

# Your Family Your Hospital



โรงพยาบาลเวิลด์เมดิคอล  
World Medical Hospital



โรงพยาบาลเกษมราษฎร์  
KASEMRAD INTERNATIONAL



โรงพยาบาลเกษมราษฎร์  
KASEMRAD HOSPITAL



โรงพยาบาลการุญเวช  
KARUNVEJ HOSPITAL



## Vision

To be one of the leaders in healthcare service industry in Thailand and Southeast Asia.

---



## Mission

- We will offer a trusted medical service to make our hospitals a number one preferred hospital in patients' mind;
- We will focus on human resource development to ensure their responsibilities and patients' responsiveness;
- We will collaborate with alliances to improve business efficiency for mutual achievements; and
- We will professionally operate the business in line with ethical principles and promote social.





# Table of Content

04

Message from the Chairman  
of the Board of Directors

06

Financial Highlights



## Part 1 Business Operations and Performance

11

Structure and Operations  
of the Affiliate

45

Risk Management

49

Business Operations for  
Sustainability

64

Management Discussion and  
Analysis (MD&A)

73

General Information and Other  
Important Information





## Part 2 Corporate Governance

77

Corporate Governance Policies

89

Management Structure and Details of the Board of Directors, Sub-Committee, Executives, and Employees

104

Report on Key Performance in Corporate Governance

117

Internal Control and Related Transactions



## Part 3 Financial Statement

119

Financial Statement



## Attachments

183

### Attachment 1

Details of Directors, Executives, Persons with Controlling Authority who is assigned the highest responsibility in accounting and finance, persons assigned to be directly responsible for overseeing bookkeeping, and Company Secretary

194

### Attachment 2

Duties and Responsibilities of Company Secretary

195

### Attachment 3

Details of the Directors of the Subsidiaries

196

### Attachment 4

Details of the Internal Audit Supervisor

197

### Attachment 5

Details about the Property Appraisal List

197

### Attachment 6

Others



## Message from the Chairman of the Board of Director





The COVID-19 pandemic situation has significantly eased and recovered especially in the second half of 2022 which the government of each country have canceled the COVID-19 restriction measures, encouraged normal daily life as well as reopened for travelling abroad and cross-border business. The company and affiliated hospitals have changed strategic plan to facilitate patients in accordance with COVID-19 situation and severity which continually decreased over the period. The company has renovated and increased service areas, built specialized medical center, and installed medical equipment to serve patient needs especially preventive healthcare treatment which has been rising and support number of patients which increased from pent-up demand since the COVID-19 pandemic.

For the company's operating results of 2022, the company had total revenue of 18,910.30 million baht, a decrease of (12.17) percent comparing to last year and net profit attributable to owners of the company amounted to 3,038.91 million baht which declined by (55.61) percent comparing to last year. The main reasons were the decrease in medical reimbursement from the government related to COVID-19. However, the revenue of general patients, excluding the revenue related to COVID-19 from the government, still increased 25.36 percent from pent-up demand of both Thai and international patients. Furthermore, the company continually managed and controlled costs and expenses at appropriate level and also increased operating efficiency to maintain growing company performance continually.

Apart from business operations, the company also emphasizes on social and environment cares under good corporate governance as well as enhancement of corporate credit rating. In 2022, the company was accredited "Very Good" in corporate governance by Thai Institute of Directors (IOD) and was reaffirmed company's credit rating "A" with a "Stable" outlook from TRIS rating. In terms of social responsibility, the company was selected as 1 of 100 listed companies in the Stock Exchange of Thailand with outstanding performance in Environmental, Social, and Governance (ESG) from Thaipat Institute. Recently, the company has joined "Care the Bear" project initiated by the Stock Exchange of Thailand which collaborated with other organizations approximately 182 organizations to reduce global warming by lowering greenhouse gas emissions through event organizations which promote understanding on ESG and increase employee's engagement and also raise awareness in environmental sustainability in the company.

On behalf of Bangkok Chain Hospital Public Company Limited, I would like to convey my gratitude to all shareholders, customers, Financial Institutes, private and public organizations, and business partners for your unwavering trust and supports. Likewise, I would like to express my sincere appreciation to doctors, nurses, and employees for their exertions and dedications to the company. The company will strictly adhere to the intention to operate the business in line with enhancing and maintaining corporate value with fair and good corporate governance in long term.



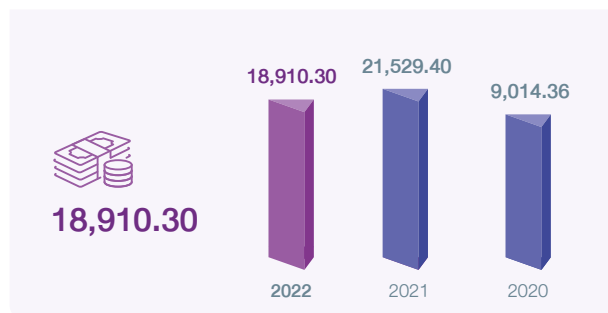
Prof. Dr. Chalerm Harnphanich,  
Chairman of the Board of Directors

## Financial Highlights

Bangkok Chain Hospital Public Company Limited and Subsidiaries

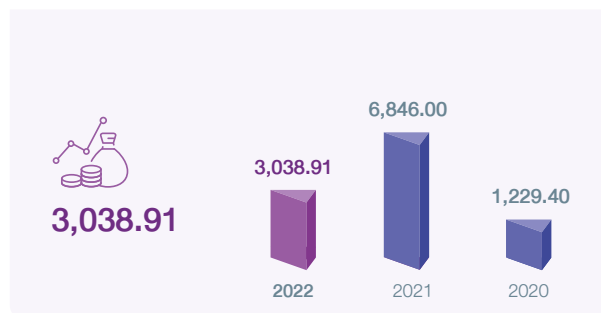
### Total Revenues

(Million baht)



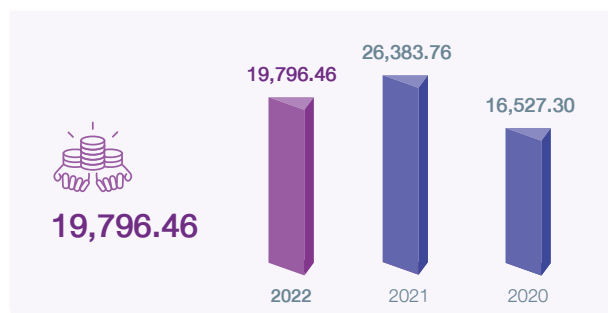
### Profit attributable to owners of the Company

(Million baht)



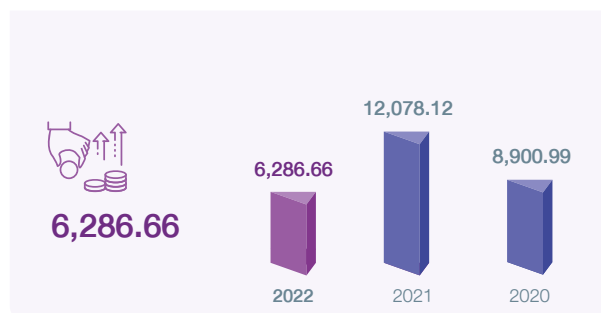
### Total Assets

(Million baht)



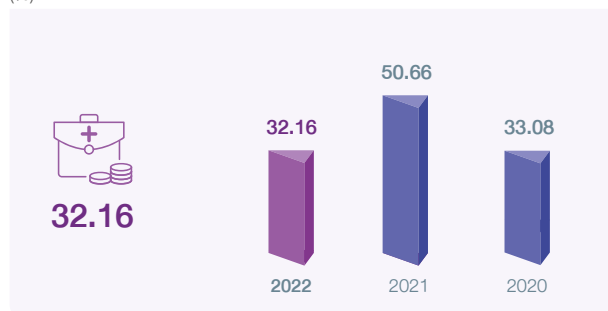
### Total Liabilities

(Million baht)



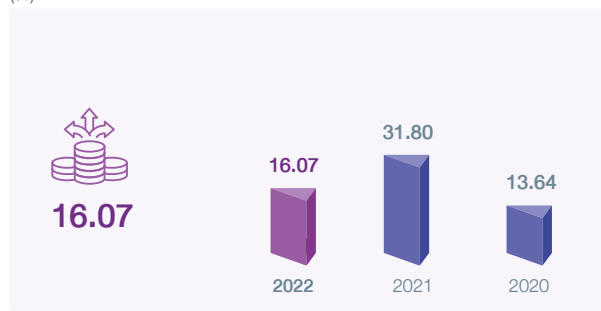
### Gross Profit Margin

(%)



### Net Profit Margin

(%)



### Earnings per Share

(Baht)



### Cash Dividend Paid per Share

(Baht)





	2022	2021	2020
<b>Operating Performance (Million baht)</b>			
Total Revenues	18,910.30	21,529.40	9,014.36
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	5,142.43	10,372.59	2,609.03
Profit for the year	3,157.37	7,507.45	1,392.05
Profit attributable to owners of the company	3,038.91	6,846.00	1,229.40
<b>Financial Position (Million baht)</b>			
Total Assets	19,796.46	26,383.76	16,527.30
Total Liabilities	6,286.66	12,078.12	8,900.99
Non-Controlling Interests	1,064.90	1,325.91	741.81
Equity attributable to equity holders of the company	12,444.90	12,979.73	6,884.50
<b>Financial Ratios</b>			
Gross Profit Margin (%)	32.16	50.66	33.08
Net Profit Margin (%) **	16.07	31.80	13.64
Debt to Equity Ratio (Times)	0.51	0.93	1.29
Return on Equity (%) **	23.91	68.93	18.72
Return on Assets (%) *	18.16	44.27	11.92
<b>Stock Information</b>			
Issued Share Capital (million shares) ***	2,493.75	2,493.75	2,493.75
Earnings per Share (Baht) ***	1.22	2.75	0.49
Book Value per Share (Baht) ***	5.42	5.74	3.06
Cash Dividend Paid per Share (Baht) ***	0.80	1.20	0.23
Stock Price at the End of Year (Baht)	20.50	20.10	13.60

Remark: \* Calculated using EBIT for the year

\*\* Calculated using Profit attributable to owners of the company

\*\*\* Data per share calculated by each item / number of shares at the end of the year



## Board of Directors



**Ms. Pornluck Harnphanich, M.D.**  
Director

**Prof.Dr. Chalerm Harnphanich, M.D.**  
Chairman of the Board of Directors

**Ms. Pornsuda Harnphanich**  
Director

**Mr. Kantaporn Harnphanich**  
Director

**Asst.Prof.Dr. Somporn Harnphanich, M.D.**  
Director

**Mr. Phinij Harnphanich**  
Director





**Assoc. Prof. Virach Aphimeteetamrong, Ph.D.**  
Independent Director

**Prof. Piphob Veraphong**  
Independent Director

**Mr. Voravee Kiatinlyomsak**  
Director

**Mr. Siripong Sombutsiri**  
Independent Director

**Mr. Thawat Suntrajarn, M.D.**  
Independent Director

# 01

## Business Operations and Performance

1. Structure and Operations of the Affiliate
2. Risk Management
3. Business Operations for Sustainability
4. Management Discussion and Analysis (MD&A)
5. General Information and Other Important Information







## Section 1 Business Operations and Performance

### 1. Structure and Operations of the Affiliate

#### 1.1 Business Overview

Bangkok Chain Hospital Public Company Limited (the “company”) was established on 24 November 1993 in order to form a new business structure of a private hospital group, by mean of a restructure of its founding company which had operated Kasemrad Hospital since 1984. Since then, the company has expanded continuously and has become one of the leading healthcare service providers in Thailand and stands as one of the major service providers under Social Security Scheme. Eventually, with its initial registered capital of 950 million baht, the company succeeded in being listed on the Stock Exchange of Thailand on 10 November 2004 and, still keep on enlarging its business resulting in the subsequent increase of its registered capital to its current paid-up registered capital of 2,493.75 million baht.

Presently, the company, together with its subsidiaries, operate a total of 15 hospitals and 1 polyclinic in Thailand and Lao PDR, dividing its brands into 4 hospital groups - (1) World Medical Hospital Group, (2) Kasemrad International Hospital Group, (3) Kasemrad Hospital Group, and (4) Karunvej Hospital Group. Details are as follows:



โรงพยาบาลวิมัล  
World Medical Hospital

#### World Medical Hospital Group

1. World Medical Hospital



โรงพยาบาลเกษมราด  
KASEMRAD INTERNATIONAL

#### Kasemrad International Hospital Group

2. Kasemrad International Hospital Rattanaibeth
3. Kasemrad International Hospital Aranyaprathet
4. Kasemrad International Hospital Vientiane



โรงพยาบาลเกษมราด  
KASEMRAD HOSPITAL

#### Kasemrad Hospital Group

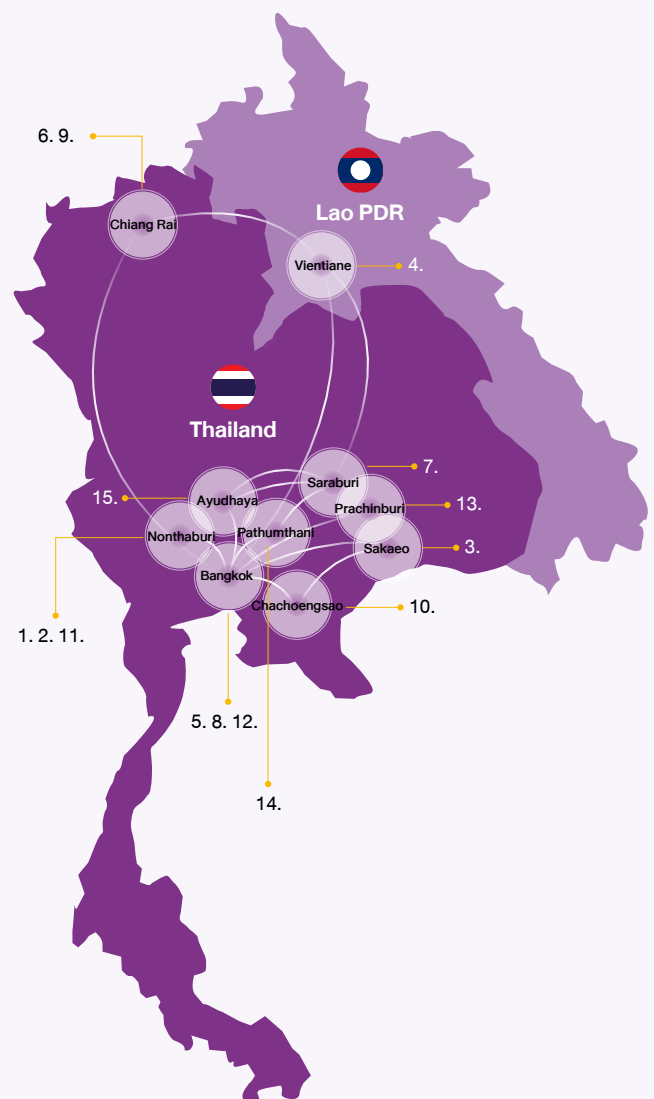
5. Kasemrad Hospital Bangkai
6. Kasemrad Hospital Sriburi
7. Kasemrad Hospital Saraburi
8. Kasemrad Hospital Prachachuen
9. Kasemrad Hospital Mae Sai
  - Kasemrad Sriburin Clinic Chiang Saen branch
10. Kasemrad Hospital Chachoengsao
11. Kasemrad Hospital Rattanaibeth
12. Kasemrad Hospital Ramkhamhaeng
13. Kasemrad Hospital Prachinburi



โรงพยาบาลการุญเวช  
KARUNVEJ HOSPITAL

#### Karunvej Hospital Group

14. Karunvej Hospital Pathumthani
15. Karunvej Hospital Ayudhaya



## Company Highlight



**15 Hospitals**

covering 9 provinces  
in Thailand and  
1 city in Lao PDR



Medical specialists  
available

**24 hours a day**



Experiences  
in hospital  
management

**39 years**

since 1984



Total licensed  
beds

**2,254 beds**



Total examination  
rooms

**582 rooms**



Accommodate  
out-patients

**23,280 persons  
per day**



The quota of insured  
person under  
the Social Security  
Scheme of 2022  
amounted to

**1,514,550 persons**



**Advantage  
from Economies  
of scale of  
purchasing**



Medical supplies  
and equipment

with **Modern and  
High technology**



Joint Commission International : JCI

**2 hospitals**



Hospital Accreditation : HA

**10 hospitals**

## Company Awards



Corporate Governance Report of Thai Listed Companies (CGR) Year 2022 The company was rated at a **"Very Good" level, or a 4-star**



The company was **reaffirmed "A" with a "Stable" outlook** from TRIS rating.



SET Awards 2022

- Outstanding Company Performance Award
- Outstanding CEO Award to Prof. Dr. Chalerm Harnphanich, Chief Executive Officer

from The Stock Exchange of Thailand and Money & Banking Magazine



**Thailand's Top Corporate Brands 2022 in healthcare business sector** from Chulalongkorn Business School



**Ranked in ESG100**

1 of 100 listed companies with outstanding business practices in environmental, social and governance from Thaipat Institute



Kasemrad Hospital Prachachuen received the **Global Health Award 2022 in Heart and Vascular Service Provider of the Year in Asia Pacific** from the Global Health Asia Pacific.



**Kasemrad Vitamins and Mineral Water received 5 packaging design awards** from around the world



### 1.1.1 Vision / Mission / Value

## Vision

To be one  
**of the leaders in healthcare service industry**  
in Thailand and Southeast Asia.

## Mission



We will offer a trusted medical service to make our hospitals a number one preferred hospital in patients' mind



We will focus on human resource development to ensure their responsibilities and patients' responsiveness



We will collaborate with alliances to improve business efficiency for mutual achievements



We will professionally operate the business in line with ethical principles and promote social responsibility

## Value



## 1.1.2 Significant changes and developments for the past 3 years

### 2020

#### January:

- Kasemrad Hospital Ramkhamhaeng opened the heart center to provide comprehensive diagnosis and treatment of heart diseases;
- Kasemrad International Hospital Rattanaibeth upgraded its Ophthalmology Department to support comprehensive diagnosis and treatment for ophthalmic diseases;

#### March:

- Affiliated hospitals began installing and requesting a laboratory certificate using RT-PCR method (SARS-CoV-2) from the Department of Medical Sciences, Ministry of Public Health;
- The company and its affiliated hospitals have begun to provide COVID-19 screening services for self-pay patients at the rates set by the hospitals;

#### April:

- Affiliated hospitals in collaboration with the National Health Security Office (NHSO) offered free COVID-19 screening services to Thai people who meet the criteria for patients under investigation;

#### May:

- Affiliated hospitals offered new forms of medical services by providing home healthcare, drug delivery service, and tele-consulting services;
- Kasemrad International Hospital Aranyaprathet was officially opened for operation;

#### July:

- Kasemrad Hospital Saraburi opened OPD premium department to enhance the capability of its medical services;
- World Medical Hospital in collaboration with hotel operators to provide alternative state quarantine services;
- Affiliated hospitals are accredited by the Public Health Emergency Operations Center to provide alternative hospital quarantine services;

#### August:

- The company maintained its ranking in the ESG100 with outstanding business practices in environmental, social and governance from the assessment by Thaipat Institute;

#### September:

- The company partnered with Allianz Ayudhya Assurance Public Company Limited to provide healthcare services to policyholders through online channels;

#### October:

- Affiliated Hospitals under the Social Security Scheme in cooperation with the Social Security Office offers a free influenza vaccine for insurers age 50 and older;
- Affiliated hospitals under the Social Security Scheme initiated medical services in the form of One Day Surgery (ODS) to insurers;

#### November:

- Kasemrad International Hospital Rattanakibeth was accredited by Joint Commission International (JCI);
- The company was rated "A-" with a "Positive" outlook from TRIS rating, reflecting expectations that the company will continue to improve its operating results and be able to maintain a strong financial and liquidity position;
- The company was rated "Good" in the Corporate Governance Report of Listed Companies for the year 2020 by the Thai Institute of Directors Association;
- Kasemrad Hospital Prachachuen in collaboration with Tang Ming Green Health Company Limited to establish Tangming Traditional Chinese Medicine Center to provide medical treatment services by experienced doctors;

#### December:

- The company received a Certificate of Excellence in Investor Relations at the IR Magazine Awards South East Asia 2020 organized by IR Magazine; and
- Affiliated Hospitals in collaboration with the government conducted COVID-19 active case finding in high-risk communities to prevent and control the outbreak;

### 2021

#### January:

- Kasemrad Hospital Prachinburi was officially opened for operation;
- Kasemrad Hospital Bangkai, Kasemrad Hospital Prachachuen, Kasemrad International Hospital Rattanakibeth, and World Medical Hospital together with the Medical Office conducted COVID-19 active case finding in markets across Bangkok;

#### February:

- Kasemrad Hospital Prachachuen opened a Regenerative Medicine Center, in which the centers were subsequently expanded to other hospital branches;
- Kasemrad Hospital International Aranyaprathet together with the Ministry of Labor conducted COVID-19 screening services for migrant workers to apply for work permits;

#### March:

- Kasemrad Hospital Bangkai opened a Regenerative Medicine Center;

#### April:

- The company and its affiliated hospitals have provided "Hospital" facilities to support COVID-19 In-patients;
- The company and its affiliated hospitals signed a memorandum of understanding in health insurance with Viriyah Insurance Public Company Limited to create an exclusive health insurance plan "Viriyah Care by Kasemrad";
- Kasemrad International Hospital Rattanakibeth was mandated for the provision of annual health check-up services to the Federation of Thai Industries and Royal Thai Police;
- Kasemrad International Hospital Rattanakibeth renovated and opened an emergency department and increasing the number of examination rooms and beds to effectively accommodate emergency patients;



**May:**

- The company and its affiliated hospitals were allocated the first lot totaling 1.06 million doses of Moderna vaccine from the Government Pharmaceutical Organization (GPO) for distribution and vaccination to the general public during 4Q2021 – 1Q2022;

**July**

- Bangkok Chain International (Lao) Company Limited, a subsidiary that operates Kasemrad International Hospital Vientiane in Lao PDR, reached an agreement to increase the registered capital of 6,600,000 shares and sell to RATCH-Lao Service Company Limited, a subsidiary under RATCH Group Public Company Limited, in the amount of 190 million baht;
- Kasemrad Hospital Ramkhamhaeng opened a Regenerative Medicine Center;

**August:**

- Kasemrad International Hospital Vientiane was officially opened for operation;

**September**

- The company and its affiliated hospitals were allocated the second lot totaling 1.20 million doses of Moderna vaccine from GPO for distribution and vaccination to the general public during 1Q2022 – 3Q2022;
- World Medical Hospital opened a Regenerative Medicine Center;
- Kasemrad vitamin water were officially launched into the market;

**October:**

- The company and its affiliated hospitals, in collaboration with the Ministry of Labor, launched a Factory Sandbox project to contain the COVID-19 outbreak within large-scale export manufacturing with more than 500 insured workers covering 6 provinces in Thailand;

**November:**

- The company was upgraded from “Good” to “Very Good” in the Corporate Governance Report of Listed Companies Year 2021 by the Thai Institute of Directors Association;
- TRIS Rating upgraded the company rating and the issuer rating to “A” from “A-” with a “Stable” outlook;
- GPO began delivery of first lot of Moderna vaccine and our affiliated hospitals starting to vaccinate those who pre-booked the vaccine;
- The company and its affiliated hospitals provided screening, care, and treatment services in the SHA+ (Test and Go) project;
- The company has cooperated with partners to push Thailand to be the center of digital assets by preparing to expand channels for the payment of medical services with digital currency to facilitate foreign tourists who come to Thailand for treatment and attract new generation patients;
- Kasemrad International Hospital Vientiane obtained license as the first private hospital in Lao PDR to provide COVID-19 screenings and treatments;

**December:**

- Kasemrad Hospital Group and Karunvej Hospital Group signed a 2022 medical service contract under the Social Security Scheme. As a result of the agreement, our affiliated hospitals will receive an additional quota of 0.30 million insurers from 1.20 million insurers to 1.50 million insurers; and
- Kasemrad Hospital Sriburin opened a Regenerative Medicine Center.

