholders who directly hold 53.25% shares, and directly and indirectly hold 40.46 shares in VOICE TV through P.T. CORPORATION CO., LTD., respectively. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - Mr. Songsak Premasuk, the Company's member of the Executive Committee, is a director⁽²⁾ - Ms. Pintongta Shinawatra Kunakornwong is a common director with the Company. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017 and from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ |
| 6. SC ASSET CORPORATION PLC. ("SC ASSET") | Real Estate and Construction / Property Development | <ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat and Mrs. Vilasinee Phuddhikarant are common directors with the Company⁽³⁾ - Mr. Songsak Premasuk, the Company's member of the Executive Committee, is a director⁽²⁾ - Khunying Potjaman Damapong, the Company's majority shareholder, directly holds 48.68% shares in the Company, and has controlling power in SC ASSET. - Ms. Pintongta Shinawatra Kunakornwong, the Company's director, is a majority shareholder who directly holds 28.16% shares in SC ASSET. However, Miss Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017, the position of Advisor to the Executive Committee since July 2018⁽¹⁾ |

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|---|---|
| 7. OAI LEASING CO., LTD. ("OAI LEASING") | Car Rental Business | <ul style="list-style-type: none"> - Mr. Bhanapot Damapong, the Company's Chairman of the Board of Directors and Ms. Pintongta Shinawatra Kunakornwong, the Company's director are majority shareholders who indirectly hold 50.56% shares, and directly and indirectly holds 46.94% shares in OAI LEASING through P.T. CORPORATION CO., LTD. and SC OFFICE PLAZA CO., LTD. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017 and from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - Khunying Potjaman Damapong is a common majority shareholder with the Company who directly holds 48.68% shares in the Company and indirectly holds 44.44% shares in OAI LEASING through P.T. CORPORATION CO., LTD. and SC OFFICE PLAZA CO., LTD. |
| 8. SC ABLE CO., LTD. ("SC ABLE") | Real estate rental and operations | <ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat is a common director with the Company. |
| 9. B.B.D. DEVELOPMENT CO., LTD. ("B.B.D. DEVELOPMENT") | Real estate business | <ul style="list-style-type: none"> - Mr. Bhanapot Damapong is a common director with the Company. - Mr. Bhanapot Damapong, the Company's Chairman of the Board of Directors, is a majority shareholder who directly holds 80.00% shares in B.B.D. Development. |
| 10. SCOPE CO., LTD. ("SCOPE") | Commercial and service businesses, real estate management service and land allocation and condominium | <ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat is a common director with the Company. |
| 11. V.LAND PROPERTY CO., LTD. ("V.LAND PROPERTY") | Real estate development | <ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat is a common director with the Company. |
| 12. SHINAWATRA UNIVERSITY | Education Business | <ul style="list-style-type: none"> - Mr. Bhanapot Damapong is a director of OAI EDUCATION CO., LTD. who is authorized to establish Shinawatra University. - Khunying Potjaman Damapong, the Company's majority shareholder, directly holds 48.68% shares in the Company, and directly holds 22.50% shares in OAI EDUCATION CO., LTD., which is authorized to establish Shinawatra University. |

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|---|--|
| | | <ul style="list-style-type: none"> - Ms. Pintongta Shinawatra Kunakornwong is a common director with the Company. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018⁽¹⁾ |
| 13. THAICOM FOUNDATION | - | <ul style="list-style-type: none"> - Ms. Pintongta Shinawatra Kunakornwong, Mr. Bhanapot Damapong and Mr. Attapol Sariddipuntawat are common directors with the Company. However, Ms. Pintongta Shinawatra Kunakornwong resigned from the positions of the Company's director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - Mr. Songsak Pemsuk, the Company's member of the Executive Committee, is a director⁽²⁾ - Khunying Potjaman Damapong, the Company's majority shareholder who directly holds 48.68% shares in the Company, is the Vice-Chairman. |
| 14. B.P. PROPERTY CO., LTD. | Real estate development | <ul style="list-style-type: none"> - Mr. Bhanapot Damapong, the Company's Chairman of the Board of Directors, is a majority shareholder who directly holds 46.89% shares. - Mrs. Kanchana Honghern, the Company's member of the Executive Committee, is a director. - Khunying Potjaman Damapong, the Company's majority shareholder, who directly holds 26.90% shares in the Company, is the Vice-Chairman. |
| 15. BRIDGE GROUP (THAILAND) CO., LTD. | Real estate sale and information services | <ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat is a common director with the Company. |
| 16. KHUNYING POTJAMAN DAMAPONG ("MAJORITY SHAREHOLDER") | - | <ul style="list-style-type: none"> - Direct majority shareholder at 48.68% in the Company |
| 17. MR. BHANAPOT DAMAPONG | - | <ul style="list-style-type: none"> - Chairman of the Board of Directors |
| 18. DR. SATIAN POOPRASERT | - | <ul style="list-style-type: none"> - Doctor who holds the positions of the Vice-Chairman of the Board of Directors, member of the Executive Committee and the Chief Executive Officer of the Company. |

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|--------------------|--|
| 19. DR. MONGKOL TANJAPATKUL | - | - Doctor who holds the positions of the Vice-Chairman of the Board of Directors, member of the Executive Committee, Advisor to the Chief Executive Officer and Advisor to the Company's Executive Committee. However, Dr. Mongkol Tanjapatkul resigned from the positions of the Company's director and member of the Executive Committee since September 2017, and the position of Advisor to the Executive Committee of the Company since July 2018 ⁽⁴⁾ |
| 20. DR. VIROON MAVICHAK | - | - Doctor who holds the positions of the Company's director, member of the Executive Committee and Deputy Managing Director. |
| 21. DR. PRASERT TRAIRATVORAKUL | - | - Doctor who holds the positions of the Company's director, member of the Executive Committee and Deputy Managing Director. |
| 22. CLINICAL PROF. DR. SARANA BOONBAICHAIYAPRUCK | - | - Doctor who holds the positions of independent director and the Chairman of the Nomination and Remuneration Committee ⁽⁵⁾ |
| 23. PROF.WG.CDR.DR. SIRINTARA SINGHARA NA AYUDHAYA | - | - Doctor who holds the positions of the Company's independent director and member of the Audit Committee ⁽⁶⁾ |
| 24. GEN. DR. SAHACHART PIPITKUL | - | - Doctor who holds the positions of the Company's director, Chairman of the Executive Committee and Advisor to the Executive Committee. However, Gen. Dr. Sahachart Pipitkul resigned from the positions of the Company's director and member of the Executive Committee since September 2011, and the position of Advisor to the Executive Committee since July 2018 ⁽⁷⁾ |
| 25. DR. SATAPORN POOPRASERT | - | - Younger Brother of Dr. Satian Pooprasert, who is a director and executive of the Company ⁽¹⁰⁾ |
| 26. MRS. CHUTIMA TRAIRATVORAKUL | - | - Spouse of Dr. Prasert Trairatvorakul who is a director and executive of the company |
| 27. R. PORN TRAIRATVORAKUL | - | - Daughter of Dr. Prasert Trairatvorakul who is a director and executive of the company. |
| 28. DR. THITIWAT SRIPRASART | - | - Spouse of Dr. Prasert Trairatvorakul's who is a director and executive of the Company |
| 29. DR. PISIT CHIYASAK | - | - Brother of Mr. Pisit Chiyasak, who is a director and member the Audit Committee of the Company |
| 30. MR. ATTAPOL SARIDDIPUNTAWAT | - | - Director, Chairman of the Executive Committee and Member of the Nomination and Remuneration Committee |
| 31. MRS. VILASINEE PUDDHIKARANT | - | - Director and Member of the Nomination and Remuneration Committee ⁽³⁾ |
| 32. MR. KANIT PATSAMAN | - | - Director and Chairman of the Audit Committee of the Company ⁽⁸⁾ |
| 33. DR. SOMCHAI PINYOPORNANICH | - | - Member of the Executive Committee ⁽⁹⁾ |

| Name of Persons or Legal Entities that May Have Conflicts of Interest | Nature of Business | Relationship with the Company |
|---|--------------------|---|
| 34. MR. SONGSAK PREMSUK | - | - Member of the Executive Committee ⁽²⁾ |
| 35. MR. PISET CHIYASAK | - | - Director and Member of the Audit Committee ⁽¹¹⁾ |
| 36. MS. NUCHANEE AUTHONG | - | - Executive of the Company until April 30, 2019 |
| 37. MR. TEERAPHAN DISAYABUTARA | - | - Executive of the Company since May 1, 2019 ⁽¹²⁾ |
| 38. MR. CHAROEN NUDEPOBSUK | - | - Executive of the Company since September 27, 2019 ⁽¹³⁾ |

Remarks

- (1) Miss Pintongta Shinawatra Kunakornwong was the Company's director and member of the Executive Committee during March 23, 2017 to September 13, 2017, who had been appointed as the Company's director and member of the Executive Committee in accordance with the resolution of the Board of Directors Meeting No. 2/2017 held on March 23, 2017. Later, she was appointed as Advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and held the position of Advisor to the Executive Committee until July 2018.
- (2) Mr. Songkarak Premasuk, held the Company's executive during July 6, 2017 to October 17, 2017 and was appointed as a member of the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 7/2017 on January 20, 2017. Later, Mr. Songsak was appointed as Advisor to the Chief Executive Officer, after the organizational restructuring in accordance with the Company's announcement No. 121/2017 on October 17, 2017 and held the position of Advisor to the Chief Executive Officer until July 2018.
- (3) Mrs. Vilasinee Puddhikarn was appointed as the Company's independent director in accordance with the resolution of the Board of Directors Meeting No. 4/2017 on September 13, 2017 and as a member of the Audit Committee in accordance with the resolution of the Board of Directors Meeting No. 5/2017 on September 28, 2017. Mrs. Vilasinee held the position of member of the Audit Committee until June 2018. Subsequently, Mrs. Vilasinee was appointed as director in place of independent director and was appointed as a member of the Nomination and Remuneration Committee in accordance with the resolution of the Board of Directors Meeting No. 3/2018 (after conversion into the public limited company) on July 31, 2018.
- (4) Dr. Mongkol Tanjapatkul held the positions of Company's director and member of the Executives Committee until September 13, 2017. Subsequently, Dr. Mongkol was appointed as Advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and resigned from the position of Advisor to the Executive Committee in July 2018.
- (5) Clinical Prof. Dr. Sarana Boonbaichaiyapruk served as an advisor to the Executive Committee until August 18, 2017. Subsequently, Dr. Sarana was appointed as an independent director of the Company in accordance with the resolution of the Board of Directors Meeting No. 4/2017 on September 13, 2017 and as a member of the Nomination and Remuneration Committee in accordance with the resolution of the Board of Directors Meeting No. 2/2018 on February 28, 2018.
- (6) WG.CDR Prof. Dr. Sirintara Singhara Na Ayudhaya was appointed as an independent director of the Company in accordance with the resolution of the Board of Directors Meeting No. 4/2017 on September 13, 2017. Later, she was appointed as a member of the Audit Committee in compliance with the resolution of the Board of Directors Meeting No. 5/2017 on September 28, 2017.
- (7) General Dr. Sahachart Pipitkul, the Company's director, held the position of Chairman of the Executive Committee until September 13, 2017. Later, he was appointed as Advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and resigned from the position of Advisor to the Executive Committee in July 2018.
- (8) Mr. Kanit Patsaman was appointed as the Company's director and Chairman of the Audit Committee in accordance with the resolution of the Board of Directors Meeting No. 5/2017 on September 28, 2017.
- (9) Dr. Somchai Pinyopornpanich served as a member of the Executive Committee.
- (10) Dr. Sataporn Pooprasert started his position as Advisor to provide project guidance to the Company from May 1, 2018 to April 30, 2019.
- (11) Dr. Pisit Chiyasak was appointed as a director and member of the Audit Committee in accordance with the resolution of the Board of Directors Meeting No. 3/2018 on July 31, 2018.
- (12) Mr. Teeraphan Disayabutara was appointed as Deputy Managing Director, Accounting and Finance Department on May 1, 2019.
- (13) Mr. Charoen Nudpobsuk was appointed as Deputy Managing Director, Management Department on September 27, 2019.