## 2022

### January:

- Kasemrad Hospital Saraburi opened a Regenerative Medicine Center;

### March:

- Bangkok Chain Management Co., Ltd., a subsidiary, opened Bangkok Chain Laboratory and Pathological Clinic to provide laboratory analysis center services to reduce referral costs for affiliated hospitals;
- The company and its affiliated hospitals have provided “Home Isolation” service to support COVID-19 patients with mild symptoms for patients under Social Security Scheme;
- Navanakorn Medical Co., Ltd, a subsidiary operates Karunvej Hospital Pathumthani, purchased 2 buildings to support out-patient services area and in-patient wards, and also increase parking space to provide more convenience for patients, as well as preparing to upgrade the hospital brand to be equivalent to the standard of the Kasemrad Hospital group;

### April:

- Kasemrad Hospital Prachachuen has renovated an area for cash patients and opened to serve patients conveniently;

### May:

- Kasemrad Hospital Ramkhamhaeng opened the International Diabetic Wound Center to provide comprehensive care and rehabilitation services for patients with diabetes;

### June:

- World Medical Hospital in collaboration with the Nichada Thani Village opened clinic in the village to provide examination, treatment and consultation services for the residents;
- Kasemrad International Hospital Rattanaibeth has renovated the Gastrointestinal and Liver Center and opened to provide comprehensive endoscopy, diagnostic and treatment services for patients with abdominal diseases;

### July:

- The company and its affiliated hospitals have canceled the “Home Isolation” and “Hotel Isolation” services for infected COVID-19 patients under Social Security Schemes according to the treatment policy of COVID-19 patients announced by the government;

### August:

- The company and its affiliated hospitals have provided “Self-Isolation” to support infected COVID-19 patients with mild symptoms who under the Social Security Schemes, section 33 and 39;
- Kasemrad International Hospital Vientiane opened the heart center to provide comprehensive diagnosis and treatment of heart disease;
- Kasemrad Hospital Prachachuen received the Global Health Award 2022 in Heart and Vascular Service Provider of the Year in Asia Pacific from the Global Health Asia Pacific;

### September:

- The insurers under the Social Security Schemes registered with affiliated hospitals has risen over 1,000,000 persons, emphasized company position as a leader in healthcare business operator under the Social Security Schemes which is the most preferred private hospital network in Thailand;

- Kasemrad International Hospital Rattanakibeth signed a memorandum of a project to promote welfare and educational personal for the fiscal year 2022 with the Office of the Welfare Promotion Commission for Teachers and Education Personnel, to provide special room rate and medicine fees to educational personnel nationwide;

#### October:

- The Ministry of Public Health has announced the cancellation of the declaration of COVID-19 as a dangerously contagious disease and declared COVID-19 as a contagious disease to be monitored number 57 since October 1, 2022 onwards;
- World Medical Hospital signed a memorandum with Libyan Embassy to provide civil servants with specific diseases treatment especially with a fertility center;

#### November:

- The company was reaffirmed "A" with a "Stable" outlook from TRIS rating. This reflected expectation that the company will continue to improve its operating results and be able to maintain a strong financial and liquidity position;
- The company received the Outstanding Company Performance Award for the listed company with market capitalization higher than 30,000 million baht but not more than 100,000 million baht and the Outstanding CEO Award to Prof. Dr. Chalerm Harnphanich, Chief Executive Officer from SET Awards 2022, organized by The Stock Exchange of Thailand and Money & Banking Magazine;
- Kasemrad International Hospital Vientiane organized a charity run to celebrate the first year of operation "Kasem Run" with Toon Bodyslam. Net income from the event were donated to the Ministry of Public Health of Lao PDR to help poor patients;
- The company has joined "Care the Bear" project initiated by the Stock Exchange of Thailand to explicit company intention that emphasizes on the climate change impact management and sustainability business through reducing global warming by lowering greenhouse gas emissions through event organization;

#### December:

- Kasemrad Vitamins and Mineral Water received backdate 5 packaging design awards from 4 international organizations and 1 award from domestic organization:
  - Red dot Award Winner 2021 for Beverage Packaging from Red Dot Design Award, Germany;
  - Muse Design Awards Gold Winner 2021 for Packaging Design from MUSE Design Awards, The United States of America;
  - Marking Awards: Best Structure and Material Design 2021 from Marking Awards (MA), China;
  - Pentawards Bronze Awards 2021 for Packaging and Design from Pentawards, England and;
  - Design Excellence Award 2021 from Design Excellence Award (DEmark), Department of International Trade Promotion, Ministry of Commerce, Thailand.





### 1.1.3 The use of fundraising

The company plans to expand further which requires funding sources other than internal cash generation. Therefore, to provide the company with a lower cost of funding and more flexibility in funding options, the Board of Directors proposed at the Annual General Meeting for the year 2011 and 2012 to consider and approve the credit limit of debenture issuance in the amount not exceeding 5,000 million baht. At present, the company has already utilized the credit limit in the amount of 1,000 million baht. Details are as follows:

1. Senior unsecured debenture with semi-annually interest payment No.1/2564  
(Maturity date: 31 March 2023)

Purpose	Amount (Approximately)	Duration of use (Approximately)	Spending progress
Investments and working capital	1,000 million baht	April 2021	Fully spent

- Applicable law

In each offering for sale of debentures, the company must comply with the terms and conditions herein, which shall be enforced and construed in accordance with Thai law.

### 1.1.4 Obligations that the company has committed in the registration statement for the offering of securities

The debentures contain certain significant covenants in which the company must comply throughout the term of the debentures such as the maintenance of interest bearing debts to equity ratio not exceeding 2:1 as of the end of each quarter and a dividend payment restriction.

### 1.1.5 Location, Type of business, Company registration number, Telephone, and Fax

Company name	:	Bangkok Chain Hospital Public Company Limited
Type of business	:	Operates a private hospital under the name World Medical Hospital (“WMC”) Kasemrad International Hospital (“KIH”) Kasemrad Hospital (“KH”) and Karunvej Hospital (“KV”)
Head office location	:	44 Moo 4 Chaengwattana Rd., Pakkret Sub-district, Pakkret District, Nonthaburi
Registered capital	:	2,493.75 million baht which is the issued and paid-up capital amounting to 2,493.75 million baht divided into 2,493.75 million ordinary shares with a par value of 1.00 baht per share.
Registration number	:	0107547000401
Website	:	www.bangkokchainhospital.com
Telephone	:	02-836-9999, Call Center 1218
Fax	:	02-106-4858
Email	:	info@bangkokchainhospital.com

## 1.2 Nature of business

### 1.2.1 Revenue structure

The main business of the company is private hospital. The total revenue classified by type of patient has the following income proportions:

Unit: million baht

Revenue structure	2022		2021		2020	
General patients	12,522.28	66.22%	18,160.92	84.35%	5,688.13	63.10%
Social security patients	6,304.39	33.34%	3,243.93	15.07%	3,239.78	35.94%
Other revenue*	83.63	0.44%	124.55	0.58%	86.45	0.96%
<b>Total revenue</b>	<b>18,910.30</b>	<b>100.00%</b>	<b>21,529.40</b>	<b>100.00%</b>	<b>9,014.36</b>	<b>100%</b>

Remark: \* excluding interest income

### 1.2.2 Product information

#### (1) Characteristics of products and services

##### 1. Products and services

Products and services of the Company are as follows:

##### 1.1 World Medical Hospital Group (WMC)

- Target Patient: High-end / local and international patients
- Level of excellence: At the tertiary level with advanced specialized medical services. The hospital provides specialized medical center with modern technology for example, sleep apnea center, fertility center and diabetic wound center. WMC provides referrals from group hospitals and partner hospitals across the country.

##### 1.2 Kasemrad International Hospital Group (KIH)

- Target Patient: Middle to upper income patients
- Level of excellence: At secondary level and provides some medical services at tertiary level for example, neurology & stroke center, and orthopedic surgery center

##### 1.3 Kasemrad Hospital Group (KH)

- Target Patient: Middle income patients and Social security patients
- Level of excellence: At secondary level and provides some medical services at tertiary level for example, heart center, imaging center

- **Kasemrad Medical Center (KHMC)** : providing comprehensive medical services at tertiary care level for referral patients from Kasemrad Hospitals, Karunvej Hospitals and other partner hospitals. The specialized medical centers are as follows:
  - Heart Surgery Center
  - Cath Lab Center
  - Lasik and Eye Center
  - Imaging Center
  - Cancer Center
  - Diabetic Wound Center
- **Kasemrad Community Clinic (KCC)** : provide primary and secondary out-patients care in Chiang Saen District, Chiang Rai province. The company also provides primary care clinics at Nichada Thani village in Nonthaburi and National Science and Technology Development Agency (NSTDA) in Pathumthani.
- **Kasemrad Better Life (KH Better Life)** : our alternative medical centers are as follows:
  - Aesthetics (Skin Care and Non-Invasive)
  - Dental & Aesthetic Dentistry
  - Cosmetic Surgery
  - Wellness Center (Health Check-up)
  - Thai Traditional Medicine
  - Chinese Traditional Medicine
  - Regenerative Medicine

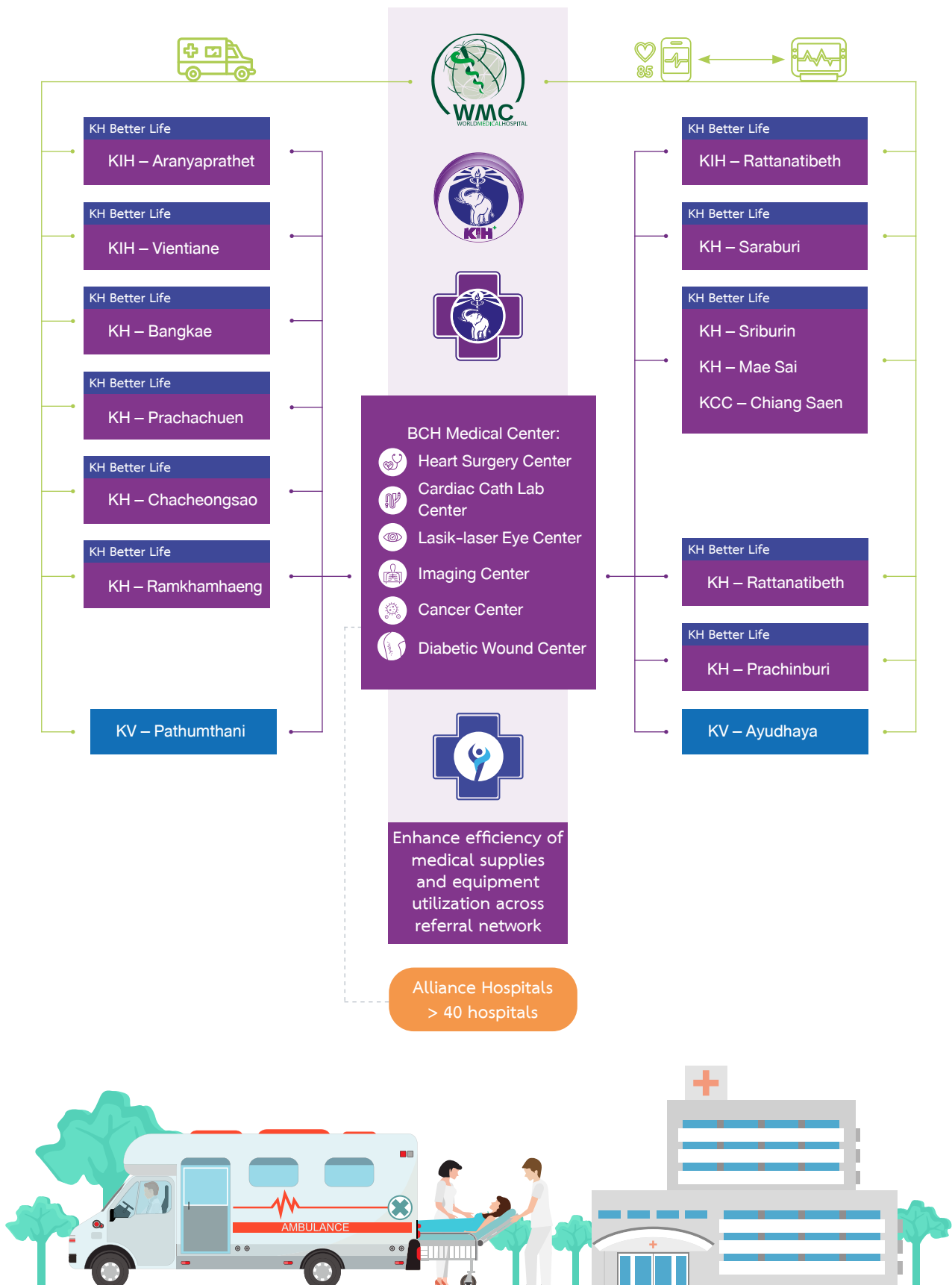
#### 1.4 Karunvej Hospital Group (KV)

- Target customer: Lower middle income patient and Social security patients
- Level of excellence: At secondary level





## Enhance efficiency of medical instrument and equipment utilization across referral network



## Service capacity

Affiliated hospitals and one polyclinic have available examination rooms and licensed beds for out-patient (“OPD”) and in-patient (“IPD”) as follows:

Hospitals	Hospital Accreditation Level (HA)	Out-Patients	In-Patients
		Number of Examination Room	Number of Licensed Beds
World Medical Hospital	JCI	84	150
Kasemrad International Hospital Rattanakibeth	JCI, HA III	41	133
Kasemrad International Hospital Aranyaprathet	-	44	51
Kasemrad International Hospital Vientiane	-	43	110
Kasemrad Hospital Bangkai	HA III	60	311
Kasemrad Hospital Sriburi	HA III	40	120
Kasemrad Hospital Saraburi	HA III	16	200
Kasemrad Hospital Prachachuen	HA III	55	371
Kasemrad Hospital Mae Sai	-	14	30
- Kasemrad Sriburi Clinic Chiang Saen branch	-	13	-
Kasemrad Hospital Chachoengsao	HA III	32	100
Kasemrad Hospital Rattanakibeth	HA III	18	119
Kasemrad Hospital Ramkhamhaeng	HA II	39	139
Kasemrad Hospital Prachinburi	-	55	115
Karunvej Hospital Pathumthani	HA III	22	200
Karunvej Hospital Ayudhaya	HA II	6	105
Total		582	2,254

## 2. Scope of medical services

The hospital group provides a full range of full-time doctors and consulting doctors to provide general and specialized diagnosis and treatment services as follows:

General and Specialized Medical Center	
 <p><b>Internal Medicine Clinic:</b> Providing various medical services and has established a medical service center to provide a full range of services to facilitate patients.</p> <ul style="list-style-type: none"> <li>Respiratory Disease</li> <li>Neurology</li> <li>Arthritis &amp; Rheumatic</li> <li>Infectious Disease</li> <li>Hematology</li> <li>Gastrointestinal Diseases</li> <li>Pulmonary</li> <li>Diabetes Center</li> <li>Check-up Center</li> <li>Hemodialysis Center</li> <li>Rehabilitation Center for post COVID-19 patients</li> </ul>	 <p><b>Surgical Clinic:</b> providing specialized surgical centers using high-tech medical equipment such as laparoscopic surgery.</p> <ul style="list-style-type: none"> <li>General Surgery</li> <li>Neurological Surgery</li> <li>Urologic Surgery</li> <li>Orthopedic Surgery</li> <li>Spine Surgery</li> <li>Plastic Surgery</li> <li>Pediatric Surgery</li> <li>Cardiothoracic Surgery</li> </ul>
 <p><b>Obstetrics and Gynecology Clinic:</b> providing antenatal care, maternity care, and women's health centers to specially accommodate women patients, such as the menopause clinic, infertility clinic, women's oncology and cancer clinic, gynecologic laparoscopic surgery clinic, etc.</p>	 <p><b>Pediatrics Center:</b> providing a pediatrician specializing in the care of pediatric patients.</p> <ul style="list-style-type: none"> <li>Neonatologist</li> <li>Pediatric Respiratory Disease</li> <li>Infectious Diseases Pediatrician</li> <li>Child and Adolescent Psychologist</li> <li>Childhood Development and Behavior Specialist</li> </ul>
Other Specialized Medical Center	
 <p><b>Orthopedic Clinic:</b> providing treatment related to muscles, ligaments, bones, and joints, including various orthopedic surgeries through the Arthroscope camera, such as Hip Replacement Surgery, Knee Replacement Surgery, etc.</p>	 <p><b>Ear, Nose and Throat Center:</b> providing both internal medicine and general surgery such as tonsillectomy, the use of specialized equipment to treat snoring, and laser slitting of the vocal cords to make the voice firmer, deeper, or sharper</p>

### Other Specialized Medical Center



**Eye Center:** providing laser treatment services for diabetic retinopathy, retinal tear, glaucoma, computer vision measurement, intraocular lens replacement surgery, and treatment of nearsightedness, farsightedness and astigmatism with a LASIK machine, and a referral center as well.



**Infertility Center:** it is a comprehensive center with modern assisted reproductive technology with standardized laboratories and the expertise of a team of doctors specializing in infertility treatment.



**Heart Center and Cath-Lab Center:** providing comprehensive diagnosis and treatment of heart disease, both cardiac catheterization and open heart surgery, which are available at Kasemrad Hospital Prachachuen, Kasemrad Hospital Bangkai, Kasemrad Hospital Sriburin, World Medical Hospital, Kasemrad International Hospital Rattanaibeth, Kasemrad Hospital Ramkhamhaeng, Kasemrad International Hospital Vientiane, and Kasemrad International Hospital Aranyaprathet.



**Diabetic Wound Center:** providing professional treatment by highly experienced medical specialists on taking care of diabetic wounds, infected wounds, and chronic wounds accurately and continuously together with the use of modern treatment technologies, such as Versajet debridement, Hyperbaric Oxygen Therapy and Ultra Sonic technology along with the creation of efficient and suitable facilities for each individual diabetic patient.



**Cancer Center:** it offers services ranging from screening, diagnosis and chemotherapy by specialist doctors and a medical support team.



**Hifu Center (High-Intensity Focused Ultrasound):** HIFU has been applied to treat a variety of solid malignant tumors in a well-defined volume, including the pancreas, liver, prostate, and soft-tissue sarcomas.

### Regenerative and Aesthetics Medical Center



**Alternative Medicine Center:** offering an alternative to patients for treatment and rehabilitation, such as Regenerative Medical Center, Thai Traditional Medical Center, and Chinese Traditional Medicine Center.



**Aesthetics Center:** treated by a team of specialist dermatologists using innovative modern tools to treat abnormal skin such as acne, freckles, skin tightening, including cutting bags under the eyes and double eyelid surgery with laser.



**Check-up Center with comprehensive packages** in line with lifestyle and age group of customers such as check-up package without skip breakfast.



**Plastic Surgery Center** with experienced doctors specializing in cosmetic procedures and plastic surgery.



### Regenerative and Aesthetics Medical Center



**Dental Center:** offering a full range of services by a team of specialized dentists.

- Pediatric Dentistry
- Dental Prosthesis (Denture)
- Root Canal Treatment
- Dental Implant
- Aesthetic Dentistry: a variety of services are available to meet the needs of the customers, such as Veneer, White Smile Laser, Orthodontic Treatment, Crystal Implantation and Canine Treatment.

### Other Medical Center and Supporting Center



**Psychiatry:** we examine and provide counseling for psychiatric treatment stress behavior control problems emotional and mental problems in both children and adults



**Forensic Department:** examine and autopsy to determine the cause of death.



**Intensive Care Unit (ICU):** providing a separate service area by experienced physicians and nurses with modern equipment and periodic accuracy checks to ensure that physicians are confident in their treatment and diagnosis. There is also an isolation ward for infected patients.



**Cardiac Intensive Care Unit (CCU)** with convenient equipment and modern technology



**Accident & Emergency:** arranging doctors and medical staff to provide services to patients who received emergency accidents 24 hours a day.



**Medical Laboratory Center:** providing a center for laboratory services of medical, pathology, anatomical pathology and cytology with quality that meets international standards.



**Medical Record Department:** Computerized patient data collection to facilitate services and to view information for future diagnosis and treatment. There is also an air tube document delivery system which is faster in delivery documents.



**Laboratory:** a department that performs blood, urine, stool, and biopsy analyzes to support physicians diagnose and treatment monitoring by high-tech tools and equipment. In addition, we also have a blood banks that reserve blood for patients who need blood for emergency treatment which is supported by the Thai Red Cross Society.

## Other Medical Center and Supporting Center



**Imaging Center:** providing analysis and diagnosis using radiation and sound waves, such as General X-Ray, Fluoroscopy X-Ray, Ultrasound Mammogram, and CT Scan, in which high-tech equipment and tools increase physicians' accuracy in diagnosis and follow-up. In addition, an MRI and X-Ray Single Plane/ Bi Plane service center was opened for the diagnosis and 3D treatment of neurological and cerebrovascular diseases.



**Physical Therapy Center:** We have a team of doctors, physical therapist, and modern equipment which can help restore the ability of the patient to return to normal as soon as possible or to reduce disability for example, rehabilitation robotics. There are also health promotion programs such as hydro-therapy for children, pregnant, and the elderly.



**Nutrition and Dietetics Department:** In addition to providing food for patients treated by doctors under the quality process of cleanliness and hygiene. We also arrange for nutritionists to consult patients and their relatives about dietary related to the doctor's treatment.



**Ambulance:** providing an ambulance with assistive devices, life-saving equipment, and trained staff to be ready to take care of patients while traveling, which is available 24 hours a day.



**Mobile Check-up:** available for service at Kasemrad International Hospital Rattanatibeth, Kasemrad Hospital Bangkai, Kasemrad Hospital Saraburi, Kasemrad Hospital Sriburi, and Kasemrad Hospital Prachinburi, Kasemrad Hospital Ramkhamhaeng, Kasemrad Hospital Chachoengsao, and Kasemrad International Hospital Vientiane which have equipment and tools for laboratory health check-up services such as Blood test, Chest X-ray, Ultrasound, Electrocardiography (EKG), Audiometer, and Ophthalmic Equipment (Auto Refractometer / Kilometer) for mobile health check-up services as an alternative for employees at their workplace.



**Central Sterile Supply Department:** responsible for keeping medical tool and equipment sterile.

### 3. Training center for doctors and medical personnel

Affiliated hospitals provide training for doctors and medical personnel both inside and outside the hospital. This will introduce the company to be widely known and develop the company's personnel.

3.1. Aesthetics Center provides laser machines training services for doctors both inside and outside the hospital group.

3.2. Heart Center provides training courses for medical personnel both inside and outside the hospital group. Details as follows:

- Critical Cardiac Care Training (CCCT)
- Advance Cardiac Life Support (ACLS) and Pals Provider Course
- Pediatric Critical Cardiac Care Training (PCCT)
- Concise Cardiology

3.3. Diagnostic Imaging Center has provided training courses for medical personnel both inside and outside the hospital group, such as the Comprehensive CTA Coronary Artery.

3.4. Practice courses such as Advanced Cardiovascular Life Support (ACLS) for nurses, Basic Life Support (BLS) for medical personnel, and Pals Provider Course.

3.5. Other courses such as in-house training on drug system management, a food safety education program under the project “Clean food, good taste”.



## (2) Marketing and competition

### (A) Marketing policies of key products and services

During the past several years, many countries faced with the pandemic coronavirus 2019 (COVID-19), which each country taking strict disease control measures to prevent and control the spread of COVID-19. However, in 2022, there was a recovering sign, as a result of the easing of medical measures for COVID-19 patients, the government's announcement which lower the status of COVID-19 from a dangerous communicable disease to a communicable disease under surveillance, the rising of Thailand and global vaccination rates, including with the reopening to international tourism. Consequently, there was a rise in economic activities especially the service sector for example, tourism, wholesale and retail trade, hotels and restaurants, and healthcare service providers.

The company and its affiliated hospitals have reviewed and adjusted their operational plans to provide efficient medical services for patients and also keep up with the situation and comply with the government measures, resulting in an upward trend on company performance. It also resulted in raising brand awareness of the company and affiliated hospitals, therefore the insurers under the Social Security Schemes registered with affiliated hospitals has risen over 1,000,000 persons, emphasized our company position as a leader in healthcare business operator under the Social Security Schemes which is the most preferred private hospital network in Thailand.

In addition to the aforementioned operations, the company and its affiliated hospitals formulate competitive strategies as follows:

### Competitive Strategy

#### 1. Operates business as a group of hospitals and create strategic alliances to improve service efficiency

The company operates its business as a group of hospitals consisting of 15 hospitals and 1 polyclinic to serve all types of patients. The company has centers of excellences to provide diagnosis services to patients under affiliated hospitals and referral patients from over 40 partner hospitals. Centers of Excellence that provide tertiary care services for referral patients for example, heart center and cardiac cath lab center, lasik and eyes center, imaging center, cancer center, diabetic wound center.

Our group of hospitals with Centers of Excellence offers special rates for referrals within the group of hospitals and other partner hospitals. Under our center of excellence, patients can receive treatment or surgery quickly. This will improve the efficiency of equipment utilization and increase the turnover of the company.

#### 2. Revenue from various types of patients and regular income from the Social Security Scheme

The company provides medical services to both general patients and patients according to government plans. Mixed patient income provides a variety of sources of income. And such income is fixed and paid to the company on a regular basis. Under the Social Security Schemes, it is required by laws and regulations that the Social Security Office is responsible for the medical expenses incurred from patients under the Scheme. Having multiple types of patients also increases the efficiency and effectiveness of the company's resources, such as doctors, nurses, operating staff, medical equipment, hospital beds, etc.



### 3. Management and administration

Affiliated hospitals are operated under group policies so that each hospital shares the same directions guided by top management. Moreover, the company has knowledge sharing policies to exchange administrative experiences among the hospitals. In addition, the top management has several important roles in a national healthcare administrative level and is currently a president of the Private Hospitals Association. Accordingly, the business operations can be well-rounded managed.

In addition, experiences from the top management can be well utilized to resolve any changes to be in line with the current economic situations. For example, the top management led the group of hospitals to participate in the Social Security Scheme since 1992. In addition, having centers of excellence also help reduce referral costs while hospitals with centers of excellence can be a Supra contractor under the Social Security Scheme. Lately, affiliated hospitals in collaboration with the government to promptly provide COVID-19 related medical services as well as initiated the cost effective program. As a result, the company continues to grow and keep up with the situation.

### 4. Professional doctors and supporting personnel

As of 31 December 2022, all 15 hospitals have specialized medical teams in every field. It consists of 1,682 physicians, 3,389 nurses and practical nurses who have completed training courses in related fields, and 2,370 staff in medical operations and assistance support.

### 5. Training

The company organizes regular trainings for doctors and nurses both inside and outside the hospitals.

### 6. High-tech medical tool and equipment

The company provides high-tech and high-performance medical devices and equipment to assist physicians for the most accurate treatment and diagnosis.

### 7. Service quality standards

The company is aware of the quality of service and therefore continuously improves the quality standards by applying and conforming to high national quality accreditation standards as well as the implementation of international standards, Joint Commission International (JCI).

The company also uses key performance indicators (KPIs) to assess service quality by taking into account the needs and satisfaction of the patients as the main. In addition, the company also promotes the use of information systems to facilitate faster services to patients and to be able to contact and send useful information after the service.

## Nature of Customers

### 1. General Patients

**1.1 General patients** are patients who select their preferred hospital by themselves and are fully and individually responsible for their own expenses. They are health conscious with a focus on quality of life. The hospital therefore provides value-added health packages such as health check-up packages and other alternative medicine promotions packages under KH Better Life.

**1.2 Corporate contract groups** are employees of the public and private sectors who contract with hospitals for health coverage. Customers in this category are those who have health insurance from private insurance companies and government third party insurance. Under this group of customers, medical expenses will be borne by the contracting company under the agreed terms and conditions.

**1.3 Compensation Fund group** is a service for company employees or factory workers injured in work accidents. Under the terms of the compensation fund, the hospital will bill all claims to the compensation fund.

**1.4 Civil Servant Scheme: Under** this scheme, the government is providing the compensation to the government officials and their families covered in both OPD and IPD services. In the past, government officials were only able to receive treatment or services at public hospitals, but now the government has extended the benefit to government officials in which they can go to a private hospital to access treatment and services faster, more conveniently, and to reduce intensity in public hospitals. The Comptroller General's Department (CGD) is responsible for the service and treatment cost. In addition, providing services to government officials is also a factor that supports the company to increase its government customer base.