2. Related Party Transactions

The Company's related party transactions with persons or legal entities that may have conflicts of interest for the accounting period ended December 31, 2018 and 2019 are as follows:

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|--|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| SC ASSET (AND OTHER ORGANIZATIONS) | <p>The Company provided medical services to SC Asset employees as well as other organizations under the medical services agreement to the said employees, namely</p> <ol style="list-style-type: none"> 1. OAI MANAGEMENT 2. OAI CONSULTANT AND MANAGEMENT 3. B.B.D.PROPERTY 4. SC ABLE 5. OAI LEASING 6. B.B.D.DEVELOPMENT 7. B.P. PROPERTY 8. SCOPE 9. V.LANDPROPERTY 10. THAICOM FOUNDATION 11. BRIDGE GROUP <p>Each organization pays for such medical costs to the Company on behalf of its employees.</p> | | | <p>The Company provided medical services to SC Asset employees and other organizations under the medical services agreement to the said employees, whereby the rates of medical services fees incurred to employees were the same rates applicable to general customers, and payment terms and medical discount rates for the Company's customers under the medical services agreement and general counterparty customers are comparable.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee considered and was of the opinion that such transaction was a normal business transaction and reasonable, of which service conditions were the same for customers under the medical services agreement and general counterparty customers. The rates of medical costs were also the same as the rates applicable to general customers. This included discounts which were in accordance with the discount criteria for counterparties specified in the Company's price policy. Moreover, such transaction was beneficial to the Company in expanding more customer base for its services.</p> |
| | <u>Net medical income</u> | 2.18 | 1.29 | |
| | <u>Account receivables at the end of the year</u> | 0.99 | 0.37 | |
| VOICE TV | The Company provided annual health check-up services for employees of Voice TV, whereby Voice TV paid for such medical expenses to the Company on behalf of its employees. | | | The Company provided annual health check-ups to employees of Voice TV by setting prices, conditions and services comparable to those the Company offered to other corporate customers. |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|---|-------------------------------------|--------|---|
| | | 2018 | 2019 | |
| | <u>Net medical income</u> | 0.14 | 0.12 | <p>Opinion of the Audit Committee</p> <p>The Audit Committee considered and was of the opinion that such transaction was a normal business transaction and reasonable, whereby the same service conditions were applicable to other customers. The rates of medical services were in accordance with the normal rates charged to counterparty customers and/or other corporate customers. In addition, such transaction was beneficial to the Company in expanding more customer base for its services. This may lead to additional developments of other medical services after the health check-ups.</p> |
| | <u>Account receivables at the end of the year</u> | 0.12 | 0.02 | |
| VOICE CREATION | The Company provided annual health check-up services to employees of Voice Creation, whereby Voice Creation paid such medical expenses to the Company on behalf of employees. | | | <p>The Company provided annual health check-up services to check-up to employees of Voice Creation by determining the prices, conditions and annual health check-up services comparable to those provided to other corporate customers.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee considered and was of the opinion that such transaction was a normal business transaction and reasonable, whereby the same service conditions were applicable to other customers. The rates of medical services were in accordance with the normal rates charged to counterparty customers and/or other corporate customers. In addition, such transaction was beneficial to the Company in expanding more customer base for its services. This may lead to additional developments of other medical services after the health check-ups.</p> |
| | <u>Net medical income</u> | 0.0038 | 0.0050 | |
| | <u>Account receivables at the end of the year</u> | 0.0038 | - | |
| KHUNYING POTJAMAN DAMAPONG (“MAJORITY SHAREHOLDER”) | The Company provided medical services to a group of people under the medical services agreement between the Company and the majority shareholder (the agreement covered the majority shareholder and persons under the contract) as well as service recipients recommended by the majority shareholder. | | | <p>As of December 15, 2017, the Company and the majority shareholder entered into a new medical services agreement and revoked the former one. The agreement offered a 15% discount (with some exceptions to doctor fees, dental costs, physical therapy costs, medical examination fees, laboratory and pathology examination fees (special), cosmetic surgery costs and medical packages) with payment conditions of 30 days from the billing date in accordance with the discount criteria under the medical services agreement that was determined in accordance with the Company’s price policy. While the new medical services agreement was made with the major</p> |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|--|-------------------------------------|------|--|
| | | 2018 | 2019 | |
| | <i>Items of medical costs paid to the Company by the majority shareholder in place of such service recipients:</i> | | | shareholder in December 2017, the Company entered into an additional medical services agreement with a new counterparty who was a relative of the majority shareholder. Some of the names under such agreement used to be included in the former agreement with the majority shareholder. For the accounting years ended December 31, 2018 and December 31, 2017, such agreement as well as service recipients as recommended by the counterparty had the total value of medical income in the amount of Baht 7.5 million and Baht 7.6 million, respectively. The value of discount on medical costs amounted to Baht 1.5 million and Baht 1.0 million, respectively. The net medical income was Baht 6.0 million and Baht 6.6 million, respectively, or accounted for an average discount rate of about 20 percent and 20 percent, respectively. However, the Company terminated such agreement on July 16, 2018. |
| | <u>Net medical income</u> | 2.7 | 4.1 | |
| | <u>Medical discounts</u> | 0.3 | 0.5 | |
| | <u>Net medical income</u> | 2.4 | 3.6 | |
| | <u>Account receivables at the end of the year</u> | 0.2 | 0.3 | |
| | <i>Items of medical costs unpaid to the Company by the majority shareholder in place of such service recipients:</i> | | | Opinion of the Audit Committee The Audit Committee considered and was of the opinion that such transaction was beneficial to the Company in expanding more customer base for its services. The items of medical services in the period prior to the amendment of payment conditions, and discount rates occurred in the past. However, the prices, conditions, services as well as discounts under the current medical services agreement fell within the normal criteria of customers under the medical services agreement and counterparty customers in accordance with the Company's pricing policy. |
| | <u>Medical income</u> | 7.5 | - | |
| | <u>Medical discounts</u> | 1.5 | - | |
| | <u>Net medical income</u> | 6.0 | - | |
| MR. BHANAPOT DAMAPONG | The Company provided medical services to a group of people under the medical services agreement between the Company and Mr. Bhanapot Damapong (the agreement covered Mr. Bhanapot Damapong and the persons under the agreement). | | | As of April 1, 2018, the Company entered into a medical services agreement with Mr. Bhanapot Damapong, with terms and conditions and discounts to the group of people under the agreement. The agreement offered a 15% discount (with some exceptions to doctor fees, dental costs, physical therapy costs, medical examination fees, laboratory and pathology |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|--|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| | | | | |
| | <i>Items of medical costs paid by Mr. Bhunpot Damapong to the Company on behalf of the recipients of such service.</i> | | | <p>examination fees (special), cosmetic surgery costs and medical packages) with payment conditions of 30 days from the billing date in accordance with the discount criteria under the medical services agreement that was determined in accordance with the Company's price policy while preparing such medical services agreement.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee considered and was of the opinion that such transaction was beneficial to the Company in expanding more customer base for its services. The prices, conditions, services as well as discounts under the medical services agreement of Mr. Bhanapot Damapong fell within the normal criteria of customers under the medical services agreement and counterparty's customers in accordance with the Company's pricing policy.</p> |
| | <u>Medical income</u> | 0.45 | 0.58 | |
| | <u>Medical discounts</u> | 0.05 | 0.08 | |
| | <u>Net medical income</u> | 0.40 | 0.50 | |
| | <u>Account receivables at the end of the year</u> | 0.03 | 0.03 | |
| OAI LEASING | <p>The Company leased the office space of 1,040 square meters, including the payment of utility costs, building systems and other services in the OAI Tower. The Company also placed a security deposit for 3-month rents and 3-month service charges to OAI LEASING to use office space for its administrative officers in accordance with the 3-year rental and service agreement. The Company started leasing such space since May 1, 2016.</p> | | | <p>The Company leased the office space of 1,040 square meters, including the payment of and service agreements for utility services, other building and service utility services, building systems and other systems in the OAI Tower. Such space was used as an office for administrative officers because the areas of Praram 9 Hospital were insufficient for all personnel.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee considered and was of the opinion that such transaction was reasonable and was a transaction under the real estate rental category which was necessary for the</p> |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|--|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| SHINAWATRA UNIVERSITY | <u>Paid rents</u> | 1.2 | 1.2 | Company's operations. The rental terms and conditions and rental rates were appropriate, reasonable, in accordance with the market price and normal commercial practices. There was no transfer of benefits between the Company and persons who may have conflicts of interest by comparing the rental rates charged to other tenants in the same building. |
| | <u>Paid service charges</u> | 3.8 | 3.8 | |
| | <u>Other payables at the end of the year</u> | 0.2 | 0.2 | |
| | <u>Other non-current assets</u> | 0.8 | 0.8 | |
| | Providing scholarships to scholarship recipients in order to receive education in Bachelor of Nursing Science, Faculty of Nurse, Shinawatra University | | | This program provided scholarships to nursing students at Shinawatra University. This was one of the Company's measures for medical personnel staffing, which was a critical part in business operations. Upon his/her graduation, the grantee shall return to perform duties in the Company after in accordance with the scholarship terms and conditions. |
| | <u>Other expenses</u> | 0.2 | - | |
| THAICOM Foundation | Donation for charity projects organized by THAICOM | | | <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee considered and was of the opinion that the transaction was reasonable. The scholarships were appropriate, reasonable and in accordance with the normal rates that Shinawatra University charged to other students. It was also one of the Company's measures for medical personnel staffing.</p> <p>The Company supported charity golf tournaments to donate funds to the "Enjoy Reading and Achieve Happiness and Wisdom" project in order to buy bookcases and series of books for small-sized schools nationwide.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee considered and was of the opinion that such transaction was reasonable as it aimed to promote and support sustainable business operations under corporate social responsibilities.</p> |
| | <u>Other expenses</u> | 0.05 | - | |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|--|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| KHUNYING POTJAMAN DAMAPONG (“MAJORITY SHAREHOLDER”) | The Company entered into a sale and purchase agreement of land title deed No. 6223 (1879) of 3 ngan 34 square wah (334 square wah) at the rate of Baht 180,000 per square wah, totaling Baht 60,120,000. The Company placed a land deposit of Baht 4,000,000 on the date the agreement was entered into and would pay the remaining amount of Baht 56,120,000 on the ownership transfer date by issuing promissory notes with the payment period no later than December 30, 2018. (See more details in section 2.2.5, item 7 Important Agreements. | | | The Company entered into a sale and purchase agreement of land title deed No. 6223 (1879) with the majority shareholder to construct an 8-story nurse dormitory to accommodate the increasing number of nurses of the Company in the future. Based on the analysis and comparison of other lands, the land title deed No. 6223 (1879) was more appropriate for the construction of nurse dormitory because it was a large empty land which can be instantly constructed and the location was closer to the hospital. |
| | <u>Purchase of fixed assets</u> | 60.1 | - | |
| Doctor Group ⁽¹⁾⁽²⁾⁽³⁾ | The Company paid remuneration in the form of doctor fees to 11 doctors under the agreement to operate a medical clinic. | | | <p>Opinion of the Audit Committee</p> <p>The Audit Committee considered and was of the opinion that such transaction was necessary and beneficial to the Company. The prices and terms and conditions of the sale and purchase agreement were appropriate and reasonable. The land price was lower than the appraised value. The Chartered Valuation and Consultant Company Limited was an asset appraisal company approved by the Securities and Exchange Commission. The purchase of land at a price lower than the appraised price and the land payment conditions was flexible which was considered beneficial to the Company.</p> <p>Doctors who were directors or executives performed examination and treated patients at the hospital. The determination of remuneration was comparable to the doctor’s fees that the company paid to other doctors with similar qualifications to the doctors who held the position of director and/or executive. The hospital focused on the quality of medical services as well as expertise in providing medical services for complex diseases. It was therefore necessary to determine appropriate remuneration and incentives for current doctors and attract qualified doctors to work with the hospital as well as able to reduce the risk of shortage of medical personnel.</p> |
| | <u>Doctor’s fee</u> | 35.7 | 33.4 | |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|---|-------------------------------------|------|--|
| | | 2018 | 2019 | |
| | Accrued doctor's fees at the end of the year | 3.1 | 3.4 | Opinion of the Audit Committee Such transaction was necessary and reasonable. The Company was obliged to pay such doctor remuneration at the same rate as other doctors with similar qualifications to the doctors who held such position. It was therefore a reasonable transaction. |
| Advisory Group ⁽⁴⁾ | The Company paid remuneration in the form of meeting allowance to Advisors to the Executive Committee who attended the Company's Executive Committee Meeting. | | | The Company appointed experts who had knowledge and expertise in different aspects to be Advisors to the Executive Committee to listen to opinions, provide comments, and give suggestions that came from work experience and expertise of each person to use them in considering issues related to the Executive Committee in order to ensure maximum benefits for effective management. The Advisors to the Executive Committee shall not be able to vote and were not considered to have authority to control or manage the Company. However, after July 2018, the Company had no longer such transaction due to the resignation of the advisors to the Executive Committee in July 2018. |
| | <u>Meeting allowance</u> | 0.02 | - | |
| | | | | Opinion of the Audit Committee Such transaction was necessary and reasonable. The Company needed to pay such meeting allowance as remuneration to the Advisors to the Executive Committee in performing duties. It was therefore a reasonable transaction which was a transaction that occurred in the past at which there will be no such transaction in the future. |

⁽¹⁾ Doctors who are juristic persons and may have conflicts of interest or entered into related party transactions for the accounting period ended December 31, 2017, namely Dr. Satian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, Dr. Prasert Trairatvorakul, Assoc. Prof. Dr. Sorana Boonbaichaiyapruk, WG.CDR Prof. Dr. Sirintara Singhara Na Ayudhaya, Gen. Dr. Sahachart Pipitkul, Dr. Sathaporn Pooprasert, D.D.S. Chutima Trairatvorakul, Dr. Porn Trairatvorakul and Dr. Thitiwat Sriprasat; and for the accounting period ended December 31, 2018, namely Dr. Satian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, Dr. Prasert Trairatvorakul, Assoc. Prof. Dr. Sorana Boonbaichaiyapruk, WG.CDR Prof. Dr. Sirintara Singhara Na Ayudhaya, Dr. Sathaporn Pooprasert, D.D.S. Chutima Trairatvorakul, Dr. Porn Trairatvorakul Dr. Thitiwat Sriprasat and Dr. Pisit Chiyasak.

⁽²⁾ Gen. Dr. Sahachart Pipitkul has been free from being a person who may have a conflict of interest since September 13, 2017, whereby the value of doctor's fees that had been disclosed in the related party transactions in 2017 is the transaction that occurred during January 1, 2017 - September 30, 2017.

⁽³⁾ Dr. Pisit Chiyasak is a person who may have a conflict of interest since he is a brother of Mr. Pisit Chiyasak, who has been the Company's director since July 31, 2018. The value of doctor's fees that have been disclosed in the related party transactions in 2018 is the transaction that occurs during July 31, 2018 - present.

⁽⁴⁾ Advisor to the Executive Committee, a person who may have conflict, namely, Miss Pintongta Shinawattra Kunakornwong.

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|---|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| DR. SATHAPORN POOPRASERT | The Company paid monthly remuneration to an external consultant of the Company. | | | The Company appointed a qualified person with medical knowledge and expertise, who used to serve as the Company's chief physician to be the consultant and was not a full-time employee, to give advice and suggestions and to participate in the Company's quality development activities and academic training meetings. |
| | <u>Consulting fee</u> | 0.4 | 0.6 | <u>Opinion of the Audit Committee</u> Such transaction was necessary and reasonable. The Company was obliged to pay such remuneration as a compensation for the consultant's performance of duties. The said remuneration was at a comparable rate to the other consultants who were not persons with possible conflicts of interest of the Company and with the same scope of consultation. |
| VOICE CREATION | The Company hired VOICE CREATION to produce and broadcast live videos on Facebook Live. | | | The Company hired VOICE CREATION to produce and broadcast live videos on Facebook Live in order to promote the Hospital's Facebook Page. |
| | <u>Service charges</u> | 1.4 | 0.4 | <u>Opinion of the Audit Committee</u> The Audit Committee considered and was of the opinion that such transaction was reasonable and there was no transfer of benefits between the Company and persons who may have conflicts of interest by comparing the conditions and the service charge rates with other comparative partners. VOICE CREATION was therefore suitable for the Company. |

| Person / Legal Entity that May Have Conflicts of Interest | Nature of Related Party Transaction | Value of Transaction (Million Baht) | | Necessity and Reasonableness of the Transaction |
|---|---|-------------------------------------|------|---|
| | | 2018 | 2019 | |
| | <p>The Company hired VOICE CREATION to produce video presentations (Thai, English, Chinese, Japanese) to promote the hospital.</p> <p><u>Service charges</u></p> | 0.3 | 0.01 | <p>The Company hired VOICE CREATION to produce video presentations (Thai, English, Chinese, Japanese) to promote the hospital.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee considered and was of the opinion that such transaction was reasonable and there was no transfer of benefits between the Company and persons who may have conflicts of interest by comparing the conditions and the service charge rates with other comparative partners. VOICE CREATION was therefore suitable for the Company.</p> |
| | <p>The Company hired Voice Creation to edit video presentations (as a continuation of video presentation production: Thai, English, Chinese, Japanese) to promote the hospital:</p> <ul style="list-style-type: none"> - Thai dubbing costs - Sound recording studio fees - Processing fee <p><u>Service charges</u></p> | 0.02 | - | <p>The Company hired Voice Creation to edit video presentations (Thai, English, Chinese, Japanese) to publicize the hospital.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee considered and was of the opinion that such transaction was reasonable and there was no transfer of benefits between the Company and persons who may have conflicts of interest by comparing the conditions and the service charge rates with other comparative partners. VOICE CREATION was therefore suitable for the Company.</p> |

3. Measures and Procedures for approving Related Party Transactions

The Board of Directors, in its Meeting No. 3/2018 dated March 12, 2018, resolved to approve a related party transaction policy and principles of trade agreements with general trade terms for transactions between the Company, directors and executives or related persons. The Company will comply with the law on Securities and Exchange, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. However, directors, executives or persons who may have conflicts or interests with the Company will not be able to participate or have any rights to vote in approving such transactions. Thus, the Company adheres to the following principles of related party transactions:

- Be a transaction that passes the transparent approval process by the directors and/or executives (as the case may be) with responsibility, prudence and integrity. The stakeholders shall not participate in the decision making.
- Be a transaction that is executed by taking into account the benefits of the Company as if conducting transactions with the third parties
- A tracking and inspection system is in place to ensure that the transaction is correctly executed in accordance with the procedures

Measures and procedures for related party transactions

The Company has determined measures and procedures for related party transactions as follows:

(1) In considering related party transactions, the Company shall apply the same criteria as general customers and/or the general public and shall be in accordance with the Company's normal operating procedures in order to support the business operations which shall be fair and reasonable as well as create the highest benefits to the Company.

(2) If there is no such price, the Company shall consider comparing the prices of the products or services with the external prices, under the same or similar conditions.

(3) The Company may utilize the report of independent appraiser, who has been appointed by the Company to compare the prices for significant related party transactions in order to ensure that such prices are reasonable and are for the best interests of the Company.

(4) In conducting the Company's related party transactions with directors, executives or persons who may have conflicts or related interests, which are not normal business transactions or have different trade terms from transactions with general customers or the third parties, such transactions shall be proceeded only when they have been approved by the Board of Directors Meeting with a majority of votes without the presence of directors, executives or persons who may have conflicts or related interests to consider and approve such transactions and must not have any special conditions or requirements that are different from the criteria set by the Company.

(5) If the Company has other related party transactions which fall within the regulations of the Stock Exchange of Thailand, the Company shall strictly comply with such regulations.

(6) The Company shall disclose information on transactions that may have conflicts of interest or related party transactions in accordance with the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and/or related agencies as well as in accordance with the accounting standards. The Company shall disclose such information in an annual registration statement, an annual report or any other report forms as applicable.

(7) The Internal Audit Division shall review related party transactions according to the audit plan which shall be reported to the Audit Committee. There shall be control measures, inspection, supervision and review of random transactions to ensure that they are accurate and in accordance with the agreements or policies or conditions specified.

Approval of related party transactions or connected transactions

In case where such law specifies that related party transactions shall be approved by the Board of Directors Meeting or the Shareholders' Meeting before entering into any related transactions (if any). The Company shall assign the Audit Committee to participate in the meeting to consider and give opinions on the necessity and reasonableness of such transactions. However, when entering into normal business transactions or normal business support transactions that are trade agreements with general trade terms, and transactions that are trade agreements with special trade terms, the Company shall ensure that the transactions are in accordance with the following principles:

(a) Transactions that are trade agreements with general trade terms

To conduct related party transactions which are normal business transactions or normal business support transactions, that are trade agreements with general trade terms and are beneficial to the Company's business or operations, the management or the Executive Committee shall propose the Board of Directors to approve transaction agreements in principle before entering into the said transactions. If the said transactions have trade agreements in the same manner as ordinary persons ought to be done with the general contractual parties in the same situation, with the bargaining power of trade that is free from the influence of oneself being a director, executive or related person. The management shall prepare a summary report of such transactions to be proposed to the Audit Committee Meeting and the Board of Directors Meeting on a quarterly basis.

However, the transactions with general trade terms are trade terms with fair prices and conditions and do not cause the transfer of benefits are as follows:

- Prices and conditions that the Company receives or provides to the general public
- Prices and conditions that the connected person provides to the general public
- Prices and conditions that the Company can show to the general public that it is the entrepreneurs that operate business in the same manner.

(b) Transactions that are trade agreements with special trade terms

In entering into trade agreement transactions with special trade terms, the Audit Committee shall consider and comment on the necessity and reasonableness of such transactions before submitting them to the Board of Directors Meeting and/or the Shareholders' Meeting (as the case may be) for approval. Such action shall be implemented in accordance with the law on Securities and Exchange, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Stock Exchange of Thailand and the Securities and Exchange Commission. This includes compliance with the regulations on the disclosure of connected transactions or related party transactions, acquisition or disposition of the Company's significant assets (if any) and other relevant criteria as well as with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage where the Company shall disclose such related party transactions in the Company's Notes to the Financial Statements that have been audited or reviewed by the Company's auditor.

In case where the Audit Committee has no expertise in considering possible related party transactions, the Company shall appoint persons who possess knowledge, expertise or specific expertise such as auditors, asset appraisers or experts in related fields and are independent from the Company and persons who may have conflicts with the Company, to provide comments on such related party transactions in support of the decision making of the Audit Committee and/or the Board of Directors and/or the Shareholders' Meeting (as the case may be) in order to ensure that such transactions are necessary and reasonable with consideration on the best interests of the Company and shareholders.

4. Policies and Trends of Future Related Party Transactions

For possible future related party transactions, the Board of Directors shall proceed in compliance with the laws on Securities and Exchange, regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company shall disclose the related party transactions in an annual registration statement and the Notes to the Financial Statements that have been audited by the Company's auditor as well as comply with the regulations on the disclosure of information on related party transactions of the Company according to the financial reporting standards prescribed under the Accounting Profession Act B.E. 2547 (2004) and the additional amendment.

The Company may continue conducting related party transactions in the future by determining the prices and common trade terms as determined for the persons and/or companies that do not have conflicts or related interests, for example, the provision of medical services to the counterparty companies and the remuneration payment in the form of doctor's fees. Such related party transactions shall be executed in accordance with the normal business operations of the Company and shall be for the best interests of the Company and shareholders.

In this regard, the Company's related party transactions that occur and may occur in the future shall be necessary and/or reasonable for the Company's best interests and in accordance with the nature of business. Furthermore, the prices and the conditions of such transactions shall be fair and at arm's length basis. There shall be no transfer of benefits between the Company and the persons who may have conflicts. The Company's Audit Committee shall provide opinions on the necessity and appropriateness of such transactions. In addition, in case where related party transactions are conducted, the directors, executives or persons who may have conflicts or interests shall not be able to participate or have voting rights in considering and approving such transactions.

FINANCIAL POSITION AND OPERATING PERFORMANCE

SIGNIFICANT FINANCIAL INFORMATION

Summary of Audit Report

Auditor

Auditor for the Company's financial statements & financial information can be summarized as follows:

| Financial Statement | Auditor |
|--|--|
| Audited financial statements For the year ended December 31, 2017 | Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Limited |
| Audited financial statements For the year ended December 31, 2018 | Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Limited |
| Audited financial statements For the year ended December 31, 2019 | Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Limited |

Summary of audit report for the past 3 year

The opinion of the auditors that are disclosed in the Company's financial statement or financial information (as the case may be) can be summarized as follows

| Financial Statement | Auditor's Opinion |
|--|--|
| Audited financial statements For the year ended December 31, 2017 | The financial statements referred to above present fairly, in all material respects, the financial position of Praram 9 Hospital Public Company Limited as at December 31, 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards. |
| Audited financial statements For the year ended December 31, 2018 | The financial statements referred to above present fairly, in all material respects, the financial position of Praram 9 Hospital Public Company Limited as at December 31, 2018, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards. |
| Audited financial statements For the year ended December 31, 2019 | The financial statements referred to above present fairly, in all material respects, the financial position of Praram 9 Hospital Public Company Limited as at December 31, 2019, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards. |

Table of Summarized Financial Statements

Statement of financial position

| Statement of Financial Position | As of | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|
| | Dec 31, 2017 | | Dec 31, 2018 | | Dec 31, 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 237.8 | 8.3 | 223.5 | 5.1 | 631.8 | 13.4 |
| Current investments | 453.7 | 15.9 | 1,636.6 | 37.0 | 799.2 | 16.9 |
| Trade and other receivables | 132.9 | 4.7 | 139.3 | 3.1 | 156.2 | 3.3 |
| Medicines and supplies | 39.5 | 1.4 | 42.9 | 1.0 | 48.7 | 1.0 |
| Other current assets | 14.8 | 0.5 | 6.6 | 0.2 | 7.2 | 0.2 |
| Total current assets | 878.6 | 30.8 | 2,048.9 | 46.3 | 1,643.1 | 34.8 |
| Non-current assets | | | | | | |
| Restricted bank deposits | 2.7 | 0.1 | 2.7 | 0.1 | 3.6 | 0.1 |
| Other long-term investment | 1.4 | 0.0 | 1.4 | 0.0 | 0.0 | 0.0 |
| Property, plant and equipment | 1,713.3 | 60.0 | 2,136.1 | 48.3 | 2,862.4 | 60.7 |
| Intangible assets | 91.6 | 3.2 | 82.8 | 1.9 | 77.4 | 1.6 |
| Advance for purchase of fixed assets and intangible assets | 140.7 | 4.9 | 125.2 | 2.8 | 91.8 | 1.9 |
| Deferred tax assets | 26.6 | 0.9 | 25.2 | 0.6 | 33.3 | 0.7 |
| Other non-current assets | 1.6 | 0.1 | 2.0 | 0.0 | 4.9 | 0.1 |
| Total non-current assets | 1,978.0 | 69.2 | 2,375.4 | 53.7 | 3,073.5 | 65.2 |
| Total Assets | 2,856.6 | 100.0 | 4,424.4 | 100.0 | 4,716.6 | 100.0 |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 616.9 | 21.6 | 408.4 | 9.2 | 461.5 | 9.8 |
| Income tax payable | 20.7 | 0.7 | 11.1 | 0.3 | 28.7 | 0.6 |
| Other current liabilities | 17.0 | 0.6 | 29.3 | 0.7 | 32.8 | 0.7 |
| Total current liabilities | 654.5 | 22.9 | 448.8 | 10.1 | 523.0 | 11.1 |
| Non-current liabilities | | | | | | |
| Provision for long-term employee benefits | 105.6 | 3.7 | 100.7 | 2.3 | 153.0 | 3.2 |
| Other non-current liabilities | 1.5 | 0.1 | 1.5 | 0.0 | 1.6 | 0.0 |
| Total non-current liabilities | 107.0 | 3.7 | 102.2 | 2.3 | 154.6 | 3.3 |
| Total liabilities | 761.6 | 26.7 | 551.0 | 12.5 | 677.6 | 14.4 |

| Statement of Financial Position | As of | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|
| | Dec 31, 2017 | | Dec 31, 2018 | | Dec 31, 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Shareholders' equity | | | | | | |
| <i>Share capital</i> | | | | | | |
| Registered | | | | | | |
| 800,000,000 ordinary shares of Baht 1 each (2018 : 800,000,000 ordinary shares of Baht 1 each) (2017 : 6,000,000 ordinary shares of Baht 100 each) | 600.0 | | 800.0 | | 800.0 | |
| Issued and fully paid | | | | | | |
| 786,300,000 ordinary shares of Baht 1 each (2018 : 786,300,000 ordinary shares of Baht 1 each) (2017 : 6,000,000 ordinary shares of Baht 100 each) | 600.0 | 21.0 | 786.3 | 17.8 | 786.3 | 16.7 |
| Share premium | 10.3 | 0.4 | 1,934.4 | 43.7 | 1,934.4 | 41.0 |
| <i>Retained earnings</i> | | | | | | |
| Appropriated - statutory reserve | 60.0 | 2.1 | 67.9 | 1.5 | 80.0 | 1.7 |
| Unappropriated | 1,422.8 | 49.8 | 1,084.0 | 24.5 | 1,230.4 | 26.1 |
| Other components of shareholders' equity | 1.9 | 0.1 | 0.8 | 0.0 | 7.9 | 0.2 |
| Total shareholders' equity | 2,095.0 | 73.3 | 3,873.3 | 87.5 | 4,039.0 | 85.6 |
| Total liabilities and shareholders' equity | 2,856.6 | 100.0 | 4,424.4 | 100.0 | 4,716.6 | 100.0 |