## **2. Social Security Scheme**

Under this scheme, private organizational employees shall contribute part of their monthly income into Social Security Fund. They can select their preferred hospital and access the medical services free of charge. As prescribed in Social Security Act B.E.2535, the Office of Social Security is responsible for the medical expenses by captive payment for ordinary out-patients and by diagnosis related group method measured the severity of diseases. All eight Kasemrad Hospitals and two Karunvej Hospitals are participating in this scheme.

In addition, Kasemrad Hospital Prachachuen, Kasemrad Hospital Bangkai, Kasemrad Hospital Ramkhamhaeng, and Kasemrad Hospital Sriburi are providing heart diagnosis and one-stop service treatments for both Cardiac Cath Lab and opened heart surgery. Kasemrad Hospital Prachachuen and World Medical Hospital have eye surgery centers with laser technology (Lasik). Also Kasemrad Hospital Sriburi, World Medical Hospital, Kasemrad Hospital Ramkhamhaeng, Kasemrad International Hospital Rattanaibeth, Kasemrad Hospital Chachoengsao, and Kasemrad International Hospital Aranyaprathet have Imaging Center (MRI) to serve the referral patients from partner hospitals under Social Security Scheme.

- **Services**

In addition to providing a full range of medical services, the company also provides a variety of services apart from general medical care. For example, health check-up service, protective care service, rehabilitation service, physical therapy, consulting for specific patients, as well as organizing special events for target groups from time to time. This will help build a customer base and increase revenue base for the company. Moreover, the company also has a marketing plan to offer personalized medical services and packages for each patient to help facilitate and enhance customer satisfaction.

## • Pricing

The company has no policy to compete in price with competitors. For all patient group, the company fairly sets prices according to costs and provides discounts to hospital members. The medical fees collected from the patient will be allocated to the treating physician at the agreed rate, including determining the payment period with the member and the contracting party. In addition, the company has a policy to set the price of medical services to suit the income level of the target customers, which can compete with the medical expenses of other private hospitals in the same area. The patients will consider the cost of medical treatment in comparison with the services received, knowledge and competence of doctors.

The company also offers pricing for specialized treatment packages such as surgery, childbirth, and annual health checks in order to facilitate patient expense management.

For Social Security Scheme patients, the Social Security Office, Ministry of Labor is responsible for medical fees of the insured person to the hospital, which consist of (1) Basic Capitation: paid based on the number of registered person with affiliated hospitals, (2) The rate of reimbursement for in-patient medical services with Outlier Reimbursement Schedule (ORS) such as heart surgery, cancer, diabetes, and expensive medical supplies, etc. (3) Risk Adjusted Capitation: reimbursement for out-patient medical expenses for 26 chronic diseases, and (4) High Cost Care (RW>2): medical fee in case of in-patient treatment with relative weight adjusted according to bedtime equal to or more than two, in which items (2) - (4), the amount received will depend on the service fee incurred pursuant to the budget and conditions set by the Social Security Office.

## • Distribution and distribution channels

The company has a total of 15 hospitals of which seven are located in Bangkok and its vicinity, seven are located in the provincials, one is located in Lao PDR, and one clinic is located in Chiang Saen District, Chiang Rai.

The main distribution channel is to be a tertiary medical center (Supra Contractor) to receive referral patients from partner hospitals that can refer patients under the Social Security Scheme.



- (1) Kasemrad Hospital Prachachuen, Kasemrad Hospital Bangkai, Kasemrad Hospital Sriburin, World Medical Hospital, Kasemrad International Hospital Rattatibeth, and Kasemrad Hospital Ramkhamhaeng are the referral centers for heart surgery. Kasemrad Hospital Prachachuen, Kasemrad Hospital Bangkai, and Kasemrad Hospital Sriburin are registered with the Social Security Office as referral bases for diagnosis and heart surgery for patients under the Social Security Scheme.



- (2) Kasemrad Hospital Prachachuen and World Medical Hospital are the referral centers for surgery to correct eye problems with laser machine.



- (3) Kasemrad International Hospital Rattatibeth, Kasemrad Hospital Sriburin, Kasemrad Hospital Chachoengsao, Kasemrad Hospital Bangkai, Kasemrad Hospital Ramkhamhaeng, Kasemrad Hospital Aranyaprathet, World Medical Hospital, and Kasemrad International Hospital Vientiane are referral centers for diagnosis using magnetic resonance imaging (MRI) and computed tomography (CT Scan) for affiliated hospitals and partner hospitals.

In addition, the location of each hospital branch is in an easily accessible community. Hospitals focus on providing a clean and beautiful interior atmosphere to impress the patients who undergo treatment. Hospitals are also located in areas with insufficient medical facilities to meet the needs of the local population. We also provide other distribution channels such as mobile health check-up services to facilitate employees at their workplace.

- **Promotion**

Private hospital business has restrictions on public relations and promotional activities that are supervised by professional organizations such as advertisements for hospitals under the Hospital Act B.E. 2558 B.E. 2541(1998) and the Consumer Protection Act. However, the competition in private hospitals has intensified thus in order to gain market share, affiliated hospitals therefore try to organize promotional activities to attract customers in accordance with the prescribed regulations.

## **(B) Industry and competition**

- **Industrial trend and competition**

Competitions among private hospitals are likely to be intense in the form of collaboration among group of hospitals in order to effectively manage their costs and resources for an increasing competition in domestic market and incoming patients from overseas.

Over the long term, private hospitals have a good growth prospect supported by the increasing demand for medical services driven by personal health awareness and concerns coupled with the increasing number of complex diseases. This increases the demand of customers in terms of medical service standards and convenience.

- **Competitors**

The main competitors are private hospitals located nearby or in the same catchment area (In a radius of about 20 kilometers). However, the hospitals group has competitive advantages as follows:

1. The company has many experienced and specialized doctors;
2. The company has a wide range of medical products and services to provide comprehensive traditional health services;
3. The company is fully equipped with tools and equipment to provide services to both out-patients and in-patients. Also, the facilities are hygienic, well decorated and well maintained.
4. The hospitals are located in the community areas with easy access, thus attracting doctors and medical professionals to join the hospitals; and
5. The company offers reasonable medical expenses according to the income level of target customers. In particular, the price structure is consistent with private hospitals in the same market.



- **Limitations of Business Operation for Private Hospitals**

1. The number of widely recognized medical professionals is insufficient to meet the growing public demand. Thus, private hospitals compete with each other for the remuneration of healthcare worker which makes human resource costs even higher;
2. Investment in private hospital business is capital intensive especially investments in medical equipment and working capital for medicines, pharmaceuticals and disposables;
3. Consumer behavior at a critical stage is receptive to experience of an individual physician and their expertise. Newly established hospitals will take longer to build up their reputation and quality of service;
4. Laws under the national health system are changing rapidly. This will affect the operations of small hospitals and new private hospitals;
5. Group of hospitals must be in compliance with the public advertisement under the Advertisement Regulations for Health Care Provider B.E.2541 which is very strict on health products and services' advertisement; and
6. Changes of the Medical Council's regulations may interfere with our current and future business operations.

### **(3) Products and services procurement**

The company benefits from economies of scale in terms of mass procurement through the company's Central Purchasing Department. Large purchasing volumes attributable to the higher negotiation and bargaining power for prices and credit terms. The company also applies a material lending policy among hospitals on medical equipment, medicines, medical supplies, blood or parts of blood. As the result, it effectively creates an efficient use of materials, improves lead time of delivery, and reduces obsolete materials.

#### (4) Business assets

Assets used in business operations have a net book value as of 31 December 2022, which can be summarized as follows:

##### 4.1 Property, plant, and equipment

The company has obligations in assets used in its business operations as of 31 December 2022 as follows:

Items	Ownership	Net Book Value (Million baht)	Obligation
1. Land and buildings			
1.1 Bangkok Chain Hospital Public Company Limited			
1.1.1 Kasemrad Hospital Prachachuen			
- Land (5-2-31.9 Rai)	Owner	165.00	None
- 12-storey hospital building	Owner	258.60	None
1.1.2 Kasemrad Hospital Bangkai			
- Land (8-1-47 Rai)	Owner	232.93	None
- 5-storey hospital building			
- 14-storey hospital building			
- 5-storey hospital building	Owner	149.00	None
- 2-storey plaza building			
- 5-storey dormitory building			
1.1.3 World Medical Hospital			
- Land (7-1-10 Rai)	Owner	667.86	None
- 21-storey and 2 basements hospital building			
- 4-storey office building	Owner	1,492.60	None
- 3-storey parking building			
1.1.4 Kasemrad Hospital Rattanaibeth			
- Land (8-3-6 Rai)	Owner	409.00	None
- 7-storey hospital building	Owner	292.08	None
- 7-storey parking and dormitory building			
1.1.5 Kasemrad Hospital Ramkhamhaeng			
- Land (8-0-84 Rai)	Owner	163.19	None
- 6-storey and 1 basement hospital building	Owner	334.50	None
1.1.6 Kasemrad International Hospital Aranyaprathet			
- Land (16-1-10 Rai)	Owner	53.70	None
- 5-storey hospital building			
- 1-storey laundry building	Owner	482.14	None
- 1-storey dormitory building			

Items	Ownership	Net Book Value (Million baht)	Obligation
1.1.7 Kasemrad Hospital Suvarnabhumi - Land (25-0-0 Rai)	Owner	350.00	None
1.2 Rattanatibeth General Hospital Co., Ltd.			
1.2.1 Kasemrad International Hospital Rattanatibeth - Land (8-3-94.4 Rai)	Owner	653.82	None
- 10-storey hospital building			
- 5-storey hospital building with parking	Owner	275.15	None
- 2 dormitory buildings			
1.3 Saraburi Wetchakit Co., Ltd.			
1.3.1 Kasemrad Hospital Saraburi - Land (6-0-24 Rai)	Owner	65.59	None
- 12-storey and 1 basement hospital building			
- 6-storey dormitory buildings	Owner	148.57	None
1.4 Sriburin Medical Co., Ltd.			
1.4.1 Kasemrad Hospital Sriburin - Land (26-2-44.3 Rai)	Owner	90.88	None
- 5-storey hospital building			
- 3-storey office building and canteen			
- 3-storey nursing dormitory building	Owner	187.73	None
- MRI building			
- Karunvej Building			
1.4.2 Kasemrad Hospital Mae Sai - Land (4-1-12.2 Rai)	Owner	64.93	None
- 3-storey hospital building	Owner	50.77	None
1.4.3 Kasemrad Sriburin Clinic Chiang Saen Branch - Land (9-2-24 Rai)	Owner	10.75	None
- 1-storey hospital building	Owner	29.90	None
1.4.4 Kasemrad Hospital Chiang Khong - Land (9-0-25 Rai)	Owner	37.29	None
1.5 Navanakorn Medicare Co., Ltd.			
1.5.1 Karunvej Hospital Pathumthani - Land (3-2-97 Rai)	Owner	82.09	None
- 8-storey hospital building			
- 13-storey hospital building with parking			
- 3-storey building	Owner	463.48	None
- 8-storey storey dormitory building			

Items	Ownership	Net Book Value (Million baht)	Obligation
1.5.2 Karunvej Hospital Ayudhaya			
- Land (7-1-98 Rai)	Owner	56.51	None
- 5-storey hospital building	Owner	73.24	None
1.6 Sothon Vejchakit Co., Ltd.			
1.6.1 Kasemrad Hospital Chachoengsao			
- Land (7-2-88 Rai)	Owner	94.92	None
- 9-storey hospital building	Owner	253.00	None
1.6.2 Kasemrad Hospital Prachinburi			
- Land (10-1-75 Rai)	Owner	72.00	None
- 8-storey hospital building	Owner	458.60	None
- 1-storey laundry building			
1.7 Bangkok Chain Management Company Limited			
- Land in Aranyaprathet, Sa Kaeo (2-3-50 Rai)	Owner	9.49	None
- Laboratory center	Owner	20.46	None
1.8 Bangkok Chain International (Lao) Company Limited			
- Land use right in Vientiane, Lao PDR (16-3-54 Rai)	Owner	153.89	None
- 7-storey hospital building			
- 5-storey dormitory building			
- 1-storey plaza building	Owner	404.95	None
- 1-storey support building			
- 1-storey septic building			
<b>Total land and buildings</b>		<b>8,808.61</b>	
2. Equipment	Owner	2,610.47	None
3. Office equipment, furniture, and computers	Owner	183.65	None
4. Vehicles	Owner	38.64	None
5. Assets under construction	Owner	168.94	None
<b>Property, plant, and equipment - Net</b>		<b>11,810.31</b>	



## 4.2 Investment properties

The company has obligations in investment properties as of 31 December 2022 as follows:

Items	Ownership	Net Book Value (Million baht)	Obligation
1. Land			
1.1 Bangkok Chain Hospital Public Company Limited			
1.1.1 Pakkret, Nonthaburi - Land (2-3-92 Rai)	Owner	146.10	None
1.1.2 Pattaya City, Chonburi - Land (15-1-79.7 Rai)	Owner	306.83	None
<b>Total investment properties</b>		<b>452.93</b>	

## 4.3 Right-of-use assets

The company has right-of-use assets as of 31 December 2022 as follows:

Asset	Contract party	Objective	Lease period / Maturity	Net book value (Million baht)	Obligation
Land	Bangkok Chain Hospital PCL. (Tenant) and Mrs. Tasanee Bua-iam (Landlord)	Use as a parking lot at Kasemrad Hospital Prachachuen	3 Years / 2024 (since 1 August 2021)	2.28	The company has to pay rent on a monthly basis of 0.12 million baht per month.
	Bangkok Chain Hospital PCL. (Tenant) and Mrs. Manakorn Chueratanakorn (Landlord)	Use as a parking lot at Kasemrad Hospital Ramkhamhaeng	6 Years / 2028 (since 1 August 2022)	15.49	The company paid the first payment amounted to 0.80 million bath and has to pay rent on a monthly basis of 0.21 million baht per month.
Building	Bangkok Chain Hospital PCL. (Tenant) and Nichada Properties Co., Ltd. (Landlord)	Use as a clinic at Nichada Thani village	3 Years / 2025 (since 1 June 2022)	1.25	The company has to pay rent on a monthly basis of 0.04 million baht per month.
<b>Total right-of-use assets</b>				<b>19.02</b>	







#### 4.4 Goodwill

As of 31 December 2022, the company and its subsidiaries have goodwill arising from the acquisition of investments from third parties in order to restructure the Group's business from Rattanatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd., Navanakorn Medicare Co., Ltd., and Sothon Vejchakit Co., Ltd., amounting to 329.38 million baht. The company has changed its accounting policy for goodwill since 1 January 2008 onwards, in which, Goodwill will not be amortized and will consider impairment at the end of the period instead.

#### 4.5 Intangible assets

As of 31 December 2022, the company and its subsidiaries have net intangible assets of 95.88 million baht. Most of them are computer programs used in hospital operations and are amortized as expenses in the income statement, calculated on the straight-line basis over the expected periods of business benefits of the computer program being 3 to 10 years.

Additionally, the company has registered the trademark with the Department of Intellectual Property, Ministry of Commerce for the main services, with details as follows:

Trade mark	Category	Registration number	Period
 โรงพยาบาลเกษมราษฎร์ KASEMRAD HOSPITAL	Hospital	Bor 24581	Date: 24 May 2004, renewal on 6 August 2014 and will expire on 23 May 2024.
 WMC WORLD MEDICAL CENTER	Hospital	181126286	Date: 4 April 2017 and will expire on 3 April 2027.
 โรงพยาบาลการุญเวช KARUNVEJ HOSPITAL	Hospital	Bor 71288	Date: 23 December 2013 and will expire on 22 December 2023.
 KIH KASEMRAD INTERNATIONAL HOSPITAL	Hospital	-	The trademark registration has been submitted and is pending approval from the Department of Intellectual Property, Ministry of Commerce.
 BCH BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED	Hospital	181119913	Date: 23 December 2013 and will expire on 22 December 2023.
 KASEMRAD VITAMINS MINERAL WATER	Beverage	-	The trademark registration has been submitted and is pending approval from the Department of Intellectual Property, Ministry of Commerce.

## 4.6 Investment policy in subsidiaries

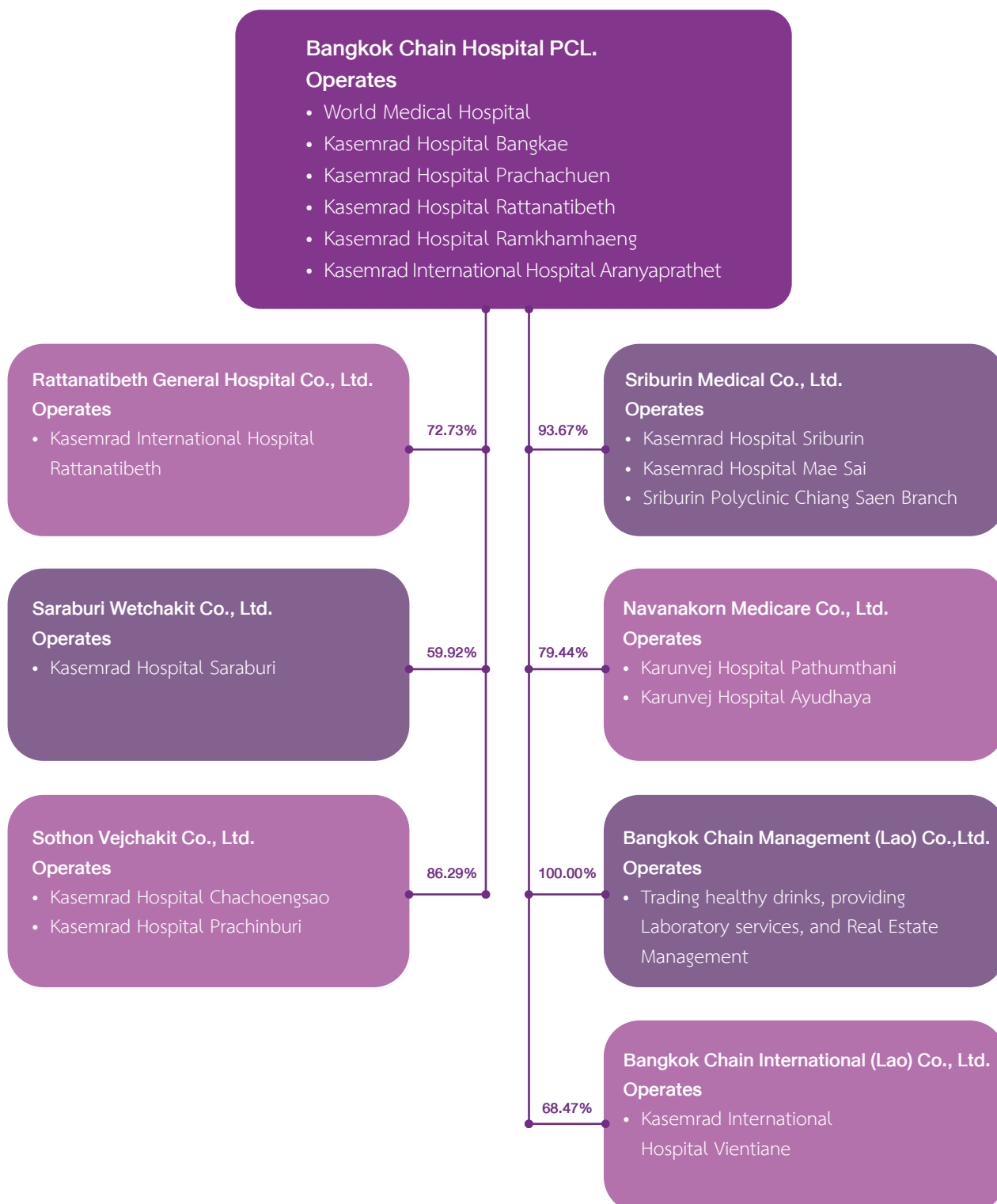
As of 31 December 2022, the company has investments in 7 subsidiaries in which the company has control or holds more than 50 percent of the shares. The value under the total cost method is approximately 2,556.52 million baht, representing the investment in subsidiaries approximately 12.91 percent of the total assets. The details are as follows:

Subsidiary	Shareholding (%)	Nature of business
Rattanatibeth General Hospital Co., Ltd.	72.73	Kasemrad International Hospital Rattanatibeth
Saraburi Wetchakit Co., Ltd.	59.92	Kasemrad Hospital Saraburi
Sriburin Medical Co., Ltd.	93.67	Kasemrad Hospital Sriburin Kasemrad Hospital Mae Sai Sriburin Polyclinic Chiang Saen branch
Navanakorn Medicare Co., Ltd.	79.44	Kasemrad Hospital Pathumthani Kasemrad Hospital Ayudhaya
Sothon Vejchakit Co., Ltd.	86.29	Kasemrad Hospital Chachoengsao Kasemrad Hospital Prachinburi
Bangkok Chain Management Co., Ltd.	100.00	Selling healthy drinks, providing medical analysis & research services in operation rooms
Bangkok Chain International (Lao) Co., Ltd.	68.47	Kasemrad International Hospital Vientiane

The company has a policy to invest in subsidiaries by participating in not less than 50 percent of the investment and significantly participate in the management. The investment will be based on economic conditions, business growth, focusing on specific businesses or products related to the hospital business and healthcare services in which the company currently operates. However, investments in subsidiaries must be considered and approved by the Board of Directors. The company has a management policy in its subsidiaries whereby the company will send directors who are representatives of the company to participate in the management in proportion to the company's holding to involve in expressing opinions, formulating important policies, controlling the business operations of the subsidiaries to be appropriate and consistent with the policies of the company's Board of Directors.

## 1.3 Organization Structure

### 1.3.1 Shareholding Structure of the company



As of 31 December 2022

### 1.3.2 Relationship with subsidiaries

The company holds majority of shares in subsidiaries, therefore it can be assured that there is no person who may have conflict of interest in holding shares in the subsidiaries.

### 1.3.3 Relationship with major shareholders

The Group does not depend on or compete with the business of the major shareholder in any significant way.

### 1.3.4 Shareholders

As of the latest share registration book closing date on 1 September 2022, the list of major shareholders of the company are as follows:

No.	Shareholder	Share	Percentage
1	Mr.Chalerm Harnphanich	813,750,000	32.63
	Mrs.Somporn Harnphanich	175,795,000	7.05
	Ms.Pornluck Harnphanich	85,745,000	3.44
	Ms.Pornsuda Harnphanich	85,745,000	3.44
	Mr.Kantaporn Harnphanich	85,465,000	3.43
	<b>Total</b>	<b>1,246,500,000</b>	<b>49.99</b>
2	THAI NVDR CO., LTD.	286,746,166	11.50
3	SOCIAL SECURITY OFFICE	48,093,850	1.93
4	THE BANK OF NEW YORK MELLON	35,017,402	1.40
5	VIBHAVADI MEDICAL CENTER PCL	26,500,000	1.06
6	STATE STREET EUROPE LIMITED	23,753,211	0.95
7	BNY MELLON NOMINEES LIMITED	21,668,558	0.87
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	20,422,639	0.82
9	Mr. Eiam Achavakulthep	17,600,000	0.71
10	SOCIAL SECURITY OFFICE BY UOB ASSET MANAGEMENT (THAILAND) CO., LTD.	14,374,100	0.58
	<b>Total</b>	<b>494,175,926</b>	<b>19.82</b>
<b>Total</b>		<b>1,740,675,926</b>	<b>69.81</b>

Remarks: 1) Data from Thailand Securities Depository Co., Ltd. (TSD)

2) The remainder is institution and minor shareholder.

As of 1 September 2022, the group of major shareholders who have a significant influence on the determination of management policies or the company's operations is the Harnphanich Family Group, holding 49.99 percent of the company's shares.



## 1.4 Registered and paid-up capital

The Company has a total registered capital of 2,493.75 million baht, divided into 2,493.75 million ordinary shares with a par value of Baht 1 per share, which is 2,493.75 million baht of issued and paid-up capital.

## 1.5 Other securities issuance

As of 31 December 2022, the company has 1 debenture that have not yet matured, totaling 1,000 million baht, with details as follows:

Lots of debentures	Total issue amount (Million baht)	Outstanding debenture (Million baht)	Maturity date	Coupon rate (%)	Credit Rating
1/2564	1,000	1,000	31 Mar 2023	1.31	A

## 1.6 Dividend policy

The company has a dividend payout policy to the shareholders at a rate of not less than 40 percent of the net profit after tax and the legal reserve of the separate financial statements if there is no other necessity and the dividend payment does not significantly affect the normal operations of the company. In this regard, the dividend payment must be considered by various factors such as the company's operating results, liquidity, business expansion, and other factors related to the company's management. The dividend payment must be approved by the shareholders and/or the Board of Directors as appropriate.

The dividend payments of the company in the past 5 years are as follows:

Dividend Payment for Annual Performance	2018	2019	2020	2021	2022
Earnings per share - Consolidated (Baht/share)	0.44	0.46	0.49	2.75	1.22
Earnings per share - Separate (Baht/share)	0.45	0.36	0.49	2.02	1.46
Dividend per share (Baht/share)	0.23	0.23	0.23	1.20	0.80
Par value (Baht/share)	1.00	1.00	1.00	1.00	1.00
Dividend payout/Profit attributable to owners of the company (Percent)					
- Consolidated	52.65	50.54	46.65	43.71	65.65
- Separate	51.68	63.96	46.93	59.29	54.93

## 2. Risk management

### 2.1 Risk management policy and plan

The company recognizes the importance of good corporate governance to drive the organization to grow and expand business with stability, having a stable financial position, and generating returns to shareholders at an appropriate level by considering the risks, sustainable development in both environmental, social, and corporate governance.

The company has established risk management policies and procedures to oblige as a framework for operational guidelines as well as to ensure efficient risk management processes and standards in line with good corporate governance.

#### Risk management framework

Risk management is an element of good corporate governance. Besides supporting the company to achieve its goals, it can also create added value for the company's stakeholders in another way.