Statement of comprehensive income

| Statement of comprehensive income | For the year ended December 31, | | | | | |
|--|---------------------------------|--------------|----------------|--------------|----------------|--------------|
| | 2017 | | 2018 | | 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Revenues | | | | | | |
| Revenues from hospital operations | 2,421.5 | 98.6 | 2,701.1 | 98.8 | 2,848.5 | 98.6 |
| Interest income | 11.1 | 0.5 | 6.3 | 0.2 | 13.4 | 0.5 |
| Rental income | 7.9 | 0.3 | 8.0 | 0.3 | 8.4 | 0.3 |
| Other income | 14.8 | 0.6 | 18.2 | 0.7 | 19.4 | 0.7 |
| Total revenues | 2,455.2 | 100.0 | 2,733.5 | 100.0 | 2,889.7 | 100.0 |
| Expenses | | | | | | |
| Cost of hospital operations | 1,681.6 | 68.5 | 1,864.2 | 68.2 | 1,972.3 | 68.3 |
| Selling expenses | 59.9 | 2.4 | 64.2 | 2.3 | 59.4 | 2.1 |
| Administrative expenses | 396.6 | 16.2 | 477.5 | 17.5 | 510.3 | 17.7 |
| Share-based payment | - | - | 111.9 | 4.1 | - | - |
| Total expenses | 2,138.1 | 87.1 | 2,517.8 | 92.1 | 2,542.1 | 88.0 |
| Profit before income tax expenses | 317.1 | 12.9 | 215.7 | 7.9 | 347.6 | 12.0 |
| Income tax expenses | 54.8 | 2.2 | 58.5 | 2.1 | 63.2 | 2.2 |
| Profit for the year | 262.3 | 10.7 | 157.2 | 5.8 | 284.5 | 9.8 |

| Statement of comprehensive income | For the year ended December 31, | | | | | |
|--|---------------------------------|--------------|--------------|--------------|---------------|--------------|
| | 2017 | | 2018 | | 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Other comprehensive income: | | | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | | |
| Gain (loss) on change in value of available-for-sale investments | (0.1) | (0.0) | (1.3) | (0.1) | 8.9 | 0.3 |
| Income tax effect | 0.0 | 0.0 | 0.3 | 0.0 | (1.8) | (0.1) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods-net of income tax | (0.1) | (0.0) | (1.0) | (0.1) | 7.1 | 0.2 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | | | |
| Actuarial gain (loss) | - | - | 19.8 | 0.7 | (19.9) | (0.7) |
| Income tax effect | - | - | (4.0) | (0.1) | 4.0 | 0.1 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net of income tax | - | - | 15.8 | 0.6 | (15.9) | (0.6) |
| Other comprehensive income for the year | (0.1) | (0.0) | 14.8 | 0.5 | (8.8) | (0.3) |
| Total comprehensive income for the year | 262.2 | 10.7 | 172.0 | 6.3 | 275.7 | 9.5 |
| Basic earnings per share (Unit: Baht) | 0.44 | - | 0.25 | - | 0.36 | - |
| Weighted average number of ordinary shares (Unit: Million) | 600.0 | - | 634.7 | - | 786.3 | - |

Cash flow statement

| Cash flow statement | For the year ended December 31, | | |
|--|---------------------------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| | Million Baht | Million Baht | Million Baht |
| <u>Cash flows from operating activities</u> | | | |
| Profit before tax | 317.1 | 215.7 | 347.6 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | |
| Depreciation and amortisation | 151.2 | 155.8 | 163.6 |
| Bad debt | 0.5 | 0.4 | 7.9 |
| Increase in allowance for doubtful debt | 0.7 | 4.5 | 5.9 |
| Loss (gain) on disposals and write-off of buildings improvement and equipment | 2.0 | 1.3 | (0.3) |
| Gain on disposals of current investments | (1.8) | (4.3) | (5.5) |
| Gain on disposals of other long-term investment | - | - | (0.3) |
| Share-based payment | - | 111.9 | - |
| Increase in provision for short-term and long-term employee benefits | 13.5 | 19.5 | 41.9 |
| Dividend income | (1.2) | (0.4) | (0.0) |
| Interest income | (11.1) | (6.3) | (13.4) |

| Cash flow statement | For the year ended December 31, | | |
|--|---------------------------------|------------------|----------------|
| | 2017 | 2018 | 2019 |
| | Million Baht | Million Baht | Million Baht |
| Profit from operating activities before changes in operating assets and liabilities | 470.9 | 498.2 | 547.6 |
| Operating assets (increase) decrease | | | |
| Trade and other receivables | 7.6 | (11.6) | (31.8) |
| Medicine and supplies | 2.1 | (3.4) | (5.8) |
| Other current assets | (2.5) | 8.1 | (0.6) |
| Other non-current assets | (0.1) | (0.4) | (2.9) |
| Operating liabilities increase (decrease) | | | |
| Trade and other payables | 20.2 | 51.0 | 39.4 |
| Other current liabilities | 0.5 | (0.2) | 4.1 |
| Other non-current liabilities | 0.2 | 0.1 | 0.1 |
| Cash paid for long-term employee benefits | (1.2) | (4.6) | (8.6) |
| Cash flows from operating activities | 497.5 | 537.2 | 541.6 |
| Cash paid for income tax | (57.1) | (57.6) | (51.5) |
| Net cash flows from operating activities | 440.4 | 479.6 | 490.0 |
| <u>Cash flows from investing activities</u> | | | |
| Increase in restricted bank deposits | - | - | (0.9) |
| Decrease (increase) in current investments | 162.5 | (1,179.9) | 851.8 |
| Cash receipt from sale of other long-term investment | - | - | 1.6 |
| Cash receipt from dividend of investment | 1.2 | 0.4 | 0.0 |
| Acquisition of buildings improvement and equipment | (313.6) | (412.0) | (640.6) |
| Cash paid for purchase of buildings improvement and equipment | (39.1) | (357.8) | (96.9) |
| Cash paid for advance for purchase of fixed assets and intangible assets | (178.4) | (41.9) | (90.2) |
| Acquisition of intangible assets | (5.0) | (4.2) | (9.3) |
| Cash paid for purchase of intangible assets | (4.3) | (0.2) | (1.7) |
| Proceed from sales of buildings improvement and equipment | 0.9 | 1.0 | 1.4 |
| Interest income | 11.5 | 6.6 | 14.5 |
| Net cash flows from (used in) investing activities | (364.3) | (1,988.1) | 29.8 |
| <u>Cash flows from financing activities</u> | | | |
| Proceed from increase in share capital | - | 2,049.2 | - |
| Payments of expense relating to the share offering | - | (63.5) | - |
| Dividend paid | (47.1) | (491.5) | (111.6) |
| Net cash flows from (used in) financing activities | (47.1) | 1,494.2 | (111.6) |
| Net increase (decrease) in cash and cash equivalents | 29.1 | (14.3) | 408.3 |
| Cash and cash equivalents at beginning of year | 208.7 | 237.8 | 223.5 |
| Cash and cash equivalents at end of year | 237.8 | 223.5 | 631.8 |

Table of Significant Financial Ratio

| Significant Financial Ratio | Unit | Financial Statement | | |
|--|-------|---------------------------------|---------------------|---------------------|
| | | For the year ended December 31, | | |
| | | 2017 | 2018 | 2019 |
| Liquidity Ratio | | | | |
| Liquidity Ratio | Times | 1.3 | 4.6 | 3.1 |
| Quick Ratio | Times | 1.3 | 4.5 | 3.1 |
| Operating Cashflow Ratio | Times | 0.9 | 0.9 | 0.1 |
| Receivable Turnover Ratio | Times | 16.6 | 18.1 | 17.1 |
| Average Collection Period | Days | 21.7 | 19.9 | 21.1 |
| Inventory Turnover | Times | 41.5 | 45.3 | 43.1 |
| Average Inventory Period | Days | 8.7 | 8.0 | 8.4 |
| Trade Payables Turnover Ratio | Times | 15.4 | 16.0 | 15.6 |
| Average Payment Period | Days | 23.3 | 22.4 | 23.1 |
| Cash Cycle | Days | 7.1 | 5.4 | 6.4 |
| Profitability Ratio | | | | |
| Gross Profit Margin ⁽¹⁾ | % | 30.6 | 31.0 | 30.8 |
| Operating Profit Margin ⁽¹⁾ | % | 11.7 | 6.8 | 10.8 |
| Cash Ratio to Profitability | % | 1.6 | 2.6 | 1.6 |
| Net Profit Margin | % | 10.7 | 5.8 | 9.8 |
| Return on Equity ⁽²⁾ | % | 13.2 | 5.3 | 7.2 |
| Efficiency Ratio | | | | |
| Return on Assets ⁽³⁾ | % | 10.2 | 4.3 | 6.2 |
| Return on Fixed Asset ⁽⁴⁾ | % | 29.0 | 16.3 | 17.9 |
| Asset Turnover | Times | 1.0 | 0.8 | 0.6 |
| Financial Policy Ratio | | | | |
| Debt to Equity Ratio | Times | 0.4 | 0.1 | 0.2 |
| Interest-bearing Debt to Equity Ratio | Times | - | - | - |
| Interest Coverage Ratio | Times | - | - | - |
| Dividend Payout Ratio | % | 192.2 | 42.1 ⁽⁵⁾ | 40.4 ⁽⁶⁾ |

Remark:

(1) Based on the profit from the hospital operation only.

(2) Based on the profit for the year divided by the average shareholders' equity.

(3) Based on the profit for the year divided by average total assets.

(4) Calculated from the sum of the profit for the year and depreciation then divided by the average net assets.

(5) Calculated from the total dividend based on the earnings for the year divided by earnings for the year 2018 net with statutory reserve 5% And adding back one time expenses (share-based payments).

(6) Calculated from the total dividend based on the earnings for the year divided by earnings for the year 2019 net with statutory reserve

MANAGEMENT'S DISCUSSION AND ANALYSIS

This topic includes management's detailed analysis of Company's financial position and operating results as of year ended December 31, 2017, 2018 and 2019, on factors that might affect Company's opportunity and performance in the future. However, one should also consider Company's financial statement and note to financial statement, as well as information on operating result appeared in other parts of this document. The following discussion and analysis will involve rounding of certain figures (including percentage) for better understanding.

The Company's financial statement as of year ended December 31, 2017, 2018 and 2019 were audited by Ms. Kosum Cha-em, CPA Registration No. 6011 from EY Office Limited.

OVERVIEW

Medical service businesses in Thailand have a tendency to grow continuously due to the fact that people have more interests and become more health conscious, there is increasing number of elderly, medical service industry is improved in terms of coverage and quality, as well as the industry is well supported by government's policies. A growth in medical service industry, together with the Praram 9 hospital's advantages, were factors contributing to continuous increase of revenue. The Company reported total revenue of Baht 2,455.2 million, Baht 2,733.5 million and Baht 2,889.7 million in 2017, 2018 and 2019 respectively, indicating the compound annual growth rates (CAGR) of 8.5% per annum.

ANALYSIS OF COMPANY'S OPERATING RESULTS

Revenue

(1) Medical Revenue

The Hospital has operated its medical service business and earned medical revenue in the years 2017, 2018 and 2019 of Baht 2,421.5 million, Baht 2,701.1 million and Baht 2,848.5 million respectively. Medical revenue of the years 2017, 2018 and 2019 accounted for 98.6%, 98.8%, and 98.6% of total revenue respectively.

The Company's medical revenue can be classified into 2 main sources according to patient's type; Outpatient Department (OPD) and Inpatient Department (IPD), with following details:

| Medical Revenue | For the year ended December 31, | | | | | |
|---|---------------------------------|--------------|----------------|--------------|----------------|--------------|
| | 2017 | | 2018 | | 2019 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Revenue from Outpatient Department (OPD) | 1,291.4 | 53.3 | 1,494.3 | 55.3 | 1,584.2 | 55.6 |
| Revenue from Inpatient Department (IPD) | 1,130.1 | 46.7 | 1,206.8 | 44.7 | 1,264.3 | 44.4 |
| Total Medical Revenue | 2,421.5 | 100.0 | 2,701.1 | 100.0 | 2,848.5 | 100.0 |
| <i>Medical revenue as percentage of total revenue</i> | - | 98.6 | - | 98.8 | - | 98.6 |

The Company reported total medical revenue in 2019 of Baht 2,848.5 million, an increase of 5.5% from 2018 which reported total revenue of Baht 2,701.1 million. The OPD revenue increased 6.0% as compared to the last year, from the higher of the OPD patient volume and the revenue per visit (revenue intensity). While the IPD volume (Admission Volume) decreased compared to the last year but the revenue per admission continues to increase from the higher of medical complexity and intensity need, especially the patient from intensive-care unit (ICU) department, reflecting in the very high occupancy rate of ICU beds. As a result, total IPD revenue in 2019 increased from the last year at 4.8%.

The Company reported total medical revenue in 2018 of Baht 2,701.1 million, an increase of 11.6% from 2017 which reported total revenue of Baht 2,421.5 million, due mainly to an increase of OPD patient volume and IPD patient volume at 10.8% and 9.1% from the same period of last year respectively. In 2018, OPD revenue increased 15.7% as compared to the last year, from the higher of both OPD patient visits and OPD revenue intensity. While IPD revenue increased 6.8% as compared to the last year, from an increase of IPD patients volume 9.1% net with a 2.1% decrease of IPD revenue per admission since the higher number of low-intensity IPD patients.

(2) Other Income

| Other Income | Unit | For the year ended December 31, | | |
|---|---------------------|---------------------------------|-------------|-------------|
| | | 2017 | 2018 | 2019 |
| Interest income | Million Baht | 11.1 | 6.3 | 13.4 |
| Rental income | Million Baht | 7.9 | 8.0 | 8.4 |
| Other | Million Baht | 14.8 | 18.2 | 19.4 |
| Total other income | Million Baht | 33.7 | 32.5 | 41.2 |
| <i>As a percentage of total revenue</i> | <i>%</i> | <i>1.4</i> | <i>1.2</i> | <i>1.4</i> |

Other revenues of the Company referred to non-medical revenues consist of deposit interests, rent receivable and other revenues such as service fees, nurse residence rental fees, dividend, profit from available-for-sale security. In the years 2017, 2018 and 2019 the Hospital earned Baht 33.7 million, Baht 32.5 million, and Baht 41.2 million from other revenues, implying 1.4%, 1.2%, and 1.4% of total revenue respectively.

Expenses

Expenses of the Company included cost of hospital operations, selling expenses, and administrative expenses. However, the Company had no financial expense as there was no loan or bank overdraft from financial institution.

| Expenses | Unit | For the year ended December 31, | | |
|---|---------------------|---------------------------------|----------------|----------------|
| | | 2017 | 2018 | 2019 |
| Cost of hospital operations | Million Baht | 1,681.6 | 1,864.2 | 1,972.3 |
| <i>As percentage of medical revenue</i> | % | 69.4 | 69.0 | 69.2 |
| Selling expenses | Million Baht | 59.9 | 64.2 | 59.4 |
| Administrative expenses | Million Baht | 396.6 | 477.5 | 510.3 |
| Total selling and administration expenses | Million Baht | 456.5 | 541.8 | 569.8 |
| <i>As percentage of total revenue</i> | % | 18.6 | 19.8 | 19.7 |
| Share based payment ¹ | Million Baht | - | 111.9 | - |
| <i>As percentage of total revenue</i> | % | - | 4.1 | - |
| Total expenses | Million Baht | 2,138.1 | 2,517.8 | 2,542.1 |
| <i>As percentage of total revenue</i> | % | 87.1 | 92.1 | 88.0 |

1) Cost of Hospital Operations

For the year 2019, the Company reported the cost of hospital operations (including depreciation and amortization) Baht 1,972.3 million or equal to 69.2% of total medical revenue, increased by 5.8% from Baht 1,864.2 million or equal to 69.0% of total medical revenue from the same period of last year. This was mainly from the Labor Protection Act (No.7) B.E.2562² amounting of Baht 15.5 million. Without the above non-recurring items, the Company would report the cost of hospital operations (including depreciation and amortization) Baht 1,956.8 million, an increase of 5.0% from the same period of last year, which was lower than an increase of total medical revenue at 5.5%, and equal to 68.7% of total medical revenue.

The Company reported cost of hospital operations (including depreciation and amortization) in the year 2018 of Baht 1,864.2 million or 69.0% of medical revenue, an increase of 10.9% from Baht 1,681.6 million of medical revenue in the year 2017 or 69.4% of medical revenue respectively. The lower cost of hospital operation as % of medical revenue. This was due mainly to a decrease in medicine & medical supplies and depreciation.

(2) Selling and Administrative Expenses

For the year 2019, the Company reported the selling and administrative expenses (including depreciation and amortization) Baht 569.8 million or equal to 19.7% of total revenue, increased by 5.2% from Baht 541.8 million or equal to 19.8% of total revenue in 2018.

¹ According to the financial reporting Standard issue 2 on Share Based Payment; such payment shall be recoded as the difference between the offering price to directors and/or executives who are founders of the Company at (Baht 2.65 / share) and the fair value of the Company's ordinary shares on the granted date at (11.60 baht / share) based on the market price as at the trading day; to be recorded as expenses in the statement of comprehensive income.

² The Labor Protection Act (No.7) B.E.2562 was stipulated additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment and the company has additional long-term employee benefit liabilities and recognition of past service costs as expenses in the statement of comprehensive income.

However, for the year 2019 there was one-time extra-item amounting of Baht 12.1 million from the stipulated of the Labor Protection Act (No.7) B.E.2562. Without the above non-recurring items, the Company would report the adjusted selling and administrative expenses (including depreciation and amortization) amounting of Baht 557.7 million in 2019, or equal to 19.3% of total revenue, compared to the 2018, there were the extra expenses; which are, the initial recording of the employee benefits obligation related to medical benefits for founders and / or management executives from actuarial estimates, marketing and advertisements related to the rebranding toward digital hospital transformation, allowance for doubtful debt and Non-recurring items³ which included advisory expenses, front-end fee on loan from financial institution, and initial public offering related expenses. The Company reported high-value expenses and non-recurring items which equaled to Baht 30.9 million or 1.1% of total revenue. Without the above items, the adjusted selling and administrative expenses (including depreciation and amortization) amounting of Baht 510.9 million or equal to 18.7% of total revenue, in 2018.

For the year 2018, the Company reported selling and administrative expenses (including depreciation and amortization) of Baht 541.8 million or 19.8 % of total revenue, an increase of 18.7% from Baht 456.5 million in 2017, or equal to 18.6% of total revenue. This was due to the above non-recurring items amounting Baht 30.9 million. Moreover, the Company also reported the Share-Based Payment of Baht 111.9 million, or 4.1 % of total revenue.

Profitability and Profitability Margin

| Profitability and Profitability Margin | Unit | For the year ended December 31, | | |
|---|---------------------|---------------------------------|--------------|--------------|
| | | 2017 | 2018 | 2019 |
| Earnings before interest and tax | Million Baht | 317.1 | 215.7 | 347.6 |
| Depreciation and amortization | Million Baht | 151.2 | 155.8 | 163.6 |
| EBITDA | Million Baht | 468.3 | 371.5 | 511.2 |
| <i>EBITDA Margin (as percentage of total revenue)</i> | <i>%</i> | 19.1 | 13.6 | 17.7 |
| Income Tax Expenses | Million Baht | 54.8 | 58.5 | 63.2 |
| Net Profit for the year | Million Baht | 262.3 | 157.2 | 284.5 |
| <i>Net Profit Margin (as percentage of total revenue)</i> | <i>%</i> | 10.7 | 5.8 | 9.8 |

³ The extra expenses and non-recurring items in 2018 consist of,

- (1) Non-tax-deductible expenses: Share -Based Payment of Baht 111.9 million, Allowance for doubtful account of Baht 5.6 million and initial financial reporting of founders' benefits which calculated based on actuarial calculation of Baht 8.5 million.
- (2) Tax deductible expenses: initial public offering advisory expenses of Baht 3.8 million, other advisory expenses of Baht 6.4 million, other IPO expenses 4.6 million, front-end fee on loan from financial institution of Baht 2.1 million.

The adjustment before tax amount for the year 2018 was Baht 142.8 million and after-tax Baht 139.5 million.

For the year 2019, the company reported earnings before interest, tax, depreciation and amortization (EBITDA) Baht 511.2 million, increased 37.6% from Baht 371.5 million in 2018, while the EBITDA margin was improved from 13.6% in 2018 to 17.7% in 2019.

Without the above non-recurring items, the Company would report earnings before interest, tax, depreciation and amortization (EBITDA) in the amount of Baht 538.8 million and Baht 514.3 million, or equal to EBITDA margin of 18.6% and 18.8% for the year 2019 and 2018 respectively.

For the year 2018, the Company reported earnings before interest, tax, depreciation and amortization (EBITDA) of Baht 371.5 million or decreased 20.7% from Baht 468.3 million from the year 2017 or equal to the EBITDA margin of 13.6% and 19.1% for the year 2018 and 2017 respectively. This was due to an increase of selling and administrative expenses from Share-Based Payment and the extra expenses from non-recurring items. If such non-recurring expenses are adjusted, the EBITDA would be Baht 514.3 million, an increase of 9.8% or equal to 18.8% EBITDA margin which slightly decreased if compared to 2017.

From the operating results aforementioned, the Company witnessed a continued growth of net profit, the Company reported its net profit of Baht 263.2 million, Baht 157.2 million, and Baht 284.5 million in the year 2017, 2018 and 2019 respectively, indicating the net profit margins were 10.7%, 5.8%, and 9.8% respectively.

For 2019, the company reported net profit for the period Baht 284.5 million, an increase of 80.9% from Baht 157.2 million in 2018, representing the net profit margin for the period of 9.8% and 5.8% respectively. Without the non-recurring item, the stipulated of the Labor Protection Act (No.7) B.E.2562, the Company would report the adjusted net profit for the period (net-off with the corporate tax rate) amounting of Baht 306.6 million in 2019 or representing 10.6% of total revenue. Compared to the adjusted net profit for the period (net-off with the corporate tax rate) amounting of Baht 296.7 million in 2018 or representing 10.9% of total revenue.

For the year 2018, the Company reported the net profit of Baht 157.2 million, a decrease of 40.0% from the net profit of Baht 262.3 million in 2017, while the net profit margin was reduced from 10.7% in 2017 to

5.8% in 2018. This was due to the share based payment of Baht 111.9 million, non-recurring items, and other extra expenses. The Company reported its net profit after the adjustment of Baht 296.7 million (net-off with the corporate tax rate), a 13.1% increase from Baht 262.3 million. The adjusted net profit margin of the year 2018 was 10.9%, which was similar to the year 2017.

ANALYSIS OF FINANCIAL POSITION

Total Assets

Company's total assets were classified into (1) Current assets which included cash and cash equivalent, current investment, trade and other receivables, medicines, medical supplies and disposals etc. and (2) non-current assets which included land, buildings and equipments, intangible assets, advance for purchase of fixed assets etc. The Company's total assets mainly included land, buildings and equipment (60.7%), current investment (16.9%), cash and cash equivalent (13.4%), trade and other receivables (3.3%) as of December 31, 2019.

As of December 31, 2019, the Company reported total assets of Baht 4,716.6 million, an increase of Baht 292.2 million or equal to 6.6% from the total assets as of December 31, 2018 of Baht 4,424.4 million. The Company reported total current assets of Baht 1,643.1 million, a decrease of 19.8% from Baht 2,048.9 million as of December 31, 2018. This was due mainly to the reduction of temporary investment at Baht 837.4 million (or decreased by 51.2%) from the selling of financial investment for the building expansion project, nursing dormitory and home office and dividends payment. Including the reclassification of bank deposit from long term to short term also impacted to an increase of Baht 408.3 million in the Company's cash and cash equivalents. Moreover, as of 31 December 2019, the Company reported non-current assets of Baht 3,073.5 million, increased by 29.4% as compared to Baht 2,375.4 million as of 31 December 2018. Mainly from the increase of property, plant and equipment of Baht 726.3 million (increased 34.0%) as a result of an increase of assets in building expansion project, nursing dormitory and home office in progress.

As of December 31, 2018, the Company reported total assets of Baht 4,424.4 million, an increase of Baht 1,567.8 million or equal to 54.9% from the total assets as of 31 December 2017 of Baht 2,856.6

million. The Company reported total current assets of Baht 2,048.9 million, an increase of 133.2% from Baht 878.6 million as of December 31, 2017. This was due mainly to an increase of current investment from the cash received from IPO activities deposited with banks with a deposit period of more than 3 months and investing in mutual funds for being a temporary investment during the period of payment for investment in various projects. Moreover, as of December 31, 2018, the Company reported total non-current assets of Baht 2,375.4 million, an increase of 20.1% from Baht 1,978.0 million as of December 31, 2017 from the increase of land for nursing dormitory project and assets during the construction projects.

Total Liabilities

Company's total liabilities consisted mainly of trade and other payables and provision for long-term employee benefits, amounting to 67.9% and 22.7% of total liabilities as of December 31, 2019.

As of December 31, 2019, the Company reported total liabilities of Baht 677.6 million, an increase of Baht 126.6 million or equal to 23.0% from the total assets as of December 31, 2018 of Baht 551.0 million. The Company reported current liabilities of Baht 523.0 million, increased by 16.5% as compared to Baht 448.8 million as of December 31, 2018. This was due mainly to an increase of accounts payable due to building construction project, nursing dormitory and home office including retention and accrued income tax. Moreover, as of December 31, 2019, the Company reported non-current liabilities of Baht 154.6 million, increased by 51.3% as compared to Baht 102.2 million as of December 31, 2018. This was mainly because of an increase in provision for long-term employee benefits by the stipulated of the Labor Protection Act (No.7) B.E.2562 amounting of Baht 52.3 million.