There is a risk management team to supervise such operations in accordance with good corporate governance, transparency, and fairness to all relevant departments. The company requires that the risk assessment is carried out on a regular basis (at least once a year), which the assessment plan will be prepared in the fourth quarter of every year in all departments of the company and its subsidiaries.

### 2.2 Risk factors

#### 2.2.1 Company's business risks

##### Business operating risks

#### (1) Risk from regulatory changes on managed care programs

In 2022, the company has revenue from Social Security Scheme approximately 33.34 percent of total revenue from hospital operations. Therefore, regulatory changes on managed care programs could affect the company's business operations. However, the management closely monitors the changes and actively participates in the policy setting discussion as well as providing the necessary information to the Government Agencies' Committee. The company's executives have joined as members of various committees such as the Medical Social Security Committee, the Public Health Commission, and the Senate. Furthermore, the company has a policy to control its expenditures and actively assess the changes of aforementioned managed care programs in order to reduce any potential negative effect to the company's performance.

#### (2) Risk from competition in private hospital industry

Since the COVID-19 pandemic, the competition in private hospital business has been continually increasing and slightly returning to normal situation which competes in providing the tertiary care and specialized treatment upon each company expertise to maintain current patients satisfaction and also attract new patients. The company has enhanced capabilities by providing comprehensive medical services in order to increase competitiveness and create uniqueness of affiliated hospitals including the expansion of new hospitals in many strategic areas both domestic and international. As a group of hospitals, the company also benefits from cost effective procurement through central procurement department which also leads to an increase in competitiveness.

According to our business plan of 2022, the company opened Bangkok Chain Laboratory and Pathological Clinic to provide laboratory analysis center services to reduce referral costs for affiliated hospitals, opened the new International Diabetic Wound Center to provide comprehensive care and rehabilitation services for patients with diabetes at Kasemrad Hospital Ramkhamhaeng, and opened the heart center to provide comprehensive diagnosis and treatment of heart disease at Kasemrad International Hospital Vientiane which is the first foreign-owned private hospital with comprehensive medical services in Lao PDR. In addition, the company opened the Regenerative Medicine Center and also renovated service areas and in-patient wards in some affiliated hospitals to serve patients conveniently and enhance competitiveness. Moreover, the company is currently studying strategic areas that have potential for future hospital expansion in order to increase service areas to serve and attract new customers.

### **(3) Risk from shortage of medical staff**

The company's business operations are service-base which necessarily depends on experienced and well-trained medical staff including physician, pharmacist, nurse, and other specialties. The intense competitions among hospitals both private and public hospitals caused the snatch of medical staff across hospitals. To retain its physicians and staff, the company provides competitive remuneration package, employees welfare program and training courses. Moreover, the company offers employees the opportunities to participate in management discussions so they can be a part of business growth.

### **(4) Risk from litigation**

Due to the fact that consumers are now getting more information and awareness of their rights, including the enactment of new laws that protect their rights and benefit such as Consumer Proceedings Act, B.E. 2551, Consumer Organization Council Establishment Act, B.E. 2562, Personal Data Protection Act B.E. 2562, etc. Such laws will facilitate consumers in litigation with medical facilities and medical personnel, thereby increasing the risk of litigation from providing medical services.

The company is aware of the aforementioned risk factors and therefore has established Risk Management measures with a process to monitor and control the quality and standards of medical care, including evaluating service satisfaction. The company has continuously strengthened its service standards according to Hospital Accreditation (HA), Joint Commission International (JCI). Additionally, the company focuses on reporting and negotiating when there are complaints from patients, in order to prevent or reduce legal disputes.

Nevertheless, the company has a lawsuit filed by a patient claiming damages related to medical treatment, in which details are shown in Note 27 to the financial statements

### **(5) Risk from corruption**

The company operates a private hospital business which is related to many sectors such as National Health Security Office on disbursement under service agreements. Social Security Office on application or renewal to provide annual medical services to the insurers, Healthcare Accreditation Institute, and the Ministry of Natural Resources and Environment on requesting approval of the Environmental Impact Assessment (EIA) for opening a new hospital or increasing the number of registered beds, etc. Therefore, the company may face the risk of corruption from employees, either from insiders or outsiders of the company.

The company is aware of the potential for corruption incidents and therefore has established concrete guidelines on various matters through the anti-corruption policy which expresses the company intention to oppose corruption and the anti-corruption handbook which clearly set the criteria in anti-corruption practices. Moreover, the company also provided communication and training to directors, executives, and employees of the company and its subsidiaries, as well as agents, business intermediaries, distributors of goods/services, contractors, consultants of related companies, or those acting on behalf of the company and/or its subsidiaries.

#### **(6) Risk from personal data breach**

The company operations are collecting and using confidential and personal information including patients, business partners, and employees which may cause the risk of personal data breach from the operations for example, the access from unauthorized employees, human error, and misuse of the information. The data breach will affect public confidence, company reputation, and widely cause the negative impact to the company. Moreover, it also has a significant impact on the company operating results, financial position, and cash flow.

The company emphasized the privacy data protection through developing the privacy notice, consent form, personal data protection guidelines and the appointment of Data Protection Officer to monitor data protection compliance and advise on data protection obligations in order to comply with the General Data Protection Regulation Act B.E.2562 (PDPA). Not only to comply with the law, but also to ensure that the customer rights related to data security are carried out in accordance with the principles of personal data protection laws.

### **Financial risks**

#### **(7) Credit risk**

Due to affiliated hospitals provide medical services for many patient groups including cash patients both self-pay patients, patients who have health insurance from private insurance companies, and social security patients. The company mitigated the risk by discussion with the patient about medical treatment and expenses incurred throughout the entire treatment course and also provided the option for the installment payments to minimize the burden of one-time payment after the treatment. The company established a credit policy followed by customer creditworthiness analysis individually before the payment and delivery terms and conditions were offered. Moreover, the company also closely monitored the payments collected from counterparty, insurance company, and the government to ensure the payments are in accordance with the agreed terms and conditions.

#### **(8) Liquidity risk**

The company monitored its liquidity risk and maintained a level of cash and cash equivalents deemed adequate to finance the company and its subsidiaries operations and also considered the necessity of funding is in line with the expansion plan or the future investment.

#### **(9) Risk from the fluctuation of interest rate**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the company operations and its cash flows. However, the company has allocated the proportion of the company and its subsidiaries loans which are fixed interest rates and variable interest rates appropriately. The company also monitored and managed the risk through the appropriate cost funding, created a financial forecast, and calculated

and analyzed various financial ratios that will occur in the future to maintain key financial ratios at appropriate levels.

#### **(10) Risk from the fluctuation of foreign exchange rate**

Since the company has expanded and opened the hospital in foreign country which generated revenues and also funded in foreign currency for example, the Lao Kip of Lao PDR. According to the expansion, the company may affect by the exchange rate fluctuation. Therefore, the company set financial measure by matching revenues and expenses in foreign currency (Natural Hedge) to appropriately hedge against that risk.

### **Emerging risks**

#### **(11) Risk from the advancement of technology systems**

The advancement of technology which helps increase the opportunities of business developments and services and comfortably enhance the quality of life. On the other hand, the advancement also leads to cybersecurity threat for example, hacking to gain unauthorized access, phishing, and system failure which affect to public confidence, company reputation, and also has a significant impact on the company operating results, financial position, and cash flow. The company has continually planned and improved its technology security system to prevent violations of the information system including with continually raising the employee awareness in cybersecurity.

#### **(12) Risk on health impact from climate changes**

The global environmentals have been changing, resulting in global warming effect, flooding, drought, fire, heat waves, and air pollution which unavoidably affect to life and health of people around the world and also lead the world towards emerging diseases from changing in the lifestyle and health.

Even though the situation helps facilitate the company and affiliated hospitals with positive outlook on the performances and revenues. Meanwhile, the company may face with challenges on business operations for example, hospital bed shortage and overcrowding in emergency services. The company set the responding guidances from its experiences and expertises since the COVID-19 pandemic for example, hospital networking, telemedicine, new technologies to provide medical services conveniently.

### **2.2.2 Shareholder's investment risk**

As market demand and supply are constantly fluctuating, which is often caused by various factors that impact the price of a securities. The price of a security is not solely dependent on the company's performance. Therefore, it is a risk to securities holders, which they often diversify their investments in securities in different industries in order to diversify their risks and reduce the total or partial loss of investments.

The company has measures to manage such risks by adhering to good corporate governance and sustainable business principles to ensure fairness to all shareholders equally.

### **2.2.3 Risk from investing in foreign securities**

The company's subsidiary invested in foreign bills which issued by the Bank of the Lao PDR (BOL). BOL bills were fixed coupon rate bill and matured in January 2023. However, such bills were received in foreign currency, the Lao Kip of Lao PDR, thus the company may affect by the exchange rate fluctuation. Consequently, the company set financial measure by matching incomes and expenses in foreign currency (Natural Hedge) to appropriately hedge against that risk.



## 3. Business Operations for Sustainability

### 3.1 Guidelines and goals on sustainable development

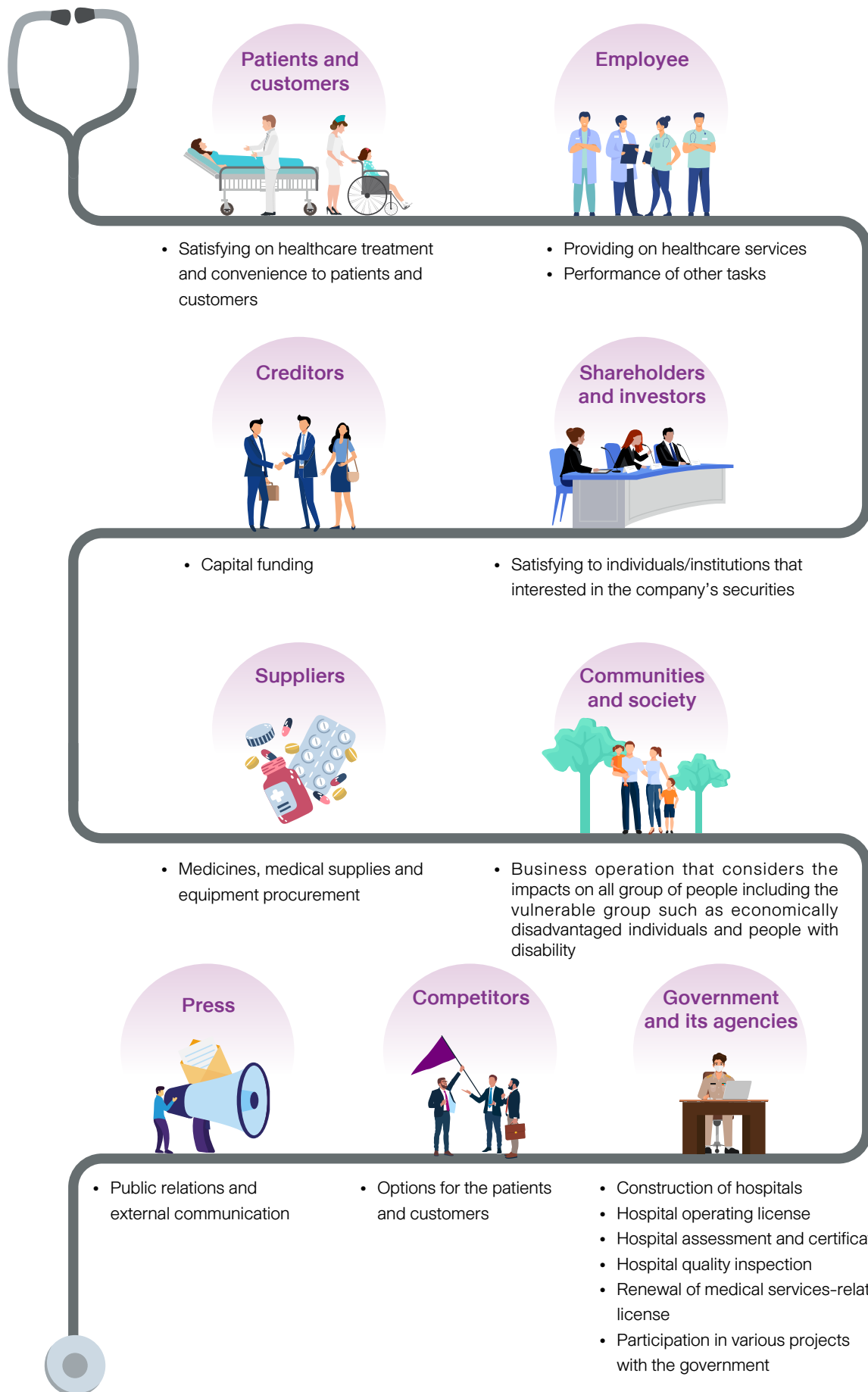
The company operates business with ethics, transparency, reliability, and fair treatment of all stakeholders, together with a good audit system and the consideration on surrounding society, to ensure against the business standard and also in line with the sustainable development. The company is implementing the integration of the Environment, Social, and Governance (ESG) practices into business operation with aims to enhance sustainability for all relevant stakeholders and also increase capability to overcome rapid challenges and risks to prevent and mitigate the impacts on the company, communities, society, and the environment. This sustainability integration also builds confidence on business operation to all groups of stakeholders. Therefore, the company has introduced business strategy for being one of the leading healthcare service providers in Thailand and ASEAN. The strategies also cover building business partner to increase service efficiency, creating brand awareness to cover all groups of customers, and developing specialist doctors and staff to be in line with hospitality standards.

To serve the company commitment on sustainability, the Board of Directors' Meeting No. 2/2023 on 28 February 2023 approved an increase in the scope of duties and responsibilities of the Risk Management Committee to be the Sustainability, Governance and Risk Management Committee ("Sustainability Committee") which responsible for the sustainability policies as well as the enforcement and management sustainability-related matters in the company. Moreover, the committee responsibilities also cover on raising employee awareness and participation on integrating sustainability into business operation which is one of the key factor to facilitate the sustainable growth of the company in the future through the company's strategy.

### 3.2 Management of impacts on stakeholders in business value chain

#### 3.2.1 Business Value Chain

The company emphasizes on the stakeholders through the identification all stakeholders across business value chain from upstream to downstream, covering both main activities and supporting activities of the company. Furthermore, the company also assesses the importance of each stakeholder from Impact and Interest on the company to classify the stakeholders into four groups; (1) Closely engagement group; patients and customers, employees, (2) Maintaining satisfaction group; shareholders and investors, creditors, suppliers, (3) Continually providing information group; communities and society, government and its agencies, and (4) Following up group; competitors and press. The summary of all stakeholders and activities are as follows:






As stated above about the stakeholders' engagement in company activities, the business issues can be shown as follows:







### 3.2.2 Analysis of stakeholders in business value chain

The company provides the procedures to manage the impacts on the stakeholders which may be affected or affected to company operation throughout the commutation strategies and channels to engage with all stakeholders as well as encourage the understanding and good relationship which are the key factors to support sustainable business operation in the long term. The below table shows value chain stakeholders' expectation and needs as well as responding strategies to company stakeholders.

Stakeholders	Expectation and needs	Communication/Channel	Responding strategies
<b>1. Patients and customers</b> 	<b>Delivery of Quality Healthcare</b> <ul style="list-style-type: none"> <li>Healthcare services in accordance with standards and ethics</li> <li>Services satisfaction</li> <li>Obtaining accurate, clear, fast, and convenient health information</li> <li>Appropriate medical service fees</li> </ul> <b>Data Privacy &amp; Security</b> <ul style="list-style-type: none"> <li>Data Privacy and security of personal and treatment information</li> </ul>	<ul style="list-style-type: none"> <li>Offline and online channels for communication and consultation such as Website, Facebook, Line, Twitter, and call center 1218</li> <li>Customer satisfaction survey</li> <li>Public relations activities and healthcare knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>Providing healthcare services with the Hospital Accreditation (HA) and the Joint Commission International (JCI) standards</li> <li>Receiving opinions, suggestions, and complaints to improve company services</li> <li>Healthcare education and knowledge sharing</li> <li>Assigning the customer relations department to estimate the fee and inform patients in advance</li> <li>Setting a system that protects patients' data and treatment information</li> </ul>
<b>2. Employee</b> 	<b>Organization &amp; Human Resource Development</b> <ul style="list-style-type: none"> <li>Learning, talent development, and skills enhancement in line with business changes</li> <li>Fair Labor Practice</li> <li>Appropriate remuneration and welfare and career growth opportunities</li> <li>Company's activities engagement</li> </ul> <b>Occupational Health and Safety</b> <ul style="list-style-type: none"> <li>Occupational Health and Safety according to standards</li> </ul>	<ul style="list-style-type: none"> <li>CEO roadshow</li> <li>New employees' orientations</li> <li>Seminars and trainings</li> <li>Suggestion and opinion hearings</li> <li>Internal communication</li> <li>Employee engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>Seminars and training for employee knowledge and skill development</li> <li>Listening to employee opinions, suggestions, and needs</li> <li>Communicating news and policies which related to employees such as human rights policy</li> <li>Encouraging employees to participate in various activities</li> <li>Setting appropriate remuneration and welfare</li> <li>Improving the working environment to be in line with occupational health and safety practices</li> </ul>

Stakeholders	Expectation and needs	Communication/Channel	Responding strategies
<b>3. Shareholders and investors</b> 	<b>Financial Performance</b> <ul style="list-style-type: none"> <li>• Business growth and good performances</li> <li>• Good corporate governance and business transparency</li> <li>• Appropriate dividends and returns on investment</li> <li>• Transparency and continuity of business information</li> </ul> <b>Environment &amp; Social Responsibility</b> <ul style="list-style-type: none"> <li>• Business operation considering its continuity and sustainability with social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting of shareholders</li> <li>• Quarterly meeting between the company and shareholders and investors i.e., Analyst Meeting, Opportunity Day, Company Visit, Conference Call, Roadshow</li> <li>• Information disclosure through the Stock Exchange of Thailand</li> <li>• Communication through website, telephone, email, and annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Good performance and appropriate dividends in accordance with company's policy</li> <li>• Operating business under strict and prudent risk management with the transparent, fair, and traceable governance</li> <li>• Disclosing necessary and significant information relating to the business operation</li> <li>• Improving investor relations website with up-to-date information</li> <li>• Listening to shareholders and investors voices and suggestion</li> </ul>
<b>4. Creditors</b> 	<b>Financial Performance</b> <ul style="list-style-type: none"> <li>• Return of principals and interests as stated in contracts</li> <li>• Business growth and good performances</li> </ul> <b>Corporate Governance &amp; Transparency</b> <ul style="list-style-type: none"> <li>• Good corporate governance and business transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Information disclosure through the Stock Exchange of Thailand</li> <li>• Quarterly business performance meeting</li> <li>• Communication through website, telephone, email, and annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Creating good performance, returning principals and interests as agreed</li> <li>• Operating business under strict and prudent risk management with the transparent, fair, and traceable governance</li> <li>• Disclosing necessary and significant information relating to the business operation</li> </ul>
<b>5. Supplier</b> 	<b>Supply Chain Management</b> <ul style="list-style-type: none"> <li>• Fair and transparent negotiation or agreement</li> <li>• Opportunities to continue being business partners</li> </ul> <b>Data Privacy &amp; Security</b> <ul style="list-style-type: none"> <li>• Data privacy and security of trade agreement or contract</li> </ul>	<ul style="list-style-type: none"> <li>• Company Visit</li> <li>• Meetings such as new product presentation, product usage instruction</li> </ul>	<ul style="list-style-type: none"> <li>• Remaining good relationship</li> <li>• Disclosing bidding information with transparency and fairness</li> <li>• Regularly receiving suggestions</li> <li>• Promoting sustainable business for business partners</li> <li>• Protect the data privacy of suppliers</li> </ul>

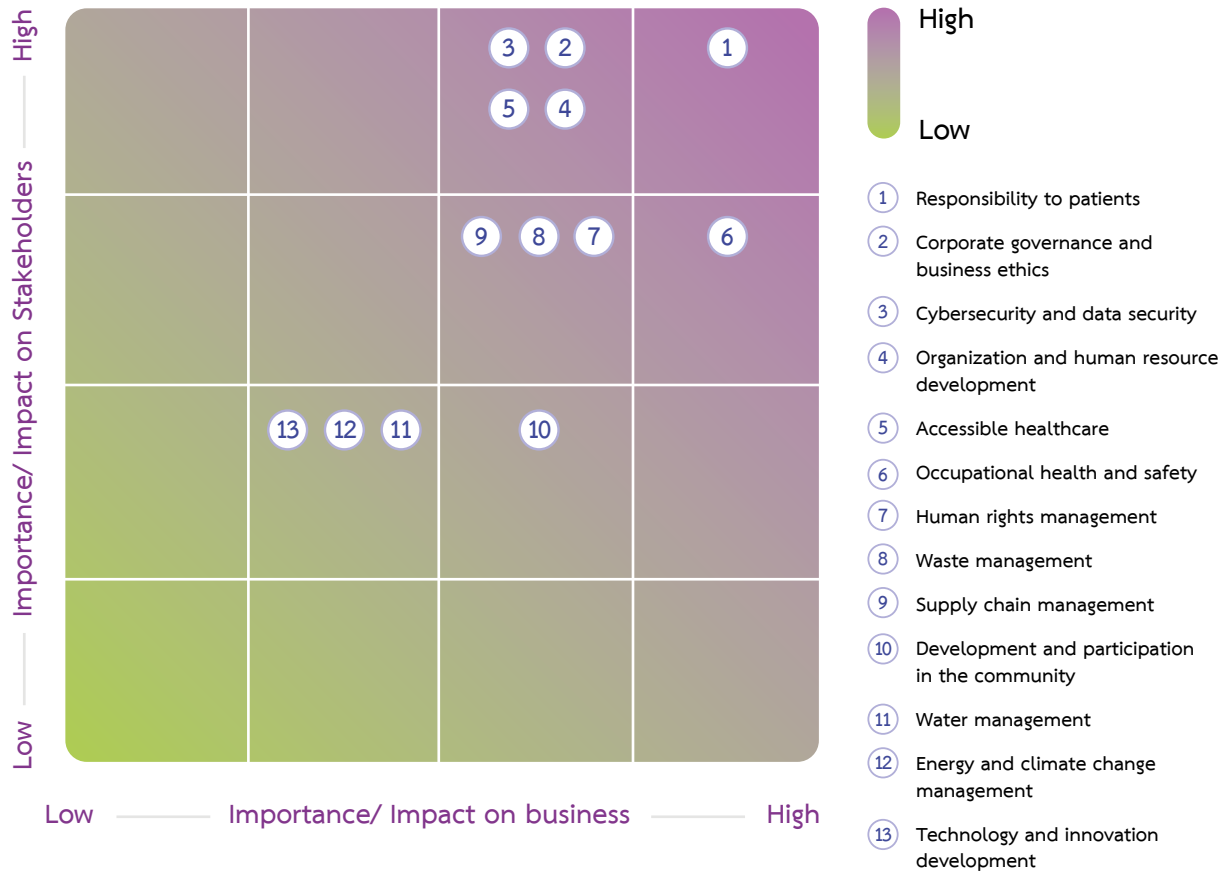


Stakeholders	Expectation and needs	Communication/Channel	Responding strategies
<b>6. Communities and society</b> 	<b>Environment &amp; Social Responsibility</b> <ul style="list-style-type: none"> <li>• Accessible healthcare improvement for promoting quality of life</li> <li>• Activities to promote and support communities and the society including awareness raising related to health issues</li> <li>• Business operation that least affecting communities and society in a negative way</li> </ul> <b>Climate Change</b> <ul style="list-style-type: none"> <li>• Proper climate management</li> </ul>	<ul style="list-style-type: none"> <li>• Suggestions and opinions hearing</li> <li>• Community engagement such as knowledge sharing, health promoting, and volunteering activities</li> </ul>	<ul style="list-style-type: none"> <li>• Affiliated hospitals providing services to Social Security insured persons</li> <li>• Hospital expansion to rural areas where healthcare accessibility is limited</li> <li>• Encouraging communities and society to engage in company activities</li> <li>• Continually providing financial support for CSR activities</li> <li>• Providing channels for suggestions, opinions, and complaints</li> </ul>
<b>7. Government and its agencies</b> 	<b>Corporate Governance &amp; Transparency</b> <ul style="list-style-type: none"> <li>• Laws and regulations compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Providing opinions and suggestions on governmental regulations and practice guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly operating business in accordance with related laws and regulations</li> </ul>
<b>8. Competitors</b> 	<b>Corporate Governance &amp; Transparency</b> <ul style="list-style-type: none"> <li>• Business operation under fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Following on industrial trends</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting the free market</li> <li>• Operating business under the fair competition</li> </ul>
<b>9. Press</b> 	<b>Corporate Governance &amp; Transparency</b> <ul style="list-style-type: none"> <li>• Obtaining precise, fast, and timely information</li> <li>• Press has an opportunity to meet with executives</li> </ul>	<ul style="list-style-type: none"> <li>• Executives' interviews through various channels</li> <li>• Information disclosure through the Stock Exchange of Thailand, website, telephone, and annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosing necessary and significant information relating to the business</li> <li>• Listening to their voices and suggestion</li> </ul>

### 3.2.3 Assessment of company sustainable materiality

The company selected and assessed all business topics and considered the expectations and needs of stakeholders to prioritize company sustainable materiality through the comparison between the importance/impact on sustainable business operation and the importance/impact on stakeholders. In 2022, the company reviewed the sustainable materiality and presented to the Risk Management Committee, the summary of company materiality are as follows. Other information about company sustainability were shown in the Sustainability Report 2022.