As of December 31, 2018, the Company reported total liabilities of Baht 551.0 million, a decrease of Baht 210.5 million or equal to 27.6% from the total liabilities as of December 31, 2017 of Baht 761.6 million. The Company reported current liabilities of Baht 448.8 million, a 31.4% decrease from Baht 654.5 million as of December 31, 2017. This was mainly due to the payment of land costs for new buildings and nurse condominium projects. Moreover, as of December 31, 2018, the Company reported non-current liabilities of

Baht 102.2 million, a 4.5% decrease from Baht 107.0 million as of December 31, 2017. This was mainly due to a decrease in liabilities of provision for long-term employee benefits.

Total Shareholders' Equity

As of December 31, 2019, the Company reported shareholders' equity of Baht 4,039.0 million, approximately Baht 165.6 million or 4.3% increase from shareholders' equity as of 31 December 2018 of 3,873.3 million. This was mainly because of an increase in net profit for the period of Baht 284.5 million then offset with dividends payment of Baht 110.1 million and the accounting adjustment of long-term employee benefits.

As of December 31, 2018 the company had total shareholders' equity of Baht 3,873.3 million, approximately Baht 1,778.3 million or 84.9% increase from shareholders' equity as of 31 December 2017 of Baht 2,095.0 million. This was mainly attributed to public offering of share capital (IPO), the dividend payment from retained earnings of Baht 504.0 million and increase in net profit of Baht 102.6 million. Moreover, in the year 2018, the company restructured shareholders' equity as follows.

- (1) Par value conversion from Baht 100.0 per share to Baht 1.0 per share resulting in an increase in number of shares from 6,000,000 shares to 600,000,000 shares.
- (2) Increase registered capital from Baht 600.0 million to Baht 800.0 million in preparation for company registration in the stock exchange of Thailand and initial public offering.
- (3) The company receive proceed from public offering of capital increase shares of 167.5 million shares at Baht 11.60 per share and proceed from shares offer to directors and/or founders of 12.5 million shares at Baht 2.65 per share, resulting in the total proceed of Baht 1,976.13 million. In addition, over-allotment agent exercised the rights to purchase capital increase shares of 6.3 million shares at Baht 11.60 per share equivalent to Baht 73.08 million. Total proceed receive at an amount of Baht 2,049.21 million.

Although, the company incurred expense relating to share offering of Baht 50.77 million (net from income tax of Baht 12.69 million) in which the company deducted from share premium.

ANALYSIS OF LIQUIDITY AND SOURCE OF FUND

Cashflow

Details of cash flow and use of cash in each category is concluded as follow.

| Cash flow statement | For the year ended December 31, | | |
|---|---------------------------------|---------------|--------------|
| | 2017 | 2018 | 2019 |
| | Million Baht | Million Baht | Million Baht |
| Cash flow from operating activities | 440.4 | 479.6 | 490.0 |
| Cash flow from (used in) investing activities | (364.3) | (1,988.1) | 29.8 |
| Cash flow from (used in) financing activities | (47.1) | 1,494.2 | (111.6) |
| Net increase (decrease) in cash and cash equivalents | 29.1 | (14.3) | 408.3 |
| Cash and cash equivalents at beginning of year | 208.7 | 237.8 | 223.5 |
| Cash and cash equivalents at end of year | 237.8 | 223.5 | 631.8 |

Details of cash flow and use of cash in operating activities, investing activities and financing activities are as follows.

(1) Cash Flows from Operating Activities

For the year ended December 31, 2019, the Company reported cash flows from operating activities of Baht 490.0 million, an increase of Baht 10.5 million from the year ended December 31, 2018 which generated cash flows from operating activities of Baht 479.6 million, mainly came from the increase in hospital operational results.

For the year ended December 31, 2018, the Company reported cash flows from operating activities of Baht 479.5 million, a 39.1% increase from Baht 440.4 million for the year ended December 31, 2017. This was due mainly to an increase of trade and other payables and other current assets.

(2) Cash Flows from Investing Activities

For the year ended December 31, 2019, the Company reported cash flows from investing activities of Baht 29.8 million, increased by Baht 2,017.9 million as compared to the same period of last year which reported cash flows used in investing activities of Baht 1,988.1 million. This was due mainly to the selling of financial investment, the payment for building improvements, equipment and other projects plus advance cash payment used in purchase assets and payments for construction costs.

For the year ended December 31, 2018, the Company reported cash flows from investing activities of Baht 1,988.0 million, an increase of Baht 1,623.7 million from cash flows used in investing activities of Baht 364.3 million for the year ended December 31, 2017. This was mainly due to the payment of land costs for new buildings and nurse condominium projects and increase in current investment.

(3) Cash Flows from Financing Activities

For the year ended December 31, 2019, the Company reported cash flows used in financing activities of Baht 111.6 million which was dividend payment, compared to the year ended December 31, 2018 which

reported cash flows from financing activities of Baht 1,494.2 million mainly from the cash received from IPO activities net with the IPO-related expenses and the dividend payment.

For the year ended December 31, 2018, the Company reported cash flows from financing activities of Baht 1,494.2 million, an increase of Baht 1,541.3 million from cash flows used in financing activities of Baht 41.7 million for the year ended December 31, 2017. This was mainly due to the issuing new ordinary shares, net with the dividend payment.

Cash and Cash Equivalents

The company had cash and cash equivalents as of December 31, 2019 of Baht 631.8 million, increasing by approximately Baht 408.3 million, or 182.7% of cash and cash equivalents as of December 31, 2018 of Baht 223.5 million.

The company had cash and cash equivalents as of December 31, 2018 of Baht 223.5 million, decreasing by approximately Baht 14.3 million, or 6.0% of cash and cash equivalents as of December 31, 2017 of Baht 237.8 million.

The company had cash and cash equivalents as of December 31, 2017 of Baht 237.8 million, increasing by approximately Baht 29.1 million, or 13.9% of cash and cash equivalents as of December 31, 2016 of Baht 208.7 million.

Current Ratio

As of December 31, 2017, 2018 and 2019 the company had a current ratio of 1.3 times, 4.6 times and 3.1 times respectively.

FACTORS THAT MAY IMPACT THE FUTURE PERFORMANCE AND FINANCIAL STATUS

Impact from investment in the construction of new building and refurbishment of the existing building

The company is undergoing refurbishment of the existing building to be of utmost benefit. The existing building was preliminary planned to accommodate the

increase in number of inpatient, especially for high intensity inpatient cases. Moreover, the company is constructing a new building adjacent to the existing one and was expected to compete and open for services by the year 2020.

After the completion of the new building and the transfer of several medical centers to the new building, the company plans to expand the IPD by renovating the 5th floor for additional 24 ICU beds to accommodate an increase number of patients especially for high-intensity inpatient cases. As well as renovation of the existing building to accommodate additional IPD ward beds. After the completion of the renovation the hospital is expected to have altogether 312 IPD beds.

Nonetheless, once the new building is opened for operation, the performance of the company and revenue structure may be different from the current situation as a result of risks factors that are not under control of the company for example changes to the economy, external factors impacting hospital industry, trust and spending power of consumers, increase in competition in medical services and future changes to standard and rules. However, the company believes that the hospital's strengths in providing medical treatment of complicated diseases from multidisciplinary team with reasonable price as well as value for money services compare to other leading private hospitals, the company will be able to retain customers in the period of volatile economy. Moreover, the expansion of new building will enhance the hospital competitiveness by allowing the hospital to expand customer base to cover new customers those focus on health promotion and wellness.

THE BOARD OF DIRECTORS' REPORT ON ITS RESPONSIBILITY TO THE FINANCIAL STATEMENTS

DEAR SHAREHOLDERS,

The Board of Director of Praram 9 Hospital Public Company Limited recognizes the importance of duties and responsibilities in accordance with the good corporate governance policy. This includes supervising financial information appeared in the annual report and ensuring that such financial statements are prepared in accordance with generally accepted accounting standards, by selecting appropriate accounting policies and consistently adhering to those policies with careful discretion and the best projections, and adequately disclosing significant information in the Notes to the Financial Statements for the benefits of shareholders and general investors in a transparent manner.

The Board of Directors has set up appropriate, efficient and effective internal control and risk management systems to ensure that all accounting transactions are correct, complete and sufficient to maintain the assets as well as to prevent any fraud or abnormal operations that caused significant damages.

The Board of Directors has appointed the Audit Committee to supervise, review accounting policies, quality of financial reports, efficiency of internal control, internal audit and risk management systems with its opinions on such matters appeared in the report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company is at a satisfactory level and can enhance confidence in the reliability of the financial statements of Praram 9 Hospital Public Company Limited for the year ended December 31, 2019 due to its compliance with generally accepted standards and related laws, rules and regulations.



(MR. BHANAPOT DAMAPONG)
CHAIRMAN OF THE BOARD OF DIRECTORS



(DR. SATIAN POOPRASERT)
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Praram 9 Hospital Public Company Limited

Opinion

I have audited the accompanying financial statements of Praram 9 Hospital Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Praram 9 Hospital Public Company Limited as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

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

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

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

Revenue recognition

Revenues from hospital operations are significant to the financial statements because the amount is high (approximately 99% of total revenues). In addition, it consists of many compositions, such as revenues from sales of medicines, revenues from medical services, revenues from patient rooms, etc., including discounts for counterparties, e.g. insurance companies and other several counterparties, whereas the agreements contain vary conditions for each party. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenues transactions throughout the period, including accounting entries made through journal vouchers.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the period.
- Reviewing credit notes that the Company issued after the period-end.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 18 February 2020

STATEMENT OF FINANCIAL POSITION

Praram 9 Hospital Public Company Limited
As at 31 December 2019

(Unit: Baht)

| | Note | 2019 | 2018 |
|---|------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 631,773,181 | 223,497,436 |
| Current investments | 8 | 799,241,650 | 1,636,628,116 |
| Trade and other receivables | 9 | 156,156,421 | 139,294,488 |
| Medicines and supplies | 10 | 48,684,454 | 42,883,989 |
| Other current assets | | 7,200,589 | 6,641,565 |
| Total current assets | | 1,643,056,295 | 2,048,945,594 |
| Non-current assets | | | |
| Restricted bank deposits | 11 | 3,647,400 | 2,704,300 |
| Other long-term investment | | - | 1,375,000 |
| Property, plant and equipment | 12 | 2,862,422,603 | 2,136,137,758 |
| Intangible assets | 13 | 77,376,693 | 82,785,645 |
| Advance for purchase of fixed assets and intangible assets | | 91,840,928 | 125,211,898 |
| Deferred tax assets | 21 | 33,299,442 | 25,214,479 |
| Other non-current assets | | 4,949,724 | 2,007,286 |
| Total non-current assets | | 3,073,536,790 | 2,375,436,366 |
| Total assets | | 4,716,593,085 | 4,424,381,960 |

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Praram 9 Hospital Public Company Limited

As at 31 December 2019

(Unit: Baht)

| | Note | 2019 | 2018 |
|---|------|---------------|---------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 461,477,176 | 408,383,679 |
| Income tax payable | | 28,672,111 | 11,136,698 |
| Other current liabilities | | 32,845,450 | 29,294,661 |
| Total current liabilities | | 522,994,737 | 448,815,038 |
| Non-current liabilities | | | |
| Provision for long-term employee benefits | 16 | 153,004,614 | 100,687,240 |
| Other non-current liabilities | | 1,643,288 | 1,537,848 |
| Total non-current liabilities | | 154,647,902 | 102,225,088 |
| Total liabilities | | 677,642,639 | 551,040,126 |
| Shareholders' equity | | | |
| Share capital | 17 | | |
| Registered | | | |
| 800,000,000 ordinary shares of Baht 1 each | | 800,000,000 | 800,000,000 |
| Issued and fully paid | | | |
| 786,300,000 ordinary shares of Baht 1 each | | 786,300,000 | 786,300,000 |
| Share premium | 17 | 1,934,359,580 | 1,934,359,580 |
| Retained earnings | | | |
| Appropriated - statutory reserve | 18 | 80,000,000 | 67,861,280 |
| Unappropriated | | 1,230,359,017 | 1,084,025,152 |
| Other components of shareholders' equity | | 7,931,849 | 795,822 |
| Total shareholders' equity | | 4,038,950,446 | 3,873,341,834 |
| Total liabilities and shareholders' equity | | 4,716,593,085 | 4,424,381,960 |

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

STATEMENT OF COMPREHENSIVE INCOME

Praram 9 Hospital Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

| | Note | 2019 | 2018 |
|--|------|----------------------|----------------------|
| Profit or loss: | | | |
| Revenues | | | |
| Revenues from hospital operations | | 2,848,520,047 | 2,701,078,237 |
| Interest income | | 13,365,602 | 6,258,239 |
| Rental income | | 8,394,455 | 7,975,561 |
| Other income | | 19,431,023 | 18,231,178 |
| Total revenues | | 2,889,711,127 | 2,733,543,215 |
| Expenses | | | |
| Cost of hospital operations | | 1,972,324,794 | 1,864,196,472 |
| Selling expenses | | 59,436,035 | 64,223,637 |
| Administrative expenses | | 510,332,549 | 477,531,217 |
| Share-based payment | 20 | - | 111,875,000 |
| Total expenses | | 2,542,093,378 | 2,517,826,326 |
| Profit before income tax expenses | | 347,617,749 | 215,716,889 |
| Income tax expenses | 21 | (63,160,500) | (58,491,295) |
| Profit for the year | | 284,457,249 | 157,225,594 |

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Praram 9 Hospital Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

| | Note | 2019 | 2018 |
|---|------|--------------------|--------------------|
| Other comprehensive income: | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Gain (loss) on change in value of available-for-sale investments | 8 | 8,920,034 | (1,325,832) |
| Income tax effect | 21 | (1,784,007) | 265,166 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax | | 7,136,027 | (1,060,666) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Actuarial gain (loss) | 16 | (19,879,642) | 19,797,523 |
| Income tax effect | 21 | 3,975,928 | (3,959,504) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | (15,903,714) | 15,838,019 |
| Other comprehensive income for the year | | (8,767,687) | 14,777,353 |
| Total comprehensive income for the year | | 275,689,562 | 172,002,947 |
| Basic earnings per share | 22 | | |
| Profit attributable to equity holders of the Company | | 0.36 | 0.25 |
| Weighted average number of ordinary shares | | 786,300,000 | 634,733,973 |