## Materiality Matrix



## 2022 Materiality Issues



## Sustainability policies and goals

The company established guidelines on sustainable development that aligned with 13 goals of the United Nations' Sustainable Development Goals (SDGs) as follows:

Sustainability Framework	Key points	Management guidelines
Economic	<ul style="list-style-type: none"> <li>Responsibility to patients</li> </ul>   	<ul style="list-style-type: none"> <li>Improving services quality and patient's confidence</li> <li>Providing patient services in accordance with HA and JCI standards</li> </ul>
	<ul style="list-style-type: none"> <li>Corporate governance and business ethics</li> </ul> 	<ul style="list-style-type: none"> <li>Conducting business under strict and prudent risk management with transparent, fair, and verifiable corporate governance</li> <li>Strictly conduct business activities properly and appropriately in accordance with relevant laws and regulations</li> </ul>
	<ul style="list-style-type: none"> <li>Cybersecurity and data security</li> </ul> 	<ul style="list-style-type: none"> <li>Improving the capabilities in protecting stakeholder's confidential information</li> <li>Preparing guidance in the personal data rights</li> </ul>
	<ul style="list-style-type: none"> <li>Supply chain management</li> </ul>   	<ul style="list-style-type: none"> <li>Conducting risk assessments on an annual basis</li> <li>Improving services quality and patients' confidence</li> </ul>
	<ul style="list-style-type: none"> <li>Technology and innovation development</li> </ul>  	<ul style="list-style-type: none"> <li>Promoting the development of innovative medical services using technology to create business opportunities</li> </ul>
Social	<ul style="list-style-type: none"> <li>Organization and human resource development</li> </ul>    	<ul style="list-style-type: none"> <li>Conducting employee knowledge and skill training for efficient performance</li> <li>Appropriate remuneration and welfare and career growth opportunities</li> <li>Encouraging employee and relevant stakeholders' participation for social value creation and engagement</li> </ul>

Sustainability Framework	Key points	Management guidelines
	<ul style="list-style-type: none"> <li>Accessible healthcare</li> </ul> 	<ul style="list-style-type: none"> <li>Provide healthcare services to the Social Security insured persons</li> <li>Provide healthcare services in rural areas to increase the efficient healthcare accessibility</li> </ul>
	<ul style="list-style-type: none"> <li>Occupational health and safety</li> </ul> 	<ul style="list-style-type: none"> <li>Raising awareness and changing working behavior to the safety culture</li> </ul>
	<ul style="list-style-type: none"> <li>Human rights management</li> </ul> 	<ul style="list-style-type: none"> <li>Respect human rights, equality, non-discrimination, and diversity</li> </ul>
	<ul style="list-style-type: none"> <li>Development and participation with community</li> </ul> 	<ul style="list-style-type: none"> <li>Supporting the provision that benefits public interests</li> <li>Promoting health education and healthcare accessibility to communities and society</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Waste management</li> </ul> 	<ul style="list-style-type: none"> <li>Promoting proper waste management</li> <li>Waste reduction at its original source such as plastic reduction behavior</li> </ul>
	<ul style="list-style-type: none"> <li>Water management</li> </ul> 	<ul style="list-style-type: none"> <li>Campaign for water saving</li> </ul>
	<ul style="list-style-type: none"> <li>Energy and climate change management</li> </ul> 	<ul style="list-style-type: none"> <li>Organizing activities to raise awareness of energy conservation for employees, business partners, patients, and customers</li> <li>Changing hospital and office supplies to energy saving type such as energy saving light lamps</li> <li>Installation of renewable energy to decrease energy usage and greenhouse gases</li> </ul>



### 3.3 Governance and Economic Sustainability Development

#### 3.3.1 Governance and Economic policies and practice guidelines

Corporate governance is one of the key sustainability that the public have high attention because it is the improvement factor of business operation to efficiently achieve business goals. The company emphasizes on business operation under transparency, fair, ethical in accordance with good corporate governance as well as the respect of human rights and responsibilities to all group of stakeholders. Moreover, the company also focuses on appropriately supply chain management and risk management including technology adoption and data security. These activities aim to increase customer satisfaction and reliability which drive the company towards more competitive advantage in the long term. The policies to respond economics sustainability are as follows:

##### (1) Service quality and Responsibilities to customer

The company recognizes the importance of the patient safety and has therefore established a quality control policy for healthcare services and developed internal guidelines that comply with national and international standards, aimed at reducing reputational risks that may arise from complaints regarding patient safety and business operations. In addition, the company adopts various quality systems for the continuous patient care process, such as the Hospital Accreditation (HA) standard from the Healthcare Accreditation Institute and international accreditation standards, as Joint Commission International (JCI).

Furthermore, the company also continues to handle its customer relationship management (CRM) system, with a focus on enhancing customer satisfaction, together with providing services with high-quality, standardized, and safe, which enhance confidence and trust among customers, thereby maintaining a loyal customer in the long term. The company emphasizes on providing patients with accurate and comprehensive information about the services offered to ensure patients understanding and providing an opportunity to participate in various considerations and decisions before treatment to maintain patients and customers satisfaction. Additionally, the company operates business with fair marketing strategies, avoiding any form of propaganda, and setting reasonable prices.

##### (2) Corporate governance and business ethics

The company adheres to operate the business in a fair business operations in all aspects with transparency, verifiability, free competition, no monopoly, and no violation of intellectual property. The company has also set a policy to have a contract to create fairness in business operations. There are quality control and satisfaction assessments of products and services for the maximum benefits to service receivers, including the scope of authority for approval by the executives in each department. Steps are taken to protect authorization that may lead to corruption, while establishing a reporting system for any risks so that all departments can report suspicions about unfair transactions to the company's top executives. Other information were shown in the Corporate Governance section.

##### (3) Cybersecurity and data security

The company values the importance of information management as it is related to the company stakeholder sensitive data. The company and affiliated hospitals strictly follow and comply with related laws and regulations on data protection and encourage the enhancement of the company technology system to ensure the data protection from cyber-attacks and unauthorized assess as well as raise awareness on technology usage to all employees. These activities aim to protect patients and stakeholders information and enhance patients trust in company services and also decrease the information technology risk that might occur to prevent negative impacts on company reputation and financial matters in the long run.

#### **(4) Supply chain management**

The effects of the COVID-19 pandemic and the Russian invasion of Ukraine have inevitably impacted to global economics and businesses, especially leading to shortages, rising and fluctuation prices, and transportation and shipping delays which may affect to the medicine, medical supplies and equipment's procurement of healthcare service provider. Therefore, the company has to focus on supply chain management as well as relationship and procedure management with all stakeholders to continuously maintain business operation under any circumstances.

The company has integrated sustainability practices into business operation across supply chain, covering the environment, social responsibility, and corporate governance (ESG) issues, and the company also considers all these aspects in every activities from upstream to downstream. These activities increase business opportunities, mitigate the risks and also improve competitive performance of the company.

#### **(5) Technology and innovation development**

Technology and innovation are essential to the company business with convenient facilitating the medical services and supporting the patients as well as increasing the competitive advantage. Therefore, the company emphasizes on the development and utilization of technology and innovation, both in the medical and typical services, to provide good experiences on medical services for patients and customers.

### **3.3.2 Governance and Economic performance**

The company continuously focuses on business operation to achieve the sustainability on Governance and Economic framework. Other information were shown in Corporate Governance section of the Annual Report 2022 (56-1 One Report) and the Sustainability Report 2022.

## **3.4 Social Sustainability Development**

### **3.4.1 Social policies and practice guidelines**

The employees, suppliers, customers, and the surrounding communities are the key resources that continuity support business operation to achieve company goals. The company recognizes these factors through the strategies on fair and equality human resource development, responsibilities to suppliers, maintaining the relationship with the surrounding communities and enhancement the quality of life in the area that company operated. Furthermore, the company has assessed the key issues on social framework for example, organization and human resource development, accessible healthcare, occupational health and safety, human rights management, and development and participation in the community. The policies to respond social sustainability are as follows:

#### **(1) Organization and human resource development**

The company is aware of the importance of human resources on business operation to reach company goals and sustainable company achievement. The human resources development will cover both knowledge and skill for employees as well as the efficient working processes and practices. Moreover, the development also focuses employees, directors, and executives, other information were shown in Corporate Governance section, Employee Information and the Recruiting, Developing and Evaluating the Board of Directors Performance of the Annual Report 2022.

## **(2) Accessible healthcare**

The company recognizes that easily and good quality of healthcare accessibility are the basic human rights and also the importance goal of company with aims to facilitate patients and customers with the difference in various issues, such as geographic and economic status, to be able to easily access efficient medical treatment. The efficient healthcare accessibility system will provide people with good health condition, quality medical services, and mitigate patient's mortality rate. The company operates business with nice, fair and comprehensive medical services under the cares from highly skilled and experienced doctors, nurses, and medical personnel available 24 hours a day together with modern medical equipment. Additionally, the company also provides people with medical information and knowledge sharing, preventive suggestions, and appropriately health promotion.

## **(3) Occupational health and safety**

Occupational health and safety is one of the important factor which relates to medical personnel, employees, and stakeholders' health as well as such factor may affect to business operations. The company is aware and recognizes the health and safety issues to build a corporate culture and environment and improve confidence of all stakeholders through the operation of affiliated hospitals that strictly comply with the Hospital Accreditation (HA) standard and international accreditation standards, Joint Commission International (JCI). Moreover, the company established the occupational health and safety policies to be company framework related to safety, occupational health, and workplace environment and also enforced these policies to all employees.

## **(4) Human rights management**

The company focuses on human rights awareness along with the operations under good corporate governance and business ethics. The company is committed to treat all employees, patients, and customers with equality, fairness, and respect with irrespective of gender, religion, cultural, racial, gender differences, and economic status due to the company operations that involved with variety of stakeholders and employees. These commitment will mitigate the human right violation risk that might occur to prevent negative impacts on company reputation.

## **(5) Development and participation in the community**

The company recognizes that building a strong and sustainable society is essential, and it is unable to operate alone. In addition to the projects initiated by the company, we also collaborate with other agencies and organizations related to society responsibility, to increase the opportunity for activities towards the achievement and widespread benefits, along with fostering employees with volunteering spirits and social responsibility throughout the experiences in social activities and these employees will become key forces in driving the progress of the company's social activities continually.

### **3.4.2 Social performance**

The company performs its business operation to achieve the sustainability on Social framework covering the impacts on employees, patients, hospital customers, and the surrounding communities and society through many projects for example, employee development, health and safety training, society responsibility activities, healthcare accessibility, health check-up unit, supplies and equipment donation for governance agencies. Other information were shown in the Sustainability Report 2022.

### 3.5 Environmental Sustainability Development

Thailand and all countries over the world are currently experiencing an environmental crisis especially from climate change and natural resources degradation which affect to quality of life and some economic activities. The company recognizes the problem and seriously willing to be part of environmental cares by assessing the environmental materiality to plan, manage, and control the impacts that may arise from business operation. The summaries of the key environmental issues are waste management, water management, and energy and climate change management.

#### 3.5.1 Environmental policies and practice guidelines

The company operates with environmental responsibilities and commits to reducing environmental impacts caused by human actions, both directly and indirectly, to achieve common benefits of all employees in the organization and express the company intention towards its responsibilities to society, community and stakeholders. The company policies related to environmental issues are as follows:

- Continuously raise awareness of environmental responsibility among employees at all levels.
- Return profits for creative activities related with the environment and natural resources conservation.
- Perform business operations with the least impacts and damages to society, the environment, and quality of life.
- Practice, cooperate, and control with a strict compliance to the spirit of laws and regulations issued by regulators.

##### (1) Waste management

The waste management is one of the most challenging factor in environmental issue. The company and affiliated hospitals recognize that healthcare service provider has to relate with a lot of wasteful supplies hence the company focuses on waste sorting process and waste reduction by 3Rs waste management; Reduce, Reuse, and Recycle, to mitigate the effect on environment from inappropriate waste sorting process.

The company and affiliated hospitals seriously promote waste sorting in the hospital, sorted wastes include general waste, recycle waste, infectious waste, and hazardous waste, and the company also establishes waste management procedures appropriate with each waste for example, infectious waste will be collected in the red bin or red biohazardous waste bag and must be put in a storage container with a lid to prevent the spread of the infection until it is picked up to infectious waste room and transferred for proper disposal.

Furthermore, the company and affiliated hospitals persist their policy to reduce plastic bags by campaigning for patients to use cloth bags instead of plastic bags for picking-up medicines. Such campaigning aims to reduce waste from plastic bag and lower the amount of carbon dioxide released into the atmosphere as well as the combustion from producing and burning of plastic bags. Additionally, the company also promotes the reduction of single use plastic cups or bottles by encouraging the employees bringing their own cups or bottles to use with the hygiene water filter at the company.



## (2) Water management

Currently, the severe climate changes affect to drought, flooding, water shortage, the company emphasizes on efficient water management to mitigate the impact on the surrounding communities and environment through the water saving project, to decrease the effect from water shortage and maintain water to be sufficient with the consumption, for example, campaign for employees and customers to save water by turning off the tap every time when not in use. Additionally, the company also maintains the water supply system to be always efficient and ready-to-use.

Furthermore, the company also has wastewater treatment plan from outside service provider which responsible for improving and controlling the wastewater system and analyzing of wastewater quality as well as frequently examination of effluent quality and efficiency of wastewater system equipment.

## (3) Energy and climate change management

During the past periods, the company continuously conducts energy conservation measures every year and promotes consciousness on energy conservation by providing training courses on energy saving, posting notifications on internal public relation board and in the elevators, encouraging employees and customers to use the stairs for 1–2 floors instead of the elevator and turn off the lights every time when not in use, as well as using air conditioning at 25 degrees. The company also uses energy-saving lamps within the hospital and adjusts the light to suit overall areas. Moreover, the company also promotes the decrease of energy usage of hospital cooling tower by the installation of energy saving fans which reduce energy usage, increase ventilation as well as support the cooling tower for the longer utilization.

In addition, the company has installed solar cells on the roof of hospital buildings and car parks at several hospitals that established since 2020 to indirectly reduce greenhouse effect. Currently, there are 4 hospitals that already installed solar cells for example, Kasemrad Hospital Prachinburi, Kasemrad International Hospital Aranyaprathet, Kasemrad Hospital Saraburi, and Kasemrad Hospital Sriburin.



### 3.5.2 Environmental performance

The company continuously focuses on business operation to achieve the sustainability on Environmental framework and mitigate the environmental impacts from business operation. Other information were shown in the Sustainability Report 2022.



## 4. Management discussion and analysis (MD&A)

### 4.1 Overview of the situation in 2022

The COVID-19 pandemic situation has significantly eased and recovered especially in the second half of 2022 which the government of each country have canceled the COVID-19 restriction measures, encouraged normal daily life as well as reopened for travelling aboard and cross-border business. The company and affiliated hospitals have changed strategic plan to facilitate patients in accordance with COVID-19 situation and severity which continually decreased over the period. The company has renovated and increased service areas, built specialized medical center, and installed medical equipment to serve patient needs especially preventive healthcare treatment which has been rising and support number of patients which increased from pent-up demand since the COVID-19 pandemic.

### 4.2 Analysis of the Consolidated Financial Performance

**In 2022, total revenue reported of 18,910.30 million baht which declined (12.17) percent however the operating revenue excluding COVID-19 related still increased**

The company had total revenue of 18,910.30 million baht, a decrease of (12.17) percent comparing to last year because of the revenue related to COVID-19 treatment which has been significantly declined in accordance with the recovery of COVID-19 situation. The company reported profit from operating activities of 4,192.87 million baht, a decrease of (55.86) percent comparing to last year and Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to 5,142.43 million baht, a decrease of (50.42) percent comparing to last year. Net profit attributable to owners of the Company amounted to 3,038.91 million baht which declined by (55.61) percent comparing to last year. The main reasons were the decrease in medical reimbursement from the government related to COVID-19 which had been changed from actual payment to fixed rate, the changed on medical treatment guidance of COVID-19 patients, the ease of COVID-19 restriction measures and the cancellation of COVID-19 screening, as well as the loss on decline in value on inventories relating to Moderna vaccines. However, the revenue of general patients, excluding the revenue related to COVID-19 from the government, still increased 25.36 percent from pent-up demand of both Thai and international patients.





## The revenue breakdown by patient type are as follows:

**Revenue from general patients** in 2022 amounted to 9,371.93 million baht, an increase of 25.36 percent yoy

Since the COVID-19 situation has been recovered resulting in the number of patients related to COVID-19 continually declined in the second half of 2022 whereas the general patients returned to the hospital for medical treatment. The revenue from general OPD patients amounted to 5,453.85 million baht, an increase of 30.57 percent and the revenue from general IPD patients amounted to 3,918.08 million baht, an increase of 18.75 percent yoy. Such revenues were in line with the number of patients for seasonal diseases treatment and pent-up demand for specialized medical treatment for example, specialized surgery center, regenerative medicine center, and specialized pediatrics center.

**Revenue from social security patients** in 2022 amounted to 3,370.90 million baht, an increase of 16.02 percent yoy

In 2022, the quota of insured person under the Social Security Scheme of affiliated hospitals amounted to 1,514,550 persons which the average number of insurers were 979,473 persons, an increase of 9.67 percent yoy resulted in the increase of basic capitation revenue under the Social Security Scheme. Moreover, such increased revenues were influenced by pent-up demand for high cost care (RW>2) for example, pain surgery, eye surgery as well as the opening of wide ranges specialized medical center thus, affiliated hospitals' compatibility has been increased to effectively facilitate insurers.

**Revenue from the government related to COVID-19 treatment** in 2022 amounted to 6,083.84 million baht, a decrease of (44.81) percent yoy

Due to the COVID-19 situation has been recovered resulting in the government announcement related to COVID-19 had been changed as well as the reduction of medical reimbursement from the government related to COVID-19 for example, the reduction of medical reimbursement rates from actual payment to fixed rate, the medical treatment guidance of COVID-19 patients with mild symptoms which changed from hospitals cares to home isolation and self-isolation as well as the cancellation of COVID-19 screening and the ease of government restriction measures since October 2022.

**Total Cost and Expenses** in 2022 amounted to 14,717.43 million baht, an increase of 22.33 percent yoy

Mainly from the increase of cost of hospital operations of 20.93 percent yoy for example the loss on decline in value on inventories relating to Moderna vaccines, doctor fees, service cost and personal expenses. For the increased of distribution costs and administrative expenses (SG&A) of 32.43 percent yoy which were affected by the foreign exchange loss and bad debt and expected credit loss. However, the company continually managed and controlled costs and expenses at appropriate level.

## Consolidated statements of comprehensive income of 2022

Consolidated Statements of Comprehensive Income (Unit : Million Baht)	2022	2021	Change (%)
Revenue from hospital operations	18,826.68	21,404.85	(12.04%)
Other income	83.62	124.55	(32.86%)
<b>Total Revenue</b>	<b>18,910.30</b>	<b>21,529.40</b>	<b>(12.17%)</b>
Cost of hospital operations	(12,771.55)	(10,561.31)	20.93%
Distribution costs and Administrative expenses	(1,945.88)	(1,469.33)	32.43%
<b>Total Expenses</b>	<b>(14,717.43)</b>	<b>(12,030.64)</b>	<b>22.33%</b>
<b>Profit from operating activities</b>	<b>4,192.87</b>	<b>9,498.76</b>	<b>(55.86%)</b>
Interest income	8.17	4.02	103.24%
Finance costs	(155.75)	(151.27)	2.96%
Share of profit of associate	0.34	2.13	(83.95%)
Tax expense	(888.26)	(1,846.19)	(51.89%)
<b>Profit for the year</b>	<b>3,157.37</b>	<b>7,507.45</b>	<b>(57.94%)</b>
Owners of the Company	3,038.91	6,846.00	(55.61%)
Non-controlling interests	118.46	661.45	(82.09%)
<i>Gross Profit Margin</i>	<i>32.16%</i>	<i>50.66%</i>	
<i>Operating Profit Margin</i>	<i>22.17%</i>	<i>44.12%</i>	
<i>EBITDA Margin</i>	<i>27.19%</i>	<i>48.18%</i>	
<i>Net Profit Margin</i>	<i>16.07%</i>	<i>31.80%</i>	

## Revenue Breakdown by patient type of 2022

Revenue Breakdown by patient type (Unit : Million Baht)	2022		2021		Change (%)
	Revenue	Proportion	Revenue	Proportion	
From general patients	9,371.93	49.78%	7,476.20	34.93%	25.36%
General OPD patients	5,453.85	28.97%	4,176.87	19.51%	30.57%
General IPD patients	3,918.08	20.81%	3,299.33	15.41%	18.75%
From social security patients	3,370.90	17.90%	2,905.41	13.57%	16.02%
From the government related to COVID-19	6,083.84	32.32%	11,023.24	51.50%	(44.81%)
Revenue from hospital operations	18,826.7	100.00%	21,404.85	100.00%	(12.04%)

Remark: Revenue from the government related to COVID-19 included medical treatment revenues that received from general patients and social security patients in accordance with government guideline for COVID-19 patient treatment.

## 4.3 Analysis of the Consolidated Financial Position

Consolidated Statements of Financial Position (Unit : Million Baht)	As of 31 December		Change (%)
	2022	2021	
Total assets	19,796.46	26,383.76	(24.97%)
Current assets	6,834.71	13,541.27	(49.53%)
Non-current assets	12,961.75	12,842.49	0.93%
Total liabilities	6,286.66	12,078.12	(47.95%)
Current liabilities	3,510.19	7,847.51	(55.27%)
Non-current liabilities	2,776.47	4,230.61	(34.37%)
Total Shareholders' Equity	13,509.80	14,305.64	(5.56%)
Equity attributable to the Company	12,444.90	12,979.72	(4.12%)
Non-controlling interests	1,064.90	1,325.92	(19.69%)

**Total assets** for 2022 totaled 19,796.46 million baht, a decrease of (24.97) percent comparing to last year

Mainly from the decrease of cash and cash equivalents from the dividend payment for the year 2021, the interim dividend payment for the year 2022, the repayment of debentures and loans from financial institutions, the purchase of land for new hospital expansion and the buildings renovation. Moreover, trade accounts receivable decreased from payment received from the government related to COVID-19 and the company also recorded the loss on decline in value on inventory.

**Total liabilities** for 2022 totaled 6,286.66 million baht, a decrease of (47.95) percent comparing to last year

Mainly due to the reduction of deferred income of the Moderna alternative vaccine, accrued expenses related to COVID-19 service, repayment of debentures, the loans from financial institutions, and income tax.

**Total Shareholders' Equity** for 2022 totaled 13,509.80 million baht, a decrease of (5.56) percent comparing to last year

Due to a decrease in the company's retained earnings from the dividend payment for the year 2021, the interim dividend payment for the year 2022.

Financial Ratio Highlights	For the year ended 31 December	
	2022	2021
Current Ratio (times)	1.95	1.73
Average Collection Period (days)	91.35	67.97
Average Inventory Period (days)	11.41	11.86
Average Payables Period (days)	24.15	25.20
Debt to Equity (times)	0.51	0.93
Return on Assets (%)	18.16	44.27
Return on Equity (%)	23.91	68.93

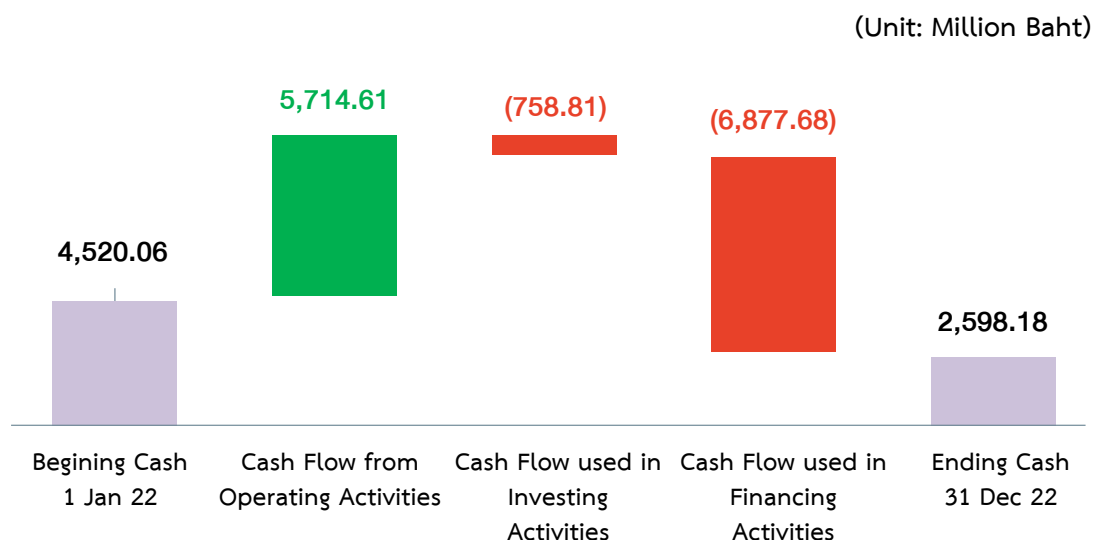
#### 4.4 Analysis of Cash Flow Statement

Consolidated Cash flow Statements (Unit : Million Baht)	For the year ended 31 December	
	2022	2021
Cash flow from operating activities	5,714.61	6,256.41
Cash flow used in investing activities	(758.81)	(1,495.48)
Cash flow used in financing activities	(6,877.68)	(1,184.67)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,921.88)</b>	<b>3,576.26</b>
Cash and cash equivalents at 1 January	4,520.06	943.80
Cash and cash equivalents at 31 December	2,598.18	4,520.06

## Cash and cash equivalents

as of 31 December 2022 decreased 1,921.88 million baht comparing to last year

Net cash at the beginning of the period as of 1 January 2022 amounted to 4,520.06 million baht. According to each activities, net cash at the end of the period as of 31 December 2022 equal to 2,598.18 million baht. Details of cash flows for each activity are as follows:



## Cash flow from operating activities

Net cash flow from operating activities amounted to 5,714.61 million baht due to profit from operating activities and the payment received from the government related to COVID-19.

## Cash flow used in investing activities

Net cash flow used in investing activities amounted to (758.81) million baht due to the building renovation and new hospital expansion for example, the purchase of land and buildings at Pathumthani province and the purchase of land for the investment of new hospital at Samut Prakan province.

## Cash flow used in financing activities

Net cash flow used in financing activities amounted to (6,877.68) million baht due to the 2021 dividend payment, the interim dividend payment of 2022, repayment of debentures and loans from financial institutions, and payment of financial costs.

## 4.5 Forward Outlook for 2023

In 2023, the company focuses on continuously facilitating patients with high quality healthcare services and increasing customer satisfaction. The company plans to enhance services through expanding new hospitals in many areas, increasing efficiency of existing hospitals and establishing specialized medical center, encouraging new marketing strategy to attract and improve satisfaction for each patient group, collaborating with government and private sector through medical service agreements. The company aims to raise awareness and recognition, expand patient coverage of the affiliated hospitals, and also increase quality of life as well as enhance company growth under good corporate governance and sustainability practices. The company strategies are as follows:



### Moving toward new expansion phase : 5 hospitals in 5 years

The company plans to invest for new hospitals in 5 years to increase access of medical treatment for both Thai and foreign patients as well as patients under the Social Security Scheme in many areas. The company also focuses on establishing comprehensive specialized medical center with specialist medical personnel and enhancing the hospital referral network which would increase company competitiveness and generate sustainable performance for company in long term. In 2023, there are 2 constructing projects as follows:

**(1) Kasemrad Ari Cancer Rangsi Raksa Center, Nonthaburi Province:** A specialized medical center for cancer treatment using radiotherapy. This collaboration between the company, which have patient base under 15 affiliated hospitals, and Bangkok Cancer Detection and Treatment Center Company Limited, which has specialized in medical operations and treatment of cancer using radiotherapy for over 37 years, would enhance the company's capability of cancer treatment, reduce the referral costs to non-affiliated hospitals, and promote the company to become a referral center for both general patients and patients under the Social Security Scheme. This specialized cancer center is located nearby World Medical Hospital, Chaengwattana Road, Nonthaburi Province. This project investment is not over 300 million baht. It is expected to start operation in the first quarter of 2024.

**(2) Kasemrad Hospital Suvarnabhumi, Samut Prakan province:** This project aims to increase the patient's coverage both normal patients as well as patients under the Social Security Scheme. The company plans to establish new hospital with 268 licensed beds, develop a comprehensive specialized medical center along with professional medical personnel from various fields. This would increase the efficiency of patient referral network between affiliated hospitals promoting the competitiveness of the company in the future. This project investment is approximately 1,600 million baht and it is expected to begin the construction in 2024 and expected to open in 2026.

Furthermore, the company is currently studying strategic areas that have potential such as Eastern Economic Corridor (EEC) for future hospital expansion in order to increase service area and expand patient coverage.





## Enhancement of medical service and renovation plan

(1) **Renovating service area** to enhance medical service efficiency. The company has renovation plan to support out-patient services area and in-patient ward, and also increase parking space to provide more convenience for patients for example, renovating building at Karunvej Hospital Pathumthani to attract more cash patients as well as to upgrade the hospital brand to be equivalent to the standard of the Kasemrad Hospital group. Renovating patient rooms at Kasemrad Hospital Bangkai and Kasemrad Hospital Prachachuen to offer a wide range of room types for cash patient needs.

(2) **Building specialized medical center** to provide one stop medical services, reduce the referral costs, and also promote the hospital to become a referral center in the future for example, establishing a specialized medical center for cancer treatment using radiotherapy, opening new heart center, regenerative medicine center, and MRI center.

(3) **Enhancing modern technology for medical treatment** to increase efficiency for example, robotic rehabilitation, MRI technology which use for disease detection, diagnosis, and treatment monitoring.



## Specialized personal healthcare and service quality improvement

### (1) General patient

The company and affiliated hospitals emphasize on providing efficient medical treatment along with increasing customer satisfaction through specialized medical treatments for each patient needs and special services such as patient pick-up from home to hospital, fast track diagnosis. These strategies would increase customer satisfaction and positive patient experience. Moreover, the company and affiliated hospitals also encourage marketing strategy and new communication channels such as social media such as YouTube, TikTok, and Facebook to raise awareness, offer healthcare promotion for treatment package, health check-up, as well as aesthetics treatment to attract new patients who have shown interests in health and beauty.

### (2) Social security patient

The company and affiliated hospitals aim to increase medical service efficiency and patient satisfaction in accordance with the intention and guideline of the Ministry of Labor and Social Security Office for example, providing service area called “Smile Corner” as a reception room and knowledge corner on social security benefits for insured persons, and also continuously providing training courses on medical service standard and quality for medical personnel which would improve insurer satisfaction.



## Medical service agreements

Beside the enhancement of medical service efficiency and new attraction strategy which support continuous company performance, the company also focuses on signing medical service agreement with the government and private sector to raise awareness and recognition for affiliated hospitals as well as increase opportunity and positive company performance in the future.

### (1) Agreement with the government agency

- Kasemrad International Hospital Rattanakibeth, Kasemrad Hospital Bangkai, and Kasemrad Hospital Prachinburi provides annual health check-up services of 2023 for employee of the company which register as a member of the Federation of Thai Industries.
- Kasemrad Hospital Rattanakibeth, Karunvej Hospital Pathumthani, and Karunvej Hospital Ayudhya, in collaboration with the Social Security Office, provide proactive medical services and health check-up of 2023 in Nonthaburi, Pathumthani, and Ayutthaya province.
- World Medical Hospital and Kasemrad Hospital Bangkai, in collaboration with the Social Security Office, improve efficiency and accessibility for insured persons under the Social Security Scheme to cardiovascular procedures treatment. This would raise awareness and expand service coverage as well as generate more revenues from higher medical service fees.

### (2) Agreement with private sector

- Affiliated hospitals in collaboration with hotels and the hospitality service providers to offer RT-PCR screening package for traveler before departure Thailand such as Chinese travelers, and also provide medical treatment for those travelers tested positive.
- Affiliated hospitals prepare to facilitate international patients with specialized medical treatment and specialist medical personal for example, diabetic wound treatment for Middle East patients, and infertility treatment.

## 5. General information and other important information

### 5.1 General information of the company and its subsidiaries

Company	Year of Establishment	Registered Capital	Nature of Business	Opening / Acquiring Date
Bangkok Chain Hospital PCL.	Bangkok Chain Hospital PCL. 24 November 1993	Baht 2,494 million	Kasemrad Hospital Bangkoe Kasemrad Hospital Prachachuen World Medical Hospital Kasemrad Hospital Rattanatibeth Kasemrad Hospital Ramkhamhaeng Kasemrad Hospital International Aranyaprathet	8 August 1984 15 July 1997 22 March 2013 12 June 2015 22 October 2018 11 May 2020
Rattanatibeth General Hospital Co., Ltd.	8 June 1990	Baht 300 million	Kasemrad International Hospital Rattanatibeth	15 February 1993
Sriburin Medical Co., Ltd.	29 March 1991	Baht 170 million	Kasemrad Hospital Sriburin Kasemrad Hospital Mae Sai Kasemrad Sriburin Clinic Chiang Saen branch	10 January 1993 1 August 2004 8 August 2014
Saraburi Wetchakit Co., Ltd.	16 April 1993	Baht 321 million	Kasemrad Hospital Saraburi	1 January 1996
Navanakorn Medicare Co., Ltd.	7 February 1989	Baht 375 million	Karunvej Hospital Pathumthani Karunvej Hospital Ayudhaya	18 December 2013 18 December 2013
Sothon Vejchakit Co., Ltd.	23 April 2015	Baht 700 million	Kasemrad Hospital Chachoengsao Kasemrad Hospital Prachinburi	1 May 2015 1 January 2021
Bangkok Chain Management Co., Ltd	15 September 2016	Baht 5 million	Selling healthy drinks, providing medical analysis & research services in operation rooms <ul style="list-style-type: none"> <li>Bangkok Chain Laboratory (BCL)</li> </ul>	15 September 2016 4 April 2022
Bangkok Chain International (Lao) Co., Ltd.	12 April 2017	KIP 133,200 million	Kasemrad International Hospital Vientiane	19 August 2021

## General information of the affiliated hospitals and laboratory

<b>World Medical Hospital</b>	44 Moo 4 Chaengwattana Road, Pakkret, Nonthaburi 11120 Tel. (66) 2836-9999, Fax (66) 2836-9911
<b>Kasemrad International Hospital Rattanatibeth</b>	60 Moo 6, Sao-Thong-Hin, Bang-Yai, Nonthaburi 11140 Tel. (66) 2594-0020 Fax (66) 2594-0067
<b>Kasemrad International Hospital Aranyaprathet</b>	885 Moo 5, Banmainongsai, Aranyaprathet, Sakaeo 27120 Tel. (66) 3764-000 Fax (66) 3764-0099
<b>Kasemrad International Hospital Vientiane</b>	999, 450 Year Road, Donnokkhoum Village, Sisattanak District, Vientiane Capital, Lao PDR Tel. (856) 030-5005891
<b>Kasemrad Hospital Bangkae</b>	586,588 Petchakasem Road, Bangkae-Nua, Bangkae, Bangkok 10160 Tel. (66) 2804-8959 Fax (66) 2454-1914
<b>Kasemrad Hospital Sriburin</b>	111/5 Moo 13, Sun-Sai, Muang Chiang rai, Chiang Rai 57000 Tel. (66) 53-910-999 Fax (66) 53-717-938
<b>Kasemrad Hospital Saraburi</b>	2/22 Mitraparb Road, Pak-Preaw, Muang Saraburi, Saraburi 18000 Tel. (66) 36-315-555 Fax (66) 36-315-501
<b>Kasemrad Hospital Prachachuen</b>	950 Prachachuen Road, Wongsawang, Bangsue, Bangkok 10800 Tel. (66) 2910-1600 Fax (66) 2910-1649
<b>Kasemrad Hospital Mae Sai</b>	952 Moo 1, Viengpangkam, Mae Sai, Chiang Rai 57130 Tel. (66) 53-642-742 Fax (66) 53-642-744
<b>Kasemrad Sriburin Clinic Chiang Saen branch</b>	339 Moo 6, Vieng, Chiang Saen, Chiang Rai 57150 Tel. (66) 53-650-131 Fax (66) 53-650-133
<b>Kasemrad Hospital Chachoengsao</b>	29 Moo 3 Suwinthawong Road, Nha-Mueng, Mueng, Chachoengsao 24000 Tel. (66) 38-812-702 Fax (66) 38-812-720
<b>Kasemrad Hospital Rattanatibeth</b>	58 Moo 15, Bangrakpattana, Bangbuathong, Nonthaburi 11110 Tel. (66) 2921-3400 Fax (66) 2921-1119
<b>Kasemrad Hospital Ramkhamhaeng</b>	99/9 Ramkhamhaeng Road, Sapansoong, Bangkok 10240 Tel. (66) 2339-0000 Fax (66) 2339-0099
<b>Kasemrad Hospital Prachinburi</b>	766 Moo 10, Thatoom, Si Maha Phot, Prachinburi 25140 Tel. (66) 3762-7000
<b>Karunvej Hospital Pathumthani</b>	98 Moo 13 Phahonyothin Road, Khlong-Nueng, Klong Luang, Pathumthani 12120 Tel. (66) 2529-4533 Fax (66) 2529-3624
<b>Karunvej Hospital Ayudhaya</b>	61/9 Moo 4, Klong-Jik, Bangpa-in, Pranakorn Sriayudhaya 13160 Tel. (66) 35-315-100-30 Fax (66) 35-355-155
<b>Bangkok Chain Laboratory (BCL)</b>	60 Moo 6, Sao-Thong-Hin, Bang-Yai, Nonthaburi 11140 Tel. (66) 2080-9445

## Reference information

<b>Head Office</b>	Bangkok Chain Hospital Public Company Limited 44 Moo 4 Chaengwattana Road, Pakkret, Nonthaburi 11120 Tel. (66) 2836-9999, Call Center 1218 Fax (66) 2106-4858
<b>Share Registrar</b>	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. (66) 2009-9000, (66) 2009-9999 Fax (66) 2009-9991
<b>Bond Registrar</b>	CIMB Thai Bank Public Company Limited Capital Financial Markets and Payments Operations Department Registrar and Payments Operations Unit 15th Floor 44 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel. (66) 2626-7506, Fax. (66) 2626-7511
<b>External Auditor</b>	KPMG Phoomchai Audit Limited 48th Floor, Empire Tower, No.1, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel. (66) 2677-2000, Fax (66) 2677-2220-3
<b>External Legal Advisor</b>	The Legalist Law Office Company Limited 38 Soi Ramkhamhaeng 60/2, Huamark, Bangkok, Bangkok 10240 Tel. (66) 2735-2976-80, Fax (66) 2735-2981

**CALL CENTER**  
**Call 1218**



**24 hours a day**

**Your Family Your Hospital**



# 02

## Corporate Governance

- 6. Corporate Governance Policies
- 7. Management Structure and Details of the Board of Directors, Sub-Committee, Executives, and Employees
- 8. Report on Key Performance in Corporate Governance
- 9. Internal Control and Related Transactions





## Corporate Governance

### 6. Corporate Governance Policies

#### 6.1 Overview of Corporate Governance Policies and Practices

##### 6.1.1 Board of Directors

The company emphasizes on operating its business with honesty, transparency, social responsibility, and all stakeholders in accordance with good corporate governance principles. Therefore, the company has established Code of Business Ethics and Corporate Governance by compiling rules, regulations, and guidelines from the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET) and adapting them to the company's practices. They have been reviewed and updated to reflect changes in legal requirements and the nature of the industry's business practices as well.

The company has published its policies and manuals on business ethics and good corporate governance through the company's website ([www.bangkokchainhospital.com](http://www.bangkokchainhospital.com)) in order to create understanding and use as a guideline for employees, as well as to provide information to shareholders, stakeholders, investors, and other interested parties in order to formulate and disclose guidelines for promoting compliance with the Code of Business Ethics.

##### Business Ethics and Corporate Governance Handbook



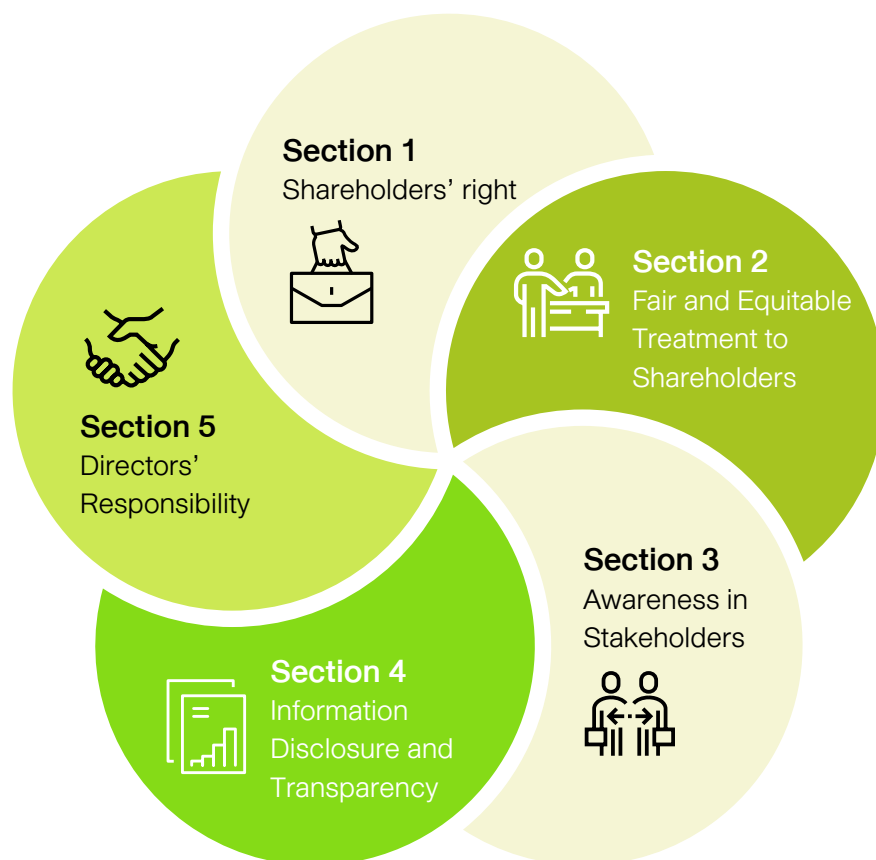
The Board of Directors, representing shareholders, are responsible for management the business in accordance with the laws, regulations, objectives, and resolutions of the shareholders' meeting, as well as to ensure that the management operates its business to achieve the performance goals according to the strategy and annual work plans approved by the Board of Directors. In order to efficiently perform the duties of the Board of Directors, the Board of Directors has appointed Sub-committees as follows: Audit Committee, Executive Committee, and Risk Management Committee which have knowledge, expertise, and experience in such fields to perform duties in accordance with the approval authority of the Board of Directors as set forth with honesty and precaution to protect the interests of the company. The details are shown in the Annual Report (56-1 One Report) under the Board of Directors section.

As of 31 December 2022, the company has 11 directors which comprise of 6 executive directors representing 54.55 percent of all directors, 5 non-executive directors representing 45.45 percent of all directors, 3 female directors representing 27.27 percent of all directors, and 4 independent directors, representing 36.36 percent of all directors. In such a way, it complies with the minimum requirement of the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). In addition, the Board has appointed Sub-committees; 1) The Audit Committee comprised of 3 independent directors, has the duration as well as the Board (names as mentioned under "Information of Directors"), 2) The Executive Committee comprised of 8 executive directors (names as mentioned under "Information of Directors"), and 3) The Risk Management Committee comprised of 7 directors (names as mentioned under "Information Board of Directors"), in order to handle specific tasks and propose to the Board of Directors for consideration and

acknowledgement. Each Sub-committee has its rights and duties prescribed in the scope and responsibilities of each. The company has segregation of roles, duties and responsibilities between the Board and top executives clearly. The Board has their duties for setting the company's policies and monitoring implementation by top executives in policy level, while top executives have their duties regarding the management in compliance with the company's policies. Furthermore, the Chairman of the Board of Directors is the same person as the Chief Executive Officer. However, both positions must be selected by the Board of Directors for the most appropriate persons.

### 6.1.2 Policies and Practices Relating to Stakeholders

The company has complied with the corporate governance guidelines which comprise of five sections as follows:



#### Section 1 Shareholders' right

- The Board of Directors of the company has put its priority on rights and fair treatment toward the shareholders by stating clearly in the policy that the shareholders of the company are eligible to receive the share certificate and right to transfer shares, right to receive timely and sufficient information in a format suitable to the decision making, right of shareholders to attend the meeting and cast a vote in the meeting of shareholders for change in major policies of the company, right to elect and remove the directors and right to appoint the auditor and right in the profit sharing.
- Prior to the Annual General Shareholders Meeting, shareholders have the rights to receive an invitation notice for the Annual General Shareholders Meeting, including the information on the date, time, location of the meeting, detailed information of agenda items, rules and procedures to attend

the meeting and issues for consideration. In 2022, the Annual General Shareholders Meeting of the company was held on 26 April 2022 at the E-Meeting room. The company disclosed the documents of the Annual General Shareholders Meeting on 25 March 2022 via the company's website in both Thai and English. The invitation notice, with attachments of agendas of the meeting, Board of Directors' opinion, proxy form B as well as informing the date, time, venue, map as well as all relevant information were sent to all shareholders in advance on 25 March 2022 by the registrar, Thailand Securities Depository Co., Ltd. ("TSD") (not less than 14 days before the meeting). In addition, the company has a policy to reserve an option to shareholders by nominating one independent director to be a shareholder's nominee attending the meeting and vote on behalf of them. On 22 November 2021, the company has informed the shareholders, through SET's website and the company's website [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com) section Investor Relations to propose any issues in the 2022 Annual General Meeting by receiving the information until 31 January 2022.

- On the meeting date, the company used barcode system in registration and ballot counting for timeliness and efficiency. In addition, the company invited an independent individual from legal consultant company to be a meeting inspector, to observe the meeting and review the vote collecting and counting procedures, to ensure that the meeting was conducted with transparency. In the 2022 Annual General Shareholders Meeting, all members of the Board of Directors attended the meeting and encouraged shareholders to attend and exercise their voting rights or appoint a person as a proxy to attend the meeting or any independent director to vote on his/her behalf in case of being unable to attend the meeting as well as giving shareholders equal opportunities to express their opinions, ask for explanations or ask questions. Significant opinions and/or queries will be recorded in the minutes of the meeting by Company Secretary.
- After the Annual General Shareholders Meeting, the company duly submitted the summary of meeting resolutions to the Stock Exchange of Thailand within 14 days of the Annual General Shareholders Meeting date. The minutes of the meeting have been disclosed on the company's website [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com) section Investor Relations for shareholders and public to access the company's information in time.

## Section 2 Fair and Equitable Treatment to Shareholders

- The company strictly provides equal and fair treatment to all shareholders and stakeholders.
- The company has an explicit organization structure as well as the policies to prevent any conflict of interest. For example, directors or executives who involve in the related party transaction that may invoke the conflict of interest, they should not vote. Consistently, the company shall escalate the issues to the Audit Committees for their considerations and opinions of the related party transaction before presenting to the Board of Directors. In addition, the company also discloses the related party transactions in the financial statements in accordance with Thai Financial Reporting Standards.
- Prior to the shareholders' meeting, the Company sent out the invitation letter with sufficient information of each agenda to shareholders for their considerations before approvals in the shareholders' meetings, e.g. dividend payment, appointment of directors, consideration of directors' remuneration, appointment of auditors as well as audit fee, and any significant matters, such as amendments of the company's articles of association, issuance and offer for sale of debentures, etc.
- The company has a policy to provide an option to shareholders in which they may nominate an independent director of the company on their behalf to attend and vote in the meeting.

- The company reserves the right of each shareholder to select, consider and appoint new members of the Board of Directors. In this case, the company also informed via SET's websites and the company's website since 22 November 2021 – 31 January 2022 for shareholders' actions.
- Every director and executive must regularly submit to the Board a report of their ownership of the company's shares.

## Section 3 Awareness in Stakeholders

The company realizes the importance of the right of each stakeholder as described below:

### 1. Shareholders and Investors

The company has a policy and guidelines on equitable and fair treatment of shareholders as follows:

- To perform their fiduciary duties and make decisions carefully for the equal benefit of each shareholder and the shareholders as a whole and to ensure no discrimination against the shareholders;
- To present, on a regular basis, its status through the operating result and statement of financial position of the Company including other necessary reports based on accuracy and actuality;
- To report to the shareholders on future trends of the company both positive trend and negative trend based on the feasible assumptions with the relevant rationale and supporting information; and
- Not to seek any benefit for themselves or other persons by using the company's information which has not been publicly disclosed and not to take any action in a manner which may give rise to conflicts of interest.

### 2. Employees

The company is aware that its employees are the most valuable asset of the company and are crucial to achieve the company's goals. The company has therefore set up the following policy that supported employees to have a quality of life with respect to fair employment conditions, promotional opportunities, appropriate remuneration, and safely workplace as follows:

- Complying with rules and regulations in relation to labor law;
- To keep the working environment safe for employees' lives and property;
- To treat each employee with respect for their honor, dignity and right of privacy;
- Giving remuneration of various types to employees fairly and providing appropriate welfare and other benefits for employees that are comparable to those of other companies in the same or similar business and as prescribed by law, such as provident fund and right to reimbursement of medical expenses with the hospitals in the Group;
- The appointment, transfer, reward and punishment for any employee shall be done based on good faith and the knowledge, capacity and suitability of such employees;
- To provide knowledge and capacity enhancements for employees by offering them continuous improvement programs which include training, seminars and workshops; such as Excellent Management Course by Thammasat Consulting Networking and Coaching Center;

- The company emphasizes the recruitment and selection process without discrimination covering all employees and vulnerable groups such as a person with disability;
- The company actively encourages its employees to comply with the energy saving and environmental management program for efficient use of the resources;
- To avoid any unfair action that may affect the employment stability and mental health of employees;
- Provide communication channels for the employees to report abuses or unlawful acts; and
- Impartially and equally open to feedback and suggestions by all employees.

### 3. Suppliers

The company does business with partners, competitors, counterparties and others according to the trade terms and conditions or agreements that are contractually fair and ethical by taking into consideration the suitability of price, quality and services provided. In addition, the company also focuses on environmental sustainability or green purchasing with business partners;

- The company does not support partners with unethical business practices, illegal actions, corruption or human rights violations;
- Strictly comply with the terms and conditions agreed upon by the business partners. In case, unable to fulfill the terms and condition, issues must be promptly informed and solved; and
- Will not ask for, accept, or give any unlawful benefits from or to the business partners.

### 4. Creditors

The company strictly complies with the credit terms and conditions with respect to the repayment and do not misuse the loans for other purposes other than what have been stipulated in the loan agreements; In addition, the company will notify the creditors in advance if the company fail to comply with the loan terms in order to acquire solutions.

### 5. Customers/Patients

The company committed to have good quality, service, and safety standards by the quality management system. Therefore, the company has also brought hospital standard, which received accreditations from the Institute from Hospital Quality improvement and Joint Commission International (JCI) accreditation, to serve patients and enhance quality standards for medical services.

### 6. Competitors

The company competes with its competitors fairly and in accordance with the rules and regulations. Also, the company shall not exploit confidential information of the competitors with unfair and unethical method. Procedures relating to competitors are listed as follows;

- Treating competitors according to the rule and manner of good and fair competition;
- Not intentionally destroying reputation of competitors with groundless slander; and
- Not seeking confidential information of competitors with fraudulent, dishonest, or inappropriate method or in breach of laws.

## 7. Community, Social and Environment

The company believes in conducting business according to business ethics and good corporate governance principles as follows;

- Constantly create awareness about social and environmental responsibility among all levels of employees;
- Pay back to the society by supporting social and environmental development activities;
- Carry out activities taking into account impacts on the society and communities by means of conserving the natural resources, protecting the environment, enabling the good quality of life for the public, and also raising awareness on environmental sustainability for business partners;
- Strictly comply with the authorities' rules and laws in connection with the environment and stipulations of other related organizations; and
- Give priorities to activities for community and social development, as part of the core policies of the company, including the development of the society, the community, the environment, and the creation and the preservation of natural resources such as launched mobile medical units to remote communities, supporting exercise for good health events, and providing health check-up and treatment for the paupers.

## 8. Anti-Corruption

The company conducts business with a commitment to avoid corruption of all forms, and institutes a risk management and audit process to prevent and control corruption and malfeasance. Also, the company encourages corporate culture where people are firmly committed to integrity and ethics.

The company has implemented the anti-corruption practice approved by the company's Board of Directors. The company implements anti-corruption policy and disseminates it to the general public as well as internal communication within the company. For instance; disseminating anti-corruption policies through the company's website [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com) on the good corporate governance section, and arrange the training and orientation for employees on anti-corruption policies. Furthermore, supplier and contractor of the company will be informed about the anti-corruption practice in order to create transparency of the company operation.