(Unit: Share)

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

CASH FLOW STATEMENT

Praram 9 Hospital Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

| | 2019 | 2018 |
|--|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit before tax | 347,617,749 | 215,716,889 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | |
| Depreciation and amortisation | 163,622,997 | 155,821,701 |
| Bad debt | 7,905,788 | 436,806 |
| Increase in allowance for doubtful debt | 5,865,205 | 4,458,966 |
| Loss (gain) on disposals and write-off of buildings improvement and equipment | (253,000) | 1,339,162 |
| Gain on disposals of current investments | (5,488,079) | (4,292,223) |
| Gain on disposals of other long-term investment | (250,000) | - |
| Share-based payment | - | 111,875,000 |
| Increase in provision for short-term and long-term employee benefits | 41,926,865 | 19,494,763 |
| Dividend income | (12,020) | (377,494) |
| Interest income | (13,365,602) | (6,258,239) |
| Profit from operating activities before changes in operating assets and liabilities | 547,569,903 | 498,215,331 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | (31,762,724) | (11,646,936) |
| Medicine and supplies | (5,800,465) | (3,415,852) |
| Other current assets | (559,024) | 8,113,501 |
| Other non-current assets | (2,942,438) | (397,499) |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 39,408,567 | 51,027,509 |
| Other current liabilities | 4,097,654 | (218,479) |
| Other non-current liabilities | 105,440 | 75,100 |
| Cash paid for long-term employee benefits | (8,563,109) | (4,567,223) |
| Cash flows from operating activities | 541,553,804 | 537,185,452 |
| Cash paid for income tax | (51,518,128) | (57,602,051) |
| Net cash flows from operating activities | 490,035,676 | 479,583,401 |

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

CASH FLOW STATEMENT (CONTINUED)

Praram 9 Hospital Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

| | 2019 | 2018 |
|---|----------------------|------------------------|
| Cash flows from investing activities | | |
| Increase in restricted bank deposits | (943,100) | - |
| Decrease (increase) in current investments | 851,794,578 | (1,179,936,637) |
| Cash receipt from sale of other long-term investment | 1,625,000 | - |
| Cash receipt from dividend of investment | 12,020 | 377,494 |
| Acquisition of buildings improvement and equipment | (640,607,553) | (412,039,409) |
| Cash paid for purchase of buildings improvement and equipment | (96,861,447) | (357,787,055) |
| Cash paid for advance for purchase of fixed assets and intangible assets | (90,224,065) | (41,872,971) |
| Acquisition of intangible assets | (9,259,945) | (4,227,176) |
| Cash paid for purchase of intangible assets | (1,656,360) | (234,458) |
| Proceed from sales of buildings improvement and equipment | 1,419,380 | 954,000 |
| Interest income | 14,495,400 | 6,639,556 |
| Net cash flows from (used in) investing activities | 29,793,908 | (1,988,126,656) |
| Cash flows from financing activities | | |
| Proceed from increase in share capital | - | 2,049,205,000 |
| Payments of expense relating to the share offering | - | (63,461,775) |
| Dividend paid | (111,553,839) | (491,507,190) |
| Net cash flows from (used in) financing activities | (111,553,839) | 1,494,236,035 |
| Net increase (decrease) in cash and cash equivalents | 408,275,745 | (14,307,220) |
| Cash and cash equivalents at beginning of year | 223,497,436 | 237,804,656 |
| Cash and cash equivalents at end of year | 631,773,181 | 223,497,436 |
| Supplemental cash flows information: | | |
| Non-cash related transactions | | |
| Acquisition of buildings improvement and equipment for which no cash has been paid | 111,387,397 | 96,861,447 |
| Acquisition of intangible assets for which no cash has been paid | 815,340 | 1,656,360 |
| Disposal of building service systems for which no cash has been received | - | 57,413 |
| Transfer advance for purchase of fixed assets and intangible assets to fixed assets and intangible assets | 123,595,036 | 57,361,499 |
| Dividend payable | 940,011 | 13,577,760 |

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Praram 9 Hospital Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Issued and paid-up share capital | Share premium | Retained earnings | | Other components of shareholders' equity | Total shareholders' equity |
|--|----------------------------------|----------------------|----------------------------------|----------------------|--|----------------------------|
| | | | Appropriated - statutory reserve | Unappropriated | | |
| Balance as at 1 January 2018 | 600,000,000 | 10,349,000 | 60,000,000 | 1,422,822,819 | 1,856,488 | 2,095,028,307 |
| Profit for the year | - | - | - | 157,225,594 | - | 157,225,594 |
| Other comprehensive income for the year | - | - | - | 15,838,019 | (1,060,666) | 14,777,353 |
| Total comprehensive income for the year | - | - | - | 173,063,613 | (1,060,666) | 172,002,947 |
| Increase share capital (Note 17) | 186,300,000 | 1,924,010,580 | - | - | - | 2,110,310,580 |
| Dividend paid (Note 25) | - | - | - | (504,000,000) | - | (504,000,000) |
| Transferred to statutory reserve (Note 18) | - | - | 7,861,280 | (7,861,280) | - | - |
| Balance as at 31 December 2018 | 786,300,000 | 1,934,359,580 | 67,861,280 | 1,084,025,152 | 795,822 | 3,873,341,834 |
| Balance as at 1 January 2019 | 786,300,000 | 1,934,359,580 | 67,861,280 | 1,084,025,152 | 795,822 | 3,873,341,834 |
| Profit for the year | - | - | - | 284,457,249 | - | 284,457,249 |
| Other comprehensive income for the year | - | - | - | (15,903,714) | 7,136,027 | (8,767,687) |
| Total comprehensive income for the year | - | - | - | 268,553,535 | 7,136,027 | 275,689,562 |
| Dividend paid (Note 25) | - | - | - | (110,080,950) | - | (110,080,950) |
| Transferred to statutory reserve (Note 18) | - | - | 12,138,720 | (12,138,720) | - | - |
| Balance as at 31 December 2019 | 786,300,000 | 1,934,359,580 | 80,000,000 | 1,230,359,017 | 7,931,849 | 4,038,950,446 |

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

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
For the year ended 31 December 2019

1. General information

Praram 9 Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the hospital operations. The registered office of the Company is at 99, Praram 9 Road, Bangkok, Huaykwang, Bangkok.

2. Basis of preparation

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

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

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

3 New financial reporting standards

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

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

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

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

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

The management of the Company expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in available-for-sale equity securities that the Company's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Company has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income hereby is to be reclassified to retained earnings.
- Classification and measurement of investments in debt securities that the Company's debt securities are measured at fair value through other comprehensive income. The Company has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain on changes in the value of reclassified investments in debt securities that were previously presented in other comprehensive income hereby is to be reclassified to retained earnings.

- Recognition of credit losses that the Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

TFRS 16 Leases

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

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

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

The management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Company's assets by approximately Baht 8 million and the Company's liabilities by approximately Baht 8 million.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as revenue and the point in time when services have been rendered or medicines have been delivered. Revenues are measured at the amount of the consideration received or receivable of services rendered and medicine delivered after deducting discounts.

Interest income

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

Rental income

Rental income is recognised over the rental period and at the rate determined in the agreement.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Medicines and supplies

Medicines and supplies are valued at the lower of cost and net realisable value. Cost is determined by First-in First-out method.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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

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

4.6 Property, plant and equipment/Depreciation

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

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

| | |
|---|-----------------|
| Land improvement | - 10 - 30 years |
| Buildings, building improvement and condominium units | - 30 years |
| Building service systems | - 10 - 20 years |
| Tools and medical instruments | - 7 - 10 years |
| Office furniture, fixtures and equipment | - 3 - 10 years |
| Motor vehicles | - 10 years |

Depreciation is included in determining income.

No depreciation is provided on land, assets under installation and construction in progress.

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

4.7 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses of assets (if any).

Amortisation expense is calculated by reference to their costs on a straight-line basis over the economic useful lives of 5 - 10 years.

The amortisation expense is charged to profit or loss.

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

4.8 Related party transactions

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

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

4.9 Long-term leases

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

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

4.10 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

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

4.12 Share-based payment

The Company makes the public offering ordinary shares to the Company's directors and/or executives who are the Company's founders, conditional upon satisfying specified vesting conditions. The Company shall recognise the services received from share-based payment when the Company's directors and/or executives who are the Company's founders have provided the specified vesting conditions, if any, are met. The Company records share-based payment by reference to the fair value of share at grant date (less the value of ordinary shares which offered by the Company).

4.13 Provisions

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

4.14 Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

4.15 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

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

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Property, plant and equipment/Depreciation

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

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

Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing require the management to consider the significant changes related to the use or expected use of such assets with an adverse effect on the entity during the year or in the near future and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount.

Deferred tax assets

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

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

The obligation under the defined benefit plan and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate, gold price change rate and medical fees increase rate.

6. Related party transactions

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

Pricing Policy

Transactions with related companies

| | |
|---------------------------|--|
| Medical service income | Normal price |
| Medical service discounts | At the rate of 10% (2018: rate of 10%) |
| Rental expenses | Contract price |
| Service expenses | Normal price and contract price |

Transactions with related individuals

| | |
|--|---|
| Medical service income | Normal price |
| Medical service welfares and discounts | At the rate of 15% to 100% (2018: rate of 15% to 100%) |
| Consultancy fee | Contract price |
| Purchase of fixed assets | Mutually agreed price with reference to appraised value |

(Unit: Million Baht)

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| <u>Transactions with related companies</u> | | |
| Medical service income | 1.4 | 2.3 |
| Medical service discounts | - | - |
| Medical service income - net | 1.4 | 2.3 |
| Rental expenses | 1.3 | 1.2 |
| Service expenses | 4.2 | 5.5 |
| <u>Transactions with related individuals</u> | | |
| Medical service income | 8.3 | 5.9 |
| Medical service welfares and discounts | (3.7) | (2.9) |
| Medical service income - net | 4.6 | 3.0 |
| Consultancy fee | 0.6 | 0.4 |
| Purchase of fixed assets | - | 60.1 |

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| <u>Trade accounts receivable - related parties</u> (Note 9) | | |
| Related individuals (director and shareholder) | 363 | 225 |
| Related companies (related by common directors) | 395 | 1,120 |
| Total trade accounts receivable - related parties | 758 | 1,345 |
| <u>Other non-current asset - related party</u> | | |
| Related company (related by common directors) | 813 | 813 |
| Total other non-current asset - related party | 813 | 813 |
| <u>Other payable - related party</u> (Note 14) | | |
| Related company (related by common directors) | 165 | 164 |
| Total other payable - related party | 165 | 164 |

Directors and management's benefits

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

| | (Unit: Thousand Baht) | |
|------------------------------|-----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Short-term employee benefits | 66,251 | 74,878 |
| Post-employment benefits | 3,635 | 9,704 |
| Share-based payment | - | 111,875 |
| Total | 69,886 | 196,457 |

7. Cash and cash equivalents

| | (Unit: Thousand Baht) | |
|--|-----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Cash | 1,985 | 2,764 |
| Savings and current deposits at banks | 229,245 | 200,142 |
| Fixed deposits at banks with an original maturity of 3 months or less | 400,543 | 20,591 |
| Total | 631,773 | 223,497 |

As at 31 December 2019, the Company had bank deposits in saving accounts and fixed deposits which carried interests between 0.30 and 1.50 percent per annum (2018: between 0.37 and 1.30 percent per annum).

8. Current investments

| | | (Unit: Thousand Baht) | |
|---|--|-----------------------|-------------|
| | | <u>2019</u> | <u>2018</u> |
| Fixed deposits at banks | | 180 | 550,220 |
| Bills of exchange | | - | 300,000 |
| Investments in available-for-sale securities - unit trust in open-end mutual funds | | | |
| Cost | | 789,147 | 785,413 |
| Add: Unrealised gain on changes in value of investments | | 9,915 | 995 |
| Fair value | | 799,062 | 786,408 |
| Total current investments | | 799,242 | 1,636,628 |

As at 31 December 2019, the Company had fixed deposits which carried interests at 0.70 percent per annum (2018: between 0.90 and 1.75 percent per annum).

9. Trade and other receivables

| | | (Unit: Thousand Baht) | |
|--|--|-----------------------|-------------|
| | | <u>2019</u> | <u>2018</u> |
| <u>Trade accounts receivable - related parties</u> | | | |
| Aged on the basis of due dates | | | |
| Past due | | | |
| Up to 3 months | | 758 | 1,336 |
| 3 - 6 months | | - | 9 |
| Total trade accounts receivable - related parties | | 758 | 1,345 |
| <u>Trade accounts receivable - unrelated parties</u> | | | |
| Aged on the basis of due dates | | | |
| Past due | | | |
| Up to 3 months | | 140,784 | 119,609 |
| 3 - 6 months | | 14,204 | 8,134 |
| 6 - 12 months | | 7,291 | 11,578 |
| Over 12 months | | 15,780 | 14,580 |
| Total | | 178,059 | 153,901 |
| Less: Allowance for doubtful debts | | (26,323) | (20,458) |
| Total trade accounts receivable - unrelated parties, net | | 151,736 | 133,443 |
| Total trade accounts receivable - net | | 152,494 | 134,788 |

(Unit: Thousand Baht)

| | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| <u>Other receivables</u> | | |
| Other receivables - unrelated parties | 1,525 | 1,864 |
| Accrued interest income | 813 | 1,943 |
| Accrued income | 1,324 | 699 |
| Total other receivables | 3,662 | 4,506 |
| Total trade and other receivables - net | 156,156 | 139,294 |

10. Medicines and supplies

(Unit: Thousand Baht)

| | <u>2019</u> | <u>2018</u> |
|------------------|-------------|-------------|
| Medicines | 34,760 | 28,912 |
| Medical supplies | 10,126 | 10,667 |
| Other supplies | 3,798 | 3,305 |
| Total | 48,684 | 42,884 |

11. Restricted bank deposits

These represent fixed deposits pledged with the bank to secure bank guarantees issued by that bank on behalf of the Company.