- The company sets a policy to prohibit bribery of any kind in all activities related to business operations. If the company needs to make a charitable donation, give business gifts, or provide financial support for any activities, it shall be done with transparency and no intention to convince government/private officials to take improper actions.
- These policies shall be notified and published both within and outside the organization as guidelines for all executives and employees to act ethically. The company also imposes strict sanctions against the executives and employees who are involved in internal fraud, bribery, or corruption.
- The company communicates and emphasizes these measures through in-house orientation and training sessions to ensure that all executives and employees are aware of the importance of anti-corruption policies, including its communication to employees about the company's commitment to prevent and fight against all forms of corruption.
- The company sets a proper internal control system to prevent employees from being involved in fraud or corruption.
- The company provides communication channels for employees and stakeholders to report suspicions and be assured that they will be protected. In the meantime, officers will be assigned or appointed to investigate every reported detail.



- The company establishes clear anti-corruption measures which were approved by the resolution of the Audit Committee and Board of Directors meeting since 15 August 2017, with an annual review. The company also continuously implements related policies and measures, as well as communicates with people both inside and outside the organization, such as the disclosure of anti-corruption policies through the website: [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com), which includes good corporate governance, training and orientations for employees to enhance their knowledge and understanding, in line with notifying partners and contractors to ensure that the procurement and business operations of the company are honest and transparent in accordance with those policies.

#### Anti-Corruption Policy



#### Anti-Corruption Handbook (Thai Version)



## 9. Human Rights

The company gives importance to respect international human rights, to conduct business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against gender, religion, culture, race, and sexual harassment. To demonstrate awareness and priority in promotion and preservation of human rights, the company established the human rights policy and practices as below;

- The company supports, promotes, and respects human rights. Honor and give each other fair treatment. The practice covers employees, patients, suppliers, business partners, and all stakeholders to encourage them for no division due to the difference in physical or mental state, including religions, races, nationalities, skin color, sex, languages, ages, social status, marriage status, cultures, or any other matters.
- The company will not be involved in the violation of human rights especially involving labor of the child under legal age as stipulated by law, forced labor, and illegal foreign workers within the company or the company's supply chain.
- The company provides communication channels for employees and stakeholders to report suspicions and be assured that they will be protected. In the meantime, officers will be assigned or appointed to investigate every reported detail transparently and promptly.
- The company established clear human rights policy which were approved by the resolution of the Board of Directors meeting since 16 January 2023, with an annual review. The company also continuously implements related policies and measures, as well as communicates with people both inside and outside the organization to enhance and maintain company culture adhering to and respect to the human right and no support any activities which is in violation of human rights. For more information on human rights policy published through the website: [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com).

#### Human Rights Policy (Thai Version)



## 10. Intellectual Property Rights

The company realizes the importance of intellectual property rights and will not encourage any violation of patents, copyrights, trademarks, information, information technology and any other aspects of intellectual assets which regarding to the compliance of its respect for intellectual property rights.

## 11. Government

The company operates its business in accordance to the social development as well as complies with laws, regulations and rules issued by the government.

## Section 4 Information Disclosure and Transparency

- The company shall disclose any relevant information regarding financial performance, shareholding structure, and good corporate governance with accuracy, completeness, regularity, timely manner, transparency and on reliable basis as in Annual Report (56-1 One Report).
- The company has clearly and transparently determined and disclosed the remuneration policy for directors and management which is approved by shareholders. The remunerations for directors and management are based on the companies in the same industry with similar size of operation and also related to the company's profitability and performance of each individual.
- The Board of Directors is responsible for the consolidated financial statements of the company and its subsidiaries and information as appeared in the annual report. The financial statements have been prepared in accordance with the Thai Financial Reporting Standards using appropriate and consistent accounting policies. The financial statements were prepared with caution and were evaluated for appropriateness of the overall presentation of the financial statements. There is sufficient information disclosure in the notes to the financial statements. The Board of Directors has set up the Audit Committee comprises of independent directors to oversee the quality of financial report and internal control system.
- The company has an Investor Relations Department (IR) to provide the relevant information with completeness, accuracy, actuality, reliability, timely manner, and transparency to the external parties such as shareholders, institutional investors, investors, analysts, and other relevance units with integrity and transparency. In 2022, the key IR activities are as follows:

Activities	Amount of Activities in 2022
Annual General Shareholders Meeting	1 time
Analyst Meetings	4 times
Opportunity Day	4 times
Statement of operating results to the public communication	4 times
Domestic and International Roadshows	18 times
Company Visits / Conference Calls	82 times

- Information about the company, financial performance, financial statement and the Stock Exchange of Thailand's news can be found at [www.set.or.th](http://www.set.or.th) and the company's website at [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com). If any investors or relevance persons have any questions or require additional information, please contact Investor Relations Department at Email: [ir@bangkokchainhospital.com](mailto:ir@bangkokchainhospital.com) or the company's website at [www.bangkokchainhospital.com](http://www.bangkokchainhospital.com) or Tel: +662-836-9940

### **Reporting, Complaints, and Whistleblowing**

The company supports whistleblowers by encouraging all stakeholders to request information, make complaints or report any misconduct by sending it to:

- Email: [report@bangkokchainhospital.com](mailto:report@bangkokchainhospital.com)
- Address: Complaint, Bangkok Chain Hospital Public Company Limited, 44 Moo.4 World Medical Hospital 22ndFloor Chaengwattana Road, Pakkret, Nonthaburi 11120

## **Section 5 Directors' Responsibility**

### **1. Structure of the Board and Sub-committees**

The Board of Directors consists of various qualified persons who play an important role in setting the company's policy together with top executives and determining the business plan both in short-term and long-term as well as the financial policy, risk management, and the organization's overview. In addition, the Board of Directors independently supervises, monitors, and evaluates the company's performance and the performance of each top executive in accordance with the work plan.

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

The Board of Directors is involved in the setting visions, missions, strategies, goals, business plans, budgets, internal controls, internal audit and appropriate risk management. The Board also ensures that plans are carried out efficiently and effectively. The Board follows up the aforementioned operations regularly in the Board of Directors' meeting. In addition, the Board sets the scope, roles and responsibilities for each committee; the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee and Chief Executive Officer clearly and transparently.

The company sets the disciplines and practical guidelines for business ethics in written including the punishment for related persons to follow the company's mission honestly. The company has a policy and guiding principles to act in avoiding the unethical problems under laws and traditional practices. In addition, the company has an ethic in service fee in which patients can review the details of services under the nursing business law B.E. 2541, including an ethic in public relation by which the company acts under the private nursing business law.

The company has clear management structure including various methods to prevent any conflict of interests. For example, in case the director enters into the related party transactions that may invoke the conflict of interest, that director will be prohibited to vote. The company shall escalate the issue to the Audit Committee for their considerations and opinions before presenting to the Board of Directors. In addition, the company has disclosed the related party transactions in the financial statements in conformity with Thai Financial Reporting Standards.

### 3. Criteria for selection of Directors and Procedure for Appointing new Directors

For the selection of new directors, the Board of Directors considers in the structure, board diversity and the expertise to complete the existing skill of the Board of Directors and personal qualification for directorship (Board Skill Matrix) as well as experience, skills, directorship performance who is not prohibited by the law and notification of the Security and Exchange Commissions. The company emphasizes gender equality to enhance efficient recruiting process of the Board of Directors. Furthermore, the Board of Directors' Meeting No. 2/2022 on 28 February 2022 approved the appointment of the Nomination and Remuneration Committee to support the selection and nomination procedures of suitable candidates in line with company strategies to serve as directors including the determination of remuneration of directors appropriately.

The shareholders' meeting shall elect the directors by majority vote in accordance with the following rules and procedures:

1. Each shareholder shall have a number of votes at the equivalent of one share per one vote;
2. Shareholders shall vote for each individual director; and
3. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest and shall be appointed as directors in the order until all of the directorial positions are filled. In the event of tie vote, the Chairman shall have the casting vote

The company shall arrange an orientation for the new directors so that they know the company's information and understand their roles and responsibilities in the position of the company's director as well as the related laws and regulations. The topics in the orientation shall cover vision and mission of the company, company profile, shareholding structure, organizational structure, management structure, business plan, and historical agendas in the meeting of Board of Directors. Also, the company's manual books shall be given to the new directors for their further study.

### 4. Board Meetings

The Board of Directors usually meets four times a year and the extraordinary meetings are carried out as necessary. The agendas of the meeting shall be clearly set in advance. Additionally, the performance evaluation shall be regularly set and considered in the board of directors' meeting. The company sends the invitation letters with the agendas and supporting documents to directors for their considerations and study at least 7 days before the meeting. (Details of each committee's meetings are mentioned under "Management Structure").

At the Board meeting of the Board of Directors, the Chairman of the Board shall give an opportunity to each director to opine on each agenda. In addition, any director or management who may have vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. The quorum for a meeting of the Board of Directors shall be two third of the total number of directors.

### 5. Remuneration

The company has set a clear and transparent policy on remuneration for directors and management which is approved by shareholders. The remunerations for directors and management are based on the companies in the same industry with similar size of operation and also related to the company's profitability

and performance of each individual. Furthermore, the Board of Directors' Meeting No. 2/2022 on 28 February 2022 approved the appointment of the Nomination and Remuneration Committee to support the selection and nomination procedures of suitable candidates in line with company strategies to serve as directors including the determination of remuneration of directors appropriately.

## 6. Controlling System and Internal Audit

The company realizes the importance of internal control for both managerial level and operational level. The roles and responsibilities of both management level and operational level are clearly set as well as the delegation of power is also set for the continuity of business. The company oversees the use of assets and has segregation of duties to assess the performance across departments. In addition, the company has internal control over financial transactions of which all transactions shall be reported directly to the financial management.

The company has appointed Dharmniti Internal Audit Co., Ltd., which is a qualified independent internal auditing firm, to be the internal auditor of the Company. The selection criteria were; its sufficient number of personnel, experience, knowledge, capabilities and its independency to perform duties as an internal auditor in accordance to the assessment program of the company's internal control system.

Independent Internal auditing firm has duties to perform an investigation on every activity as its annual plan i.e. accounting records, bank deposit, and inventory and fixed assets observation. In case of doubts or unusual events occurred, they will investigate the operations of those departments immediately until the doubtful transaction is verified. Subsequently, the results of those issues shall be reported to the Audit Committee.

## 7. Board and Management Training

The company has a policy to promote and facilitate training and education for directors and management of the company for continuous improvement and performance. Directors and managements have passed training courses with the Thai Institute of Directors Association (IOD) in the Certification Program (DCP) and Director Accreditation Program (DAP).

The Company Secretary must prepare necessary information for the new director to facilitate the new director to know the roles, duties, responsibilities, policies, business information, and guidelines for corporate governance of the company before performing his/her duties, as well as building knowledge and understanding in business for all directors in order to support the directors to perform their duties more efficiently. In addition, the company has a policy to regularly enhance knowledge for directors.

## 6.2 Business Ethics

The company is committed to conducting business properly and fairly by defining a written code of ethics for use and dissemination to directors, executives, and employees to understand the ethical standards, in which the company uses in its business operations, and is a practical guideline to show the intention to conduct business with transparency, morality, responsibility to stakeholders, society and the environment concern. The aforementioned Code of Conduct reflects the values and operational guidelines that all employees should conduct and operate in accordance with the ethical framework set forth in various fields. The company has provided training and communication within the organization for employees to know and strictly adhere to the Code of Conduct and has seriously monitored the implementation.

### 6.3 Significant Changes and Developments in Policy, Practice and the Corporate Governance System in the Past Year.

The company has adhered to and complied with the good corporate governance in operating business applying to the directors, executives, and employees. Moreover, the good corporate governance is regarded as a key factor in enhancing the company's overall success as the organization's responsibility towards society. Regarding the Board of Directors' Meeting No. 2/2022 on 28 February 2022, the corporate governance policy and compliance were reviewed based on the Corporate Governance Code for listed companies 2017 (CG Code) by the Securities and Exchange Commission (SEC) determining the practice principles for listed companies' board of directors to apply to ensure good performance and returns for the sustainable value creation.

In 2022, the company has been development/improvement as follows:

- Preparation Succession Plan Policy: Its objectives are to help facilitate the recruiting and selection plan of essential position by encouraging a qualified and experienced person to be the executive of the company to fulfill retired or vacant top management in the future and provide continually and appropriately organization management.
- Emphasizing on sustainable business which consider the impact on environmental, social, and corporate governance (ESG) through the reviewing and preparing related policies to support sustainability.

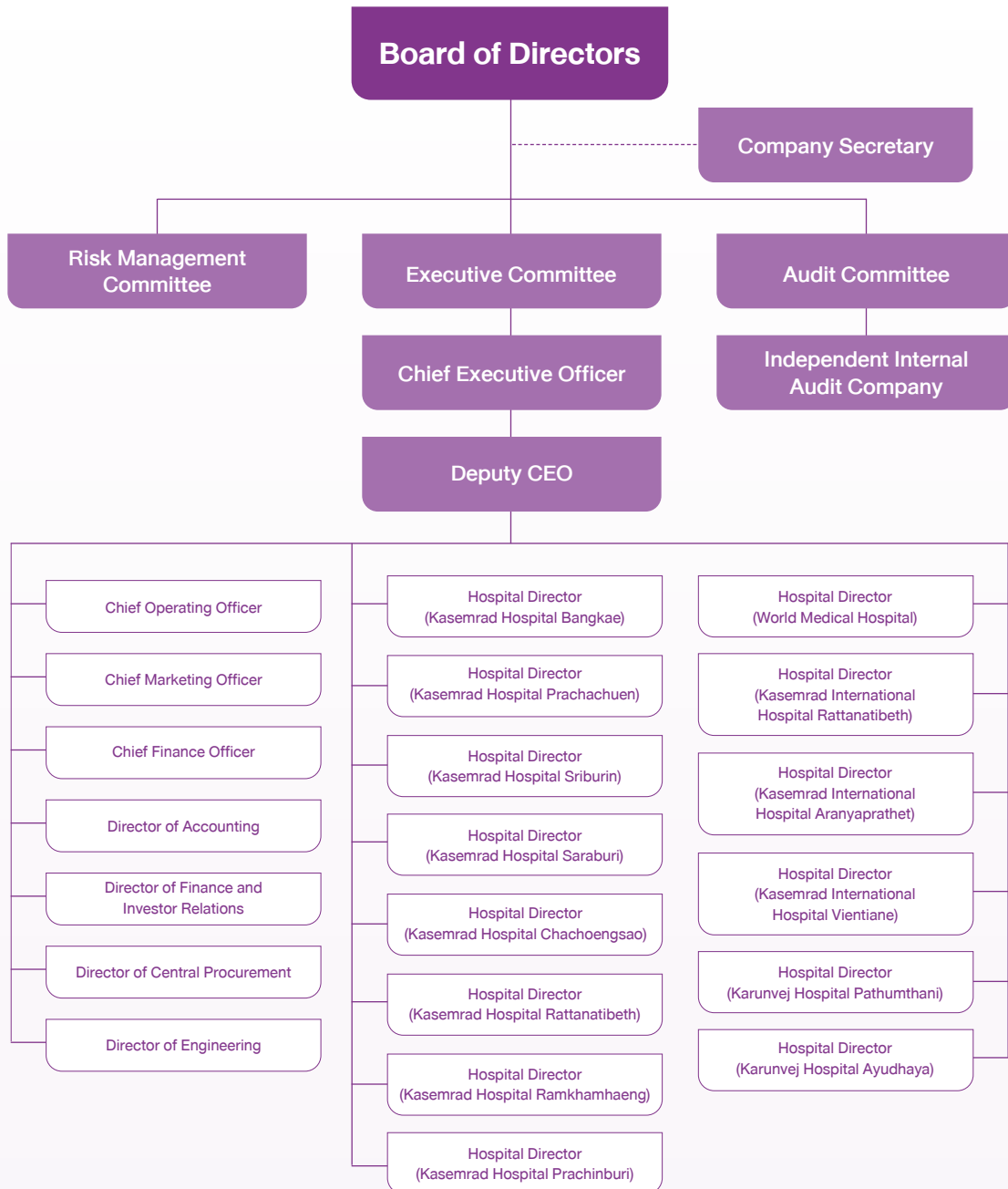




## 7. Management Structure and Details of the Board of Directors, Sub-Committee, Executives, and Employees

### 7.1 Management Structure

#### Organizational Structure<sup>1/</sup>



Information as of 31 December 2022

Remark: <sup>1/</sup>The Board of Directors' Meeting No. 2/2023 on 28 February 2023 approved an increase in the scope of duties and responsibilities of the Risk Management Committee to elevate operational procedures and corporate risk management in line with the sustainable business development guideline in terms of Environment, Social and Good Corporate Governance (ESG) and approved the appointment of the Nomination and Remuneration Committee to support the selection and nomination procedures of suitable candidates in line with company strategies to serve as directors including the determination of remuneration of directors appropriately.

## 7.2 Information about Board of Directors

### 7.2.1 Board of Directors

The company's Board of Directors comprises of eleven directors as follows

No.	Name		Position
(1)	Prof. Dr. Chalerm	Harnphanich, M.D.	Chairman of the Board of Director
(2)	Asst. Prof. Dr. Somporn	Harnphanich, M.D.	Director
(3)	Ms. Pornluck	Harnphanich, M.D.	Director
(4)	Mr. Kantaporn	Harnphanich	Director
(5)	Mr. Phinij	Harnphanich	Director
(6)	Ms. Pornsuda	Harnphanich	Director
(7)	Mr. Voravee	Kiatiniyomsak	Director
(8)	Assoc. Prof. Virach	Aphimeteetamrong, Ph.D.	Independent Director
(9)	Mr. Siripong	Sombutsiri	Independent Director
(10)	Professor. Piphob	Veraphong	Independent Director
(11)	Mr. Thawat	Suntrajarn, M.D.	Independent Director

The Board of Directors were appointed by considering in the structure, board diversity, and the expertise to complete the existing skill of the Board of Directors and personal qualification for directorship (Board Skill Matrix) as well as experiences, skills, directorship performances. Details of company board skill matrix are as follows:

Director's Name	Doctor / Healthcare Management	Accounting	Finance	Legal	Marketing	Business Administration/ CG	Economics	Political Science / Risk Management	Information Technology
(1) Prof. Dr. Chalerm Harnphanich, M.D.	✓	✓	✓		✓	✓	✓	✓	
(2) Asst. Prof. Dr. Somporn Harnphanich, M.D.	✓				✓	✓	✓	✓	
(3) Ms. Pornluck Harnphanich, M.D.	✓				✓	✓	✓	✓	
(4) Mr. Kantaporn Harnphanich	✓				✓	✓	✓		
(5) Ms. Pornsuda Harnphanich	✓	✓	✓		✓	✓	✓	✓	✓
(6) Mr. Phinij Harnphanich						✓	✓	✓	
(7) Assoc. Prof. Virach Aphimeteetamrong, Ph.D.		✓	✓			✓	✓	✓	
(8) Mr. Siripong Sombutsiri		✓	✓			✓	✓	✓	
(9) Prof. Piphob Veraphong		✓	✓			✓	✓	✓	
(10) Mr. Thawat Suntrajarn, M.D.		✓	✓	✓		✓	✓	✓	
(11) Mr. Voravee Kiatiniyomsak	✓					✓	✓		
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>1</b>

The details, qualifications, and experiences of the Board of Directors of eleven directors are shown in Attachment 1: Details of Directors, Executives, Authorized Persons, Persons Assigned to the Highest Responsibilities in Accounting and Finance, Persons Directly Responsible for Supervision of Accounting, and Company Secretary.

### 7.2.2 Directors who have Authorization upon the company's Affidavit are as follows:

Directors who have authorization to sign on behalf of the company are consisted of Prof.Dr. Chalerm Harnphanich, M.D. or Asst.Prof.Dr. Somporn Harnphanich, M.D. or Ms. Pornluck Harnphanich, M.D. or Mr. Kantaporn Harnphanich or Ms. Pornsuda Harnphanich, two of these five directors sign together with the company's seal.

### 7.2.3 The Scope of Authorities and Responsibilities of the company's Directors

The Board of Directors has authorities and responsibilities to manage the company in accordance with the laws, the company's objectives and regulations and resolutions of the shareholders' meeting in good faith and with care for the best interest of the company. The scopes of its approval authorities, approval authorities and responsibilities are as follows:

1. To approve the company's Statements of Financial Position and Statements of Income as at the end of the company's accounting period, of which review or audit by and report to at the shareholders' meeting for further approval;

2. To authorize a Director or Directors, or other persons to act on behalf of the Board, under their supervision, or authorize within a specific time, or shall cancel or amend their given authority as appropriate. The Board of Directors may concur to authorize the Executive Committee to carry out the task with the authorization details in area extended to or limited in the scope of authority of the Committee. Such authority is, however, not enabling the Executive Committee to consider or approve any issue that the Committee or any individual that may investigate a conflict of interest to the company or its subsidiaries, unless it is an issue approved under policy or rules that have already been considered and approved by the Board;
3. To establish and review the company's vision, short-term and long-term objectives, policies, business plan, and budgets. Also to supervise the management of the Executive Committee to ensure that objectives are reached. The Board of Directors, however, has to obtain consents from the shareholders' meeting prior to their exercise on the following subjects - approval from the shareholders' meeting that is imposed by laws i.e. increase or decrease of registered capital, issuance of debentures, sales or transfer the company's main activities partly or wholly to other partners, purchase or acquire other company's activities, correction of the Memorandum of Association or Regulations. In addition, the Directors are also subjected to supervise the company to comply with the laws and regulations of the Securities and Exchange Acts, SET's regulations, such as relevant reports and trading on significant properties and assets under SET or other related laws on the company's business;
4. To decide the structure of administration. To set and appoint the Executive Committee, Chief Executive Officer, or other Committee as appropriate;
5. To follow up on the outcome of the company's performance;
6. Approving interim dividend payment to shareholders from time to time if it is found that the company's profit is justifiable to do so, reporting to the next shareholders' meeting; and
7. Approving and comply with the company's anti-corruption policies or manuals, including assigning duties to executives to ensure that communication to personnel and all stakeholders to be informed and acted.

#### **7.2.4 The Scope of Authorities and Responsibilities of the Chairman of the Board**

1. The Chairman of the Board is responsible for overseeing the use of policies and strategic operational guidelines of the management including providing advice and supporting the business operations of the management but not participate in the routine management of the company.
2. The Chairman of the Board acts as the Chairman of the Board of Directors' meeting and the shareholders' meeting and to encourage all directors to participate in the meeting as well as overseeing that the Board of Directors and shareholders' meetings are conducted effectively and successfully, pursuant to laws, and the Good Corporate Governance and Business Code of Conduct principles of the company; Directors must also discharge their duties with responsibility to shareholders and any stakeholders concerned.
3. Responsible as the leader of the Board of Directors in monitoring, supervising the Executive Committee and other Sub-committees to achieve the objectives.
4. Being the Chairman of the Board of Directors' Meeting and being the Chairman of the shareholders' meeting.
5. Being a casting vote in the event that there are two equal votes in the Board of Directors' meeting.

## 7.3 Sub-committees

The Board of Directors appoints 3 Sub-committees which are (1) Audit Committee, (2) Executive Committee, and (3) Risk Management Committee to serve and support the operation of the Board of Directors. The Sub-committees are responsible for reviewing particular matters. The Board of Directors shall approve the appointment of Sub-committee members and the issuance of the Sub-committee charter to determine the relevant regulations, composition of Sub-committees, or to define the scope, authority, duties, and responsibility, as well as other matters related to Sub-committees as the Board of Directors deems appropriate. The charter of each Sub-committee will be reviewed annually.

### 7.3.1 Audit Committee

The company's Audit Committee has comprised of three directors as follows:

No.	Name	Position
(1)	Assoc. Prof. Virach Aphimeteetamrong, Ph.D.	Chairman of the Audit Committee
(2)	Mr. Siripong Sombutsiri	Audit Committee
(3)	Professor. Piphob Veraphong	Audit Committee

#### The Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has the scope of duties and responsibilities as assigned by the Board of Directors and also report to the Board of Directors as follows:

1. Review the accuracy, adequacy, and reliability of the company's financial reporting;
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions of the company;
3. Participate in reviewing CFO qualification of the company;
4. Consider, select, appoint, and approve the remuneration of internal audit team, by considering their knowledge, proficiency and work experience as well as approve an annual internal audit plan. In case that the company sets up an internal audit department, the audit committee will approve the appointment, removal and discharge as well as evaluate the annual performance of internal audit team;
5. Discuss and consider the relationship and coordination of the scope and audit plan of internal and external auditors;
6. Review and consider together with the internal auditor in respect of the results of internal audit, issues, and recommendation;
7. Monitor the company's compliance with Securities and Exchange Acts and Regulations of the SET, and/or any other laws relevant to the company's business;
8. Consider, select, and propose to the Board of Directors for appointment of independent persons to be the company's auditors as well as the audit fees, by considering the audit firm's independence, credibility, adequacy of its resources, audit engagements, and the experience of its supervisory and professional staff to audit the company's financial statements, and attend a non-management meeting with auditors at least once a year;

9. Review and consider together with the external auditor in respect of the results of the financial reporting, issues, and recommendation;
10. Review the company and ensure it has been followed the anti-corruption policy;
11. Consider the disclosure of the connected transactions or any transactions that may cause conflict of interest completely, complying with government agencies' rules and regulations to ensure that such transactions are reasonable and create the highest benefit to the company;
12. To prepare, and to disclose in the company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - An opinion on the accuracy, completeness, and reliability of the company's financial report;
  - An opinion on the adequacy of the company's internal control systems;
  - An opinion on the compliance with the Securities and Exchange Acts and Regulations of the SET, or any other laws relevant to the company's business;
  - An opinion on the suitability of an auditor;
  - An opinion on the transactions that may cause to conflict of interest;
  - The number of the Audit Committee's meetings, and the attendance of such meetings by each committee member;
  - An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
  - Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
13. Perform any other activities as assigned by the Board of Directors, with the approval of the Audit Committee;
14. Having the authority to examine and scrutinize any related issues, the Audit Committee can seek for the independent advisor with the company's expenses in order to succeed the assignments; and
15. Review and amend the Audit Committee Charter annually to update and to be suitable for organizational environment.