As at 31 December 2019, certain items of building service systems and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 616 million (2018: Baht 558 million).

13. Intangible assets

| | (Unit: Thousand Baht) | |
|-------------------------------------|-----------------------|---------------|
| | <u>2019</u> | <u>2018</u> |
| Computer software - cost | 196,866 | 186,470 |
| Less: Accumulated amortisation | (99,489) | (83,684) |
| Less: Allowance for impairment loss | (20,000) | (20,000) |
| Net book value | <u>77,377</u> | <u>82,786</u> |

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | <u>2019</u> | <u>2018</u> |
| Net book value at beginning of year | 82,786 | 91,623 |
| Additions | 10,075 | 5,884 |
| Transfer from advance for purchase of intangible assets | 321 | - |
| Amortisation for the year | (15,805) | (14,721) |
| Net book value at end of year | <u>77,377</u> | <u>82,786</u> |

14. Trade and other payables

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------|
| | <u>2019</u> | <u>2018</u> |
| Trade accounts payable - unrelated parties | 117,144 | 111,869 |
| Other payable - related party | 165 | 164 |
| Other payables - unrelated parties | 108,434 | 76,776 |
| Accounts payable - purchase of fixed assets, unrelated parties | 112,203 | 98,518 |
| Accrued physician's fee | 93,600 | 87,305 |
| Accrued expenses | 29,931 | 33,752 |
| Total trade and other payables | <u>461,477</u> | <u>408,384</u> |

15. Loan from bank

On 27 April 2018, the Company entered into a loan agreement with a local commercial bank granting credit facilities totaling Baht 2,000 million that were used to pay costs of land, building construction, and equipment for renovation of a new building and existing building. The long-term loan is unsecured and to be paid at maturity in 21 monthly from the date of the first drawdown, or within 31 January 2020 if earlier. Interest is charged at float rate plus fixed rate, and is payable on a monthly basis.

The above loan agreement contains certain covenants and exception which the Company must comply such as:

- Maintain the direct and indirect shareholdings of the family of main shareholders in the Company. In case of public offering of newly issued shares, the maintenance of capital fund does not take into account the newly issued shares offered to the public.
- Maintain a debt to equity ratio.
- If the Company makes an initial public offering, the long-term loan is to be repaid within 15 days from the end of the offering period.
- No changes in the shareholding structure, mergers, transfers of business, other than actions taken by the Company in making an initial public offering.
- No disposals or transfers of the assets of the Company, except in the ordinary course of business.
- No creation of any commitments by borrowing and guaranteeing.

On 31 August 2019, the Company cancelled the credit facilities amounting to Baht 600 million. As a result, the Company has outstanding credit facilities totaling Baht 1,400 million.

Consequently, on 30 December 2019, the Company cancelled the entire outstanding credit facilities.

16. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

| | Defined benefit plans | | Other long-term employee benefits | | Total | |
|---|-----------------------|---------------|-----------------------------------|--------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Provision for long-term employee benefits at beginning of year | 97,285 | 103,066 | 3,402 | 2,491 | 100,687 | 105,557 |
| Included in profit or loss: | | | | | | |
| Current service cost | 9,317 | 7,555 | 564 | 536 | 9,881 | 8,091 |
| Interest cost | 3,280 | 2,354 | 69 | 59 | 3,349 | 2,413 |
| Past service cost | 27,546 | 8,515 | 225 | 476 | 27,771 | 8,991 |
| Included in other comprehensive income: | | | | | | |
| Actuarial loss (gain) arising from | | | | | | |
| - Demographic assumption changes | - | (7,302) | - | - | - | (7,302) |
| - Financial assumptions changes | 19,880 | (12,149) | - | - | 19,880 | (12,149) |
| - Experience adjustments | - | (347) | - | - | - | (347) |
| Benefits paid during the year | (8,275) | (4,407) | (288) | (160) | (8,563) | (4,567) |
| Provision for long-term employee benefits at end of year | <u>149,033</u> | <u>97,285</u> | <u>3,972</u> | <u>3,402</u> | <u>153,005</u> | <u>100,687</u> |

The Company expect to pay Baht 4 million of long-term employee benefits during the next year (2018: Baht 8 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 11 - 21 years (2018: 11 - 21 years).

Significant actuarial assumptions are summarised below:

| | <u>2019</u> (% per annum) | <u>2018</u> (% per annum) |
|--|------------------------------|------------------------------|
| Discount rate | 1.2 - 2.5 | 1.4 - 3.9 |
| Future salary increase rate | 4.0 - 7.0 | 4.0 - 7.0 |
| Staff turnover rate (depending on age) | 0.0 - 13.0 | 0.0 - 13.0 |
| Gold price change rate | 2.5 | 2.5 |
| Medical fees increase rate | 3.0 - 6.0 | 3.0 - 6.0 |

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

(Unit: Thousand Baht)

| | 2019 | 2018 | 2019 | | 2018 | |
|-----------------------------|-----------------------|------|----------|----------|----------|----------|
| | % of change per annum | | Increase | Decrease | Increase | Decrease |
| Discount rate | 1 | 1 | (17,587) | 21,126 | (10,644) | 12,630 |
| Future salary increase rate | 1 | 1 | 22,369 | (18,755) | 12,246 | (10,425) |
| Staff turnover rate | 20 | 20 | (11,509) | 13,381 | (6,105) | 6,986 |
| Gold price increase rate | 20 | 20 | 807 | (807) | 689 | (689) |
| Medical fees increase rate | 1 | 1 | 1,101 | (985) | 928 | (832) |

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 28 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in the statement of comprehensive income of the current year.

17. Share capital and share premium

17.1 On 28 March 2018, the meeting of the 2018 Annual General Meeting of the Company's shareholders passed the following resolutions.

- a) Approval of the conversion of the Company to a public limited company and the change of the Company's name to "Praram 9 Hospital Public Company Limited".
- b) Approval of a change in the par value of ordinary shares from Baht 100 per share to Baht 1 per share, such that the Company's registered share capital of Baht 600 million will comprise 600 million ordinary shares with a par value of Baht 1 each, or a total of Baht 600 million.

- c) Approval of an increase in the Company's registered share capital, from Baht 600 million to Baht 800 million, through the issuance of 200 million additional ordinary shares with a par value of Baht 1 each, and approval of the allocation of the new shares as follows.
 - Allocation of new shares to the initial public offering
 - Allocation of 12.5 million new shares to an offering to the directors and/or executives who are the Company's founders
 - Allocation of 20 million over-allotment shares to be offered to the Company's Over-allotment Agent, within 30 days from the first day of trading of the shares on the Stock Exchange of Thailand
- d) Approval of the listing of the Company's shares on the Stock Exchange of Thailand.

17.2 On 29 March 2018, the Company registered the change of its status to a public limited company, change in the par value of ordinary shares, and increase in its registered share capital with the Ministry of Commerce.

17.3 During 16 to 19 October 2018, the Company made the public offering of the 167.5 million additional shares at a price of Baht 11.60 per share and made the Company's directors and/or executives who are the Company's founders offering of the 12.5 million additional shares at a price of Baht 2.65 per share, or a total of Baht 1,976.13 million and received payment for the shares on 22 and 24 October 2018. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 October 2018.

The first trading day of the Company's ordinary shares on the Stock Exchange of Thailand was 30 October 2018.

On 28 November 2018 the Company's Over-allotment Agent exercised its right to purchase 6.3 million additional shares from the Company at a price of Baht 11.60 per share, or for a total of Baht 73.08 million, in order to return them to the directors and/or executives who were the Company's founders. The Company has offered those additional ordinary shares, which have a par value of Baht 1 each, and received full payment for the shares on 29 November 2018, while the increase in the Company's paid-up capital was registered with the Ministry of Commerce on 30 November 2018.

The Company incurred expenses relating to the shares offering totaling Baht 50.77 million (net of income tax of Baht 12.69 million), and these were presented as a deduction from the premium on ordinary shares.

18. Statutory reserve

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

19. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Salaries, wages and other employee benefits | 829,704 | 875,022 |
| Depreciation and amortisation | 163,623 | 155,822 |
| Physicians' fees | 684,148 | 648,932 |
| Medicines and supplies used | 406,288 | 410,402 |

20. Share-based payment

During the year ended 31 December 2018, the Company granted 12.50 million ordinary shares to the Company's directors and/or executives who are the Company's founders at a price of Baht 2.65 per share, or for a total of Baht 33.13 million, conditional upon the success of the initial public offering. The fair value of ordinary shares on the grant date, measured at market price at the first trading day of the Company's ordinary shares on the Stock Exchange of Thailand, was Baht 11.60 per share. The Company recorded share-based payment amounting to Baht 111.88 million in the statement of comprehensive income for the year ended 31 December 2018.

21. Income tax

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | <u>2019</u> | <u>2018</u> |
| Current income tax: | | |
| Current income tax charge | 69,054 | 60,775 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (5,893) | (2,284) |
| Income tax expenses reported in profit or loss | <u>63,161</u> | <u>58,491</u> |

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

| | (Unit: Thousand Baht) | |
|--|-----------------------|--------------|
| | <u>2019</u> | <u>2018</u> |
| Deferred tax on gain (loss) from change in value of available-for-sale investments | 1,784 | (265) |
| Deferred tax relating to actuarial gain (loss) | (3,976) | 3,959 |
| Total | <u>(2,192)</u> | <u>3,694</u> |

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | <u>2019</u> | <u>2018</u> |
| Accounting profit before tax | 347,618 | 215,717 |
| Applicable tax rate | 20% | 20% |
| Accounting profit before tax multiplied by applicable tax rates | 69,524 | 43,143 |
| Effects of: | | |
| Non-deductible expenses | 2,558 | 24,440 |
| Additional expense deductions allowed | (8,921) | (9,092) |
| Total | <u>(6,363)</u> | <u>15,348</u> |
| Income tax expenses reported in profit or loss | <u>63,161</u> | <u>58,491</u> |

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

| | (Unit: Thousand Baht) | |
|---|--|---------------|
| | Statement of financial position | |
| | <u>2019</u> | <u>2018</u> |
| Deferred tax assets | | |
| Allowance for doubtful debts | 2,243 | 2,615 |
| Allowance for intangible asset impairment | 1,962 | 2,369 |
| Provision for short-term and long-term employee benefits | 31,077 | 20,429 |
| Total | <u>35,282</u> | <u>25,413</u> |
| Deferred tax liability | | |
| Unrealised gain on changes in value of available-for-sale investments | 1,983 | 199 |
| Total | <u>1,983</u> | <u>199</u> |
| Deferred tax assets - net | <u>33,299</u> | <u>25,214</u> |

22. Earnings per share

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

23. Segment information

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

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

Major customer

For the year 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 3 percent and 5 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 11 million (2018: Baht 10 million) were recognised as expenses.

25. Dividends

| Dividends | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|--------------------------|---|------------------------------------|------------------------------|
| Final dividends for 2017 | Annual General Meeting of the shareholders on 28 March 2018 | 504,000 | 84.00 |
| Final dividends for 2018 | Annual General Meeting of the shareholders on 26 April 2019 | 110,081 | 0.14 |

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2019 and 2018, the Company had capital commitments as follows.

| | (Unit: Million Baht) | |
|---|----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Improvement, construction of buildings and building systems | 317 | 860 |
| Acquisition of tools and equipment | 254 | 65 |
| Acquisition of computer software | 38 | 32 |
| Total capital commitments | <u>609</u> | <u>957</u> |

26.2 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the spaces, equipment and others. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2019 and 2018, future minimum lease payments required under these agreements were as follows.

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Payable: | | |
| In up to 1 year | 10 | 8 |
| In over 1 and up to 3 years | 13 | 2 |

26.3 Long-term service commitments

The Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 38 million to be paid between the years 2020 and 2022 (2018: Baht 44 million to be paid between the years 2019 and 2021).

26.4 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 4 million (2018: Baht 3 million) issued by the bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use.

27. Fair value hierarchy

As at 31 December 2019 and 2018, the Company had the assets that were measured at fair value using levels 2 as follow:

| | | (Unit: Thousand Baht) | |
|--------------------------------------|--|-----------------------|-------------|
| | | <u>2019</u> | <u>2018</u> |
| Assets measured at fair value | | | |
| Current investments (Note 8) | | 799,062 | 786,408 |

28. Financial instruments

28.1 Financial risk management

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

Credit risk

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

Interest rate risk

The Company's exposures to interest rate risk relate primarily to its deposits with financial institutions and current investments. Most of the financial assets and liabilities of the Company bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

Foreign currency risk

The Company does not consider itself exposed to foreign currency risk because it has no significant foreign currency transactions.

28.2 Fair values of financial instruments

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

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Company's debt-to-equity ratio was 0.17:1 (2018: 0.14:1).

30. Events after the reporting period

On 18 February 2020, a meeting of the Company's Board of Directors passed a resolution to propose the dividend payment, in respect of 2019 profit of Baht 0.14 per share, or a total of Baht 110 million. The Company will later propose for approval the dividend payment in the Annual General Meeting of the Company's shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 18 February 2020.

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