Reference to the above responsibilities, the Audit Committee is accountable to the company's Board of Directors whereas the Board of Directors remains responsible to the third party in relation to the company's operations.



### 7.3.2 Executive Committee

The company's Executive Committee comprises of eight directors as follows:

No.	Name		Position
(1)	Prof. Dr. Chalerm	Harnphanich, M.D.	Chairman of the Executive Board
(2)	Asst. Prof. Dr. Somporn	Harnphanich, M.D.	Executive Director
(3)	Ms. Pornluck	Harnphanich, M.D.	Executive Director
(4)	Mr. Kantaporn	Harnphanich	Executive Director
(5)	Ms. Pornsuda	Harnphanich	Executive Director
(6)	Mr. Surapant	Taweewiyakarn, M.D.	Executive Director
(7)	Mr. Dhiti	Pattanakumjorn, M.D.	Executive Director
(8)	Mr. Voravee	Kiatiniyomsak	Executive Director

In addition, the company appoints the executives responsible for various tasks upon each individual executive experiences and expertises for example, director of central purchasing department, accounting department, finance department, human resource management, medical and nurse department, and quality department.

#### The Scope of Authorities and Responsibilities of the Executive Committee

The scope of authorities and responsibilities of the Executive Committee includes the regular operations' administration and management of the company, policy making, business planning, budgeting, structuring administrative process and empowering the line of command in the company in compliance with the current economic condition, subsequently present in the Board of Directors' Meeting for an approval or consensus, which will then be included the auditing and following-up part as prescribed by the company. The scopes of authorities and responsibilities are:

1. Operate and manage the company's business in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the Board of Directors' meeting and/or resolutions of the Meeting of shareholder;
2. Analyze and issue the policy, direction, and strategy of the company's operation. Consider and approve budgeting and financial plans, human resources management, information technology investment, business expansion, public relations, and supervise and direct the works carried out by appointed working groups to meet the objectives; and present the results to the Board of Directors for further development;
3. Plan for an annual budget allocation as being presented by the management team prior to the consideration and approval by the company's Board of Directors. The scope of responsibilities includes a consideration and approval for the changes or increase in the company's annual expenses budget during the absence of a seasonal meeting for the Board of Directors. The results shall be presented to the Board of the Directors in the following meeting;
4. Approve the expenditure of significant investments as specified in the annual expenditure budget as assigned by the Board of Directors or as previously approved by the Board of Directors in principle;

5. Authorized to consider and approve for loan, procurement of credit lines, or any credit loans made by the company within each individual line not exceeding Baht 100 million;
6. Having power to approve and withdraw money from all accounts of the company, and use credits provided by all banks or financial institutions for the Company, including apply for opening accounts and/or apply for credits in various forms with all banks or financial institutions, as well as placing securities of the company as collateral against such debts, regardless of whether or not it requires registration;
7. The Executive Committee act as consultants to the management team for policies of finance, marketing, human resources management, and other relevant operations;
8. Consider on the profit and loss of the company and the payment of interim dividend or annual dividend and present them to the Board of Directors for an approval;
9. Determine the organizational structure, organization management powers. This includes appointments, employment, transfers, wages, compensation and bonuses for executive-level employees who are not executive directors, and excludes CEO and termination of employment;
10. Have an authority to authorize or delegate a Director or Directors or other individuals to perform or carry out a task under a supervision of the Executive Committee, or may authorize such individuals as appropriate within a specific period of time. Such authorization may be subjected to terminate, cancel, or amend unto such individuals as appropriate;
11. Develop policies or manuals related to anti-corruption and create anti-corruption values in the company; and
12. Operate in other issues as being given by the Board of Directors on a periodical basis.

The authority of the Executive Committee shall not include any approval of the issue that may invoke a conflict, or any issue that the Executive Committee or the person pertaining to the Executive Committee has been involved in with any means to have taken parts for the benefits, or invoke any other conflicts with the company or its affiliations by rules on the Stock Exchange of Thailand. The approval for such mentioned issues have to be presented to the Board of Directors' Meeting and/or the Shareholders' Meeting for further consideration and approval as prescribed under the company's Articles of Association or by relevant laws.

#### **The Scope of Authorities and Responsibilities of the Chief Executive Officer**

1. Supervises the company's operations and/or manage daily operations;
2. Operates and acts in lieu of the policy, plan, and budgets as approved by the Board of Directors and/or the Executive Committee;
3. Authorized by the company to administer and manage the company's activities to meet the objectives, regulations, policies and rules, and by consents of the Shareholders' Meetings and/or the Board of Directors' Meeting and/or the Executive Committee's Meeting;
4. Have an authority to appoint and administer Sub-committee to optimize management with transparency. The Sub-committee shall have a periodical empowerment and/or delegates other individuals to perform a particular duty, within the scope as prescribed in the Letter of Authorization and/ or as prescribed by the regulations or by orders of the Board of Directors and/ or the company;
5. Plans for the company's mission, objectives, and policies. Delegates the works and directs and supervises the operations as a whole;

6. Continuously follows up and evaluates the company's performance as a risk management, internally and externally;
7. Subjected to make a decision upon the company's regular operations, such as in Contract for Health Service, Contract for Employment for Medical Services under a Social Security Act B.E.2533, Contract for Medical Services in the Universal Coverage Scheme, Contract of Purchase and Employment, including a decision on the procedures to make those Contracts. Such procedures will be presented to the Executive Committee and the Company's Board of Directors;
8. Authorized to hire, employ, appoint, allocate, or transfer the employees within and between the units, sections, departments; or terminate the employment. Authorized to set salary scales, compensation and benefits, rewards, and total welfare of the company's employees;
9. Have a full authority to order, announce, delegate of rules and regulations to have the operations meet the policy and objectives of the company and to restore and ensure that working disciplines are in place;
10. Perform other duties as assigned periodically from the company's Board of Directors.

The authority of the Chief Executive Officer and the authority given to appropriate personnel are excluding the authority and/or an authorization for an approval that might invoke a conflict of interest and of benefits towards the personnel with the company or affiliated companies under the SET's regulations. Approval for such cases has to be presented to the Board of Directors' Meeting and/or the Shareholders' Meeting for an approval as required by the company's regulations or by other related laws.

### 7.3.3 Risk Management Committee<sup>1/</sup>

The Company's Risk Management Committee comprises of seven directors as follows:

No.	Name		Position
(1)	Mrs. Saifon	Chaimongkol	Chairman of the Risk Management Committee
(2)	Ms. Pornluck	Harnphanich, M.D.	Risk Management Committee
(3)	Ms. Pornsuda	Harnphanich	Risk Management Committee
(4)	Mr. Voravee	Kiatiniyomsak	Risk Management Committee
(5)	Mr. Surapant	Taweewikayakarn, M.D.	Risk Management Committee
(6)	Ms. Supotjane	Hahtapornsawan, M.D.	Risk Management Committee
(7)	Ms. Anchalee	Kengkijakarn	Risk Management Committee

In addition, the company appoints the working group including the representative experiencing in various tasks related to company operations to determine overall risks management and mitigation plan for the company for example, purchasing risk, accounting risk, financial risk, risk on human resource management, risk from medical expenses and medicines, and litigation risk.

Remark: <sup>1/</sup>The Board of Directors' Meeting No. 2/2023 on 28 February 2023 approved an increase in the scope of duties and responsibilities of the Risk Management Committee to elevate operational procedures and corporate risk management in line with the sustainable business development guideline in terms of Environment, Social and Good Corporate Governance (ESG)

## The Scope of Authorities and Responsibilities of the Risk Management Committee

1. Review and present the risk management framework and policy to the Board of Directors for approval;
2. Verify and accept risks at acceptable risk levels and present them to the Board of Directors;
3. Continuously monitor development and compliance activities in accordance with the risk management framework and to ensure policies are effective throughout the organization;
4. Evaluate the risk identification results and assessment procedures. Reporting key risk management activities and enforcement processes to ensure that the organization has an adequate and appropriate risk management system;
5. Coordinate with the Audit Committee on significant risk factors and have the Internal Audit Unit to review that the risk management system of the company is appropriate to the exposure, being adapted as needed and adopted throughout the organization;
6. Report to the Board of Directors regularly on significant risks and risk management solutions;
7. Recommend and advise the relevant working committee included significant risks and risk management, as well as evaluate the appropriate solutions to improve the information that are related to the development of risk management solutions;
8. Appoint sub-committees and/or relevant personnel to add or replace in the sub-committees of risk management and/or relevant departments and/or working groups involved in risk management as necessary as well as determine the roles and responsibility to achieve objectives; and
9. Perform other duties as assigned periodically from the company's Board of Directors.



## 7.4 Details of Directors

### 7.4.1 Details of the Management and Executives (As of 31 December 2022)

Name	Position
Prof. Dr. Chalerm Harnphanich, M.D.	Chief Executive Officer
Asst. Prof. Dr. Somporn Harnphanich, M.D.	Deputy CEO
Ms. Pornluck Harnphanich, M.D.	Chief Operating Officer
Mr. Kantaporn Harnphanich	Chief Marketing Officer
Ms. Pornsuda Harnphanich	Chief Financial Officer
Mr. Kittisak Thanasit, M.D.	Hospital Director (Kasemrad Hospital Bangkai)
Assoc. Prof. Piya Netrawichien, M.D.	Hospital Director (Kasemrad Hospital Prachachuen)
Mr. Itthipong Yodprasit, M.D.	Hospital Director (Kasemrad Hospital Sriburin)
Mr. Suchai Suttikansanee, M.D.	Hospital Director (Kasemrad Hospital Saraburi)
Mr. Thawatchai Vanichkorn, M.D.	Hospital Director (Kasemrad Hospital Chachoengsao)
Mr. Jorn Jiranakorn, M.D.	Hospital Director (Kasemrad Hospital Rattanakibeth)
Mr. Montien Pengsombat, M.D.	Hospital Director (Kasemrad Hospital Ramkhamhaeng)
Prof. Adisorn Patradul, M.D.	Hospital Director (World Medical Hospital)
Mr. Surapant Taweewiyakarn, M.D.	Hospital Director (Kasemrad International Hospital Rattanakibeth)
Mr. Saman Chaisit, M.D.	Hospital Director (Kasemrad Hospital Prachinburi)
Mr. Somsak Pongprasert, M.D.	Hospital Director (Kasemrad International Hospital Vientiane)
Mr. Yingkiat Paisalachapong, M.D.	Hospital Director (Karunvej Hospital Pathumthani)
Mr. Thanawat Wattanawongpiyo, M.D.	Hospital Director (Karunvej Hospital Ayudhaya)
Mr. Dhiti Phatthanakamjorn, M.D.	Hospital Director (Kasemrad International Hospital Aranyaprathet)
Mr. Voravee Kiatiniyomsak	Director of Accounting and Company Secretary
Mrs. Saifon Chaimongkol	Director of Central Procurement
Mr. Wikrom Chuvorachaikul	Director of Engineering

### 7.4.2 Directors and Executives Remuneration Policy

The company has clearly defined a director's remuneration policy approved by the shareholders' meeting. The remuneration for directors is provided at an appropriate level and sufficient to attract and retain the capable and qualified director. The remuneration is set at the same level as the industry standard suitable for the assigned duties and responsibilities.

### 7.4.3 Remuneration for Directors and Management

The 2022 Annual General Meeting of Shareholders held on 26 April 2022 approved the remuneration of year 2022 for directors as follows:

Position	Remuneration (Baht/month)	Pension (Baht/year)	Others Benefits
Chairman of the Audit Committee	65,000.00	1,161,700.00	None
Audit Committee	60,000.00	1,064,500.00	None
Director	55,000.00	967,700.00	None

Directors' remunerations for the year ended on 31 December 2022 are as follows:

(Unit : Baht)

No.	Name	Position	Remuneration	Pension	Total
1	Prof. Dr. Chalerm Harnphanich, M.D.	Chairman of the Board of Directors	640,000	967,700	1,607,700
2	Asst. Prof. Dr. Somporn Harnphanich, M.D.	Director	640,000	967,700	1,607,700
3	Ms. Pornluck Harnphanich, M.D.	Director	640,000	967,700	1,607,700
4	Mr. Kantaporn Harnphanich	Director	640,000	967,700	1,607,700
5	Mr. Phinij Harnphanich	Director	640,000	967,700	1,607,700
6	Ms. Pornsuda Harnphanich	Director	640,000	967,700	1,607,700
7	Mr. Voravee Kiattinoyomsak	Director	640,000	967,700	1,607,700
8	Mr. Pumipat Chatnoraset <sup>1/</sup>	Director	456,667	967,700	1,424,367
9	Assoc. Prof. Virach Aphimeteetamrong, Ph.D.	Independent Director and Chairman of Audit Committee	760,000	1,161,700	1,921,700
10	Mr. Siripong Sombutsiri	Independent Director and Audit Committee	700,000	1,064,500	1,764,500
11	Professor. Piphob Veraphong	Independent Director and Audit Committee	700,000	1,064,500	1,764,500
12	Mr. Thawat Suntrajarn, M.D.	Independent Director	640,000	967,700	1,607,700
Total			7,736,667	12,000,000	19,736,667

Remark: <sup>1/</sup> Mr.Pumipat Chatnoraset resigned as a director of the company since 21 September 2022 and the Board of Directors' Meeting No. 2/2023 on 28 February 2023 approved a resolution to appoint Mr. Surapant Taweewikayakarn, M.D. to be a member of the Board of Directors which effective date is from February 28, 2023 onwards.



The company and its subsidiaries have management and executives' remuneration of 22 persons for the year ended on 31 December 2022 (i.e. salary and bonus) totaling Baht 235.99 million. The remuneration for management and executives is set at the same level as industry standard suitable to the duty and responsibility assigned and related to the company's profitability and performance of each individual.

## 7.5 Details of the Employees

As of 31 December 2022, the Company and its subsidiaries have a total of 8,877 employees.

Category	Number of employees
Physician	1,682
Nurses and Nursing Assistants	3,389
Medical Operation and Support Personnel, and Officer	3,806
<b>Total</b>	<b>8,877</b>

### • Employee Benefit and Provident Fund

For the payment of compensation to employees for the year ended 31 December 2022, such as salary and Other benefits, which consists of salary, bonus, overtime pay, employers' actual social contributions, and provident fund contributions\*, totaling 2,310.03 million baht (The company and its subsidiaries have established a provident fund for employees of the company on a voluntary basis, whereby the company and its subsidiaries pay contributions monthly at the rate of 2 to 15 percent of the employees' salaries.

Besides compensation given to employees as appropriate to the economic, competitive and labor market conditions, the company also provides basic welfare such as medical benefits, annual health check-up, funeral aid for direct relative, holiday leave, fitness, and etc.

### • Human Resource Development Policy

The company has a policy to develop personnel with the expectation that all employees have increased their knowledge, competence, and prepared for changes all the time by connecting to the company's plan on annual salary adjustments and bonuses. Moreover, the company uses Key Performance Indicators (KPIs) in its performance appraisals to stimulate an atmosphere of creative thinking and differentiation that contributes to the value added for sustainable growth.

### • Employee Training

In 2022, the company has provided the training and development of personnel through training courses both internally and externally, such as Fundamental of Health and Safety Course, Hospital Safety Management Course, Basic Life Support (BLS) Course, and Risk Management System Course. Moreover, the company has also provided Environmental Care Promotion and Energy Conservation Program to create organizational culture and create awareness among employees for cooperation and responsibility in environmental management and also support efficient and sustainable use of resources.

## 7.6 Other Important Information

### 7.6.1 Company Secretary

The Board of Directors has appointed Mr. Voravee Kiatinijomsak, Accounting Director to be the Company Secretary since 14 January 2016. Qualifications and responsibilities of the Company Secretary appear in Attachment 2.

### 7.6.2 Investor Relations

The company has established an Investor Relations Department to contact and provide information to shareholders, analysts, and interested parties, with the highest responsibility being Ms. Vimonmarn Krishnakalin, Associate Director of Finance and Investor Relations to be responsible for the accurate, complete and truthful information disclosure. Company information can be obtained from the Investor Relations Department at telephone number 02-8369940 or via email: IR@bangkokchainhospital.com

### 7.6.3 Internal Audit

Ms. Wanthanee Wongbutrod, Deputy Manager of Internal Audit Department 2 of Dharmniti Internal Audit Co., Ltd is the person assigned to be responsible for the company's internal audit. Details of the head of internal audit are provided in Attachment 4.

### 7.6.4 Persons Assigned to Be Directly Responsible for Accounting

Mr. Voravee Kiatinijomsak, Accounting Director is the person who is directly responsible for supervising the accounting, supervising the company's accounting transactions to be effective in accordance with the rules, regulations, guidelines of the company, and accounting standards.

*Remark: Mr. Voravee Kiatinijomsak is an accountant who meets the requirements of the Department of Business Development and has passed the Continuing Professional Development (CPD).*

### 7.6.5 Auditor's Remuneration

The Audit Committee is responsible for selecting the company's auditors to propose to the shareholders' meeting for appointment under the rules of the Securities and Exchange Commission, which must regularly review the qualifications, performance, and remuneration of the auditors.

The Audit Committee reviewed the above guidelines and considered to nominate Ms. Nawarat Nitikeatipong, Certified Public Accountant No. 7789, or Mrs. Wilai Buranakittisophon, Certified Public Accountant No. 3920, or Ms. Wipawan Pattawanwiwek, Certified Public Accountant No. 4795 of KPMG Phoomchai Audit Co., Ltd. to be the auditor of the company and its subsidiaries for the year 2022, in which the general meeting of shareholders approved as proposed.

## Auditor's Remuneration in 2022

Unit : Baht

No.	Company Name	Audit	Audit Fee (Baht)	Other Fee
1	Bangkok Chain Hospital PCL.	KPMG Phoomchai Audit Limited	3,000,000	None
2	Subsidiaries	KPMG Phoomchai Audit Limited and KPMG International	3,495,000	None
Total			6,495,000	None



## 8. Report on Key Performance in Corporate Governance

### 8.1 Summary of the Board of Director's Performance in the Past Year

The company operates and manages its businesses under the supervision of the Board of Directors by striving to sustain the ideology of conducting business with fairness and responsibility to all stakeholders under the principles of good corporate governance for listed companies in 2017 stated by the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the company also adheres to the Corporate Governance Code (CG Code) and corporate governance policies and codes of conduct to building trust among stakeholders, and create a good corporate culture and values, as well as enhancing competitiveness and sustainable growth.

In 2022, the Board of Directors has reviewed policies, measures, and guidelines for corporate management according to the CG Code, including the principles of good corporate governance at an international level with examples of important performance results as follows:

- Reviewed and approved vision, strategic plan, annual business plan, and medium-long term business plan (3 to 5 years) by emphasizing on increasing competitiveness through building and adapting to the situation, managing operating costs effectively, and monitoring the performance of strategic plans on a regular basis.
- Reviewed the policies and practices on good corporate governance in accordance with the Corporate Governance and Business Ethics, and approved additional policies related to succession plan to help facilitate the recruiting and selection plan of essential position by encouraging a qualified and experienced person to be the executive of the company.
- Reviewed the guidelines for organizing the Annual General Meeting of Shareholders for the year 2022, which will be held via virtual conference under the COVID-19 situation. Therefore, in order to facilitate and encourage shareholders to attend the Annual General Meeting and vote their rights, the Board of Directors approved the company to deliver the meeting invitation letter, proxy form, and documents that must be presented before attending the meeting for shareholders who are individual, juristic persons, institutional investors, and custodians to operate properly, as well as provide all meeting documents through the company's website.

Besides disclosing the results of compliance with the CG Code, the company also disclosed information on other practices in accordance with good corporate governance principles such as the Corporate Governance Report of Thai Listed Companies (CGR) and AGM Self-Assessment (AGM Checklist), along with upgrading the ESG disclosure of listed companies to reflect business operations under good corporate governance concerning the impact on society and the environment.

### Corporate Governance Assessment

#### Corporate Governance Report of Thai Listed Companies (CGR)

The Corporate Governance Report Year 2022 is a survey and monitoring developments in corporate governance of listed companies in Thailand using assessment criteria developed by the Organization for Economic Cooperation and Development (OECD). The company's evaluation results were rated at a "Very Good" level, or a 4-star.



## Annual General Meeting Checklist

The 2022 Annual General Meeting Checklist by the Thai Investors Association is an assessment of the quality of the Annual General Meeting of Shareholders assigned by the Securities and Exchange Commission (SEC), which the company received an evaluation score at 100 percent.



### 8.1.1 Recruiting, Developing and Evaluating the Board of Directors Performance

#### (1) Independent Directors Nomination

The Board of Directors will jointly consider preliminary qualification of persons who will be appointed as independent directors by considering the qualifications and prohibited characteristics of directors under the Public Limited Companies Act, the Capital Market Supervisory Board (CMSB) announcement, and related regulations. Additionally, the Board of Directors will consider the selection of independent directors from qualified persons, work experience, and other appropriateness, and then propose to the shareholders' meeting for consideration and appointment as the company's director. In this regard, the company has a policy to appoint independent directors at least one-third of the total number of directors and must not be less than three persons. The charter of the Board of Directors stipulates that independent directors can serve in the position for not more than 9 years from the date of being appointed as an independent director for the first time. In the case of appointing independent directors to continue their positions, the Board will consider with reasonability and necessity in extending those appointing term.

#### Qualifications of Independent Directors

1. Hold share not more than 1 percent of paid up capital of the company, affiliates company, joint company, associated company, including the shares held by the related person;
2. Being independent either directly or indirectly of both financial and management of the Company or joint company or major shareholders of the company, and having no benefit or interest in such manner within 2 years before being appointed as the Independent Director, unless the Board of Directors has carefully considered and see that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion;
3. Must not be the Director who has been appointed as the representative to maintain the interest of the Director of the company, major shareholders, or shareholders who are related to the major shareholders of the company;
4. Must not participate in management and must not be employee, staff or consultant who receives regular salary in the company, affiliate company, joint company, company or major shareholder of the company. Must not be related person or relatives of the executive or major shareholders of the company;
5. Capable to perform his duty and express opinion or report result of duty performing independently as assigned by the Board of Directors, and not under the control of the Executive or major shareholders of the company, including related person or close relatives of such person; and
6. No other character that causes the inability to give opinion to operation of the company independently.

All the definitions above have complied with the rules and regulations stipulated by Securities and Exchange Commission and the Stock Exchange of Thailand.

## (2) Directors and Executives Nomination

The Board of Directors plays an important role in formulating strategies and business practices for sustainable growth. The process of nomination and selection of directors appears in the Corporate Governance Policy section: Nomination of Directors Criteria and Procedures for Appointing New Directors.

Regarding the nomination of executives, the Board of Directors is responsible for consideration and appointment of the Chief Executive Officer by considering the qualified person with leadership, vision, integrity, ethics, and transparency. The Chief Executive Officer has the authorities and duties in relation to the management of the company as assigned by the Board of Directors as specified in the Corporate Governance Policy section: the Scope of Authorities and Responsibilities of the Chief Executive Officer.

### Directors and Executives Development

The company encourages all directors and management to take a training course in accordance with the corporate governance guidelines. All training expenses shall be paid by the company. The training courses are Director Certification Program (DCP) and Director Accreditation Program (DAP), as well as other courses that are important to the company's development organized by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Federation of Accounting Professions, and etc.

In 2022, the Board has a policy to continuously encourage and support the directors' development such as

Name	Program
Ms. Pornluck Harnphanich, M.D.	<ul style="list-style-type: none"><li>• Introduction to Medical Law by Thai MOOC, Ministry of Higher Education, Science, Research and Innovation</li></ul>
Ms. Pornsuda Harnphanich	<ul style="list-style-type: none"><li>• e-learning CFO's Refresher Course by The Stock Exchange of Thailand</li><li>• AI for Healthcare: Equipping the workforce for digital transformation by The University of Manchester and Health Education, England</li><li>• Human Resources Management Course by Oxford Home Study College</li><li>• Supply Chain Management Course by Oxford Home Study College</li><li>• Introduction to Medical Law by Thai MOOC, Ministry of Higher Education, Science, Research and Innovation</li><li>• Innovation for IoT (Beginner) by Digital Economy Promotion Agency</li><li>• Health Insurance System by Learning Innovation Center, Chulalongkorn University</li><li>• Personal Data Protection by Digital Council of Thailand</li></ul>
Mr. Voravee Kiatiniyomsak	<ul style="list-style-type: none"><li>• Ethics Course for Chartered Professional Accountant Class 6</li><li>• Thai Chartered Management Accountant (TCMA) Course Class 1/2022</li><li>• TFRS for NPAs Update according to the Notification of the Accounting Profession no.42/2563</li></ul>



## 8.1.2 Directors' Meeting Participation and Remuneration

### Directors' Meeting Participation in 2022

The company has set a meeting schedule in advance every year. The company has sent the meeting invitation letter together with the meeting agenda and documents at least 7 days prior to the meeting so that the Board of Directors has enough time to study the information before attending the meeting. Directors' Meeting Participation in 2022 is as follow:

Name		Board of Directors	Executive Committee	Audit Committee	Risk Management Committee
1. Prof. Dr. Chalerm	Harnphanich, M.D.	6 from 6	4 from 4	-	-
2. Asst. Prof. Dr. Somporn	Harnphanich, M.D.	6 from 6	4 from 4	-	-
3. Ms. Pornluck	Harnphanich, M.D.	6 from 6	4 from 4	-	6 from 6
4. Mr. Kantaporn	Harnphanich	6 from 6	4 from 4	-	-
5. Mr. Phinij	Harnphanich	6 from 6	-	-	-
6. Ms. Pornsuda	Harnphanich	6 from 6	4 from 4	-	6 from 6
7. Mr. Voravee	Kiatiniyomsak	6 from 6	4 from 4	-	6 from 6
8. Mr. Pumipat	Chatnoraset <sup>1/</sup>	4 from 6	2 from 4	-	4 from 6
9. Assoc. Prof. Virach	Aphimeteetamrong, Ph.D.	6 from 6	-	5 from 5	-
10. Mr. Siripong	Sombutsiri	6 from 6	-	5 from 5	-
11. Professor. Piphob	Veraphong	6 from 6	-	5 from 5	-
12. Mr. Thawat	Suntrajarn, M.D.	6 from 6	-	-	-
13. Mr. Surapant	Taweewikayakarn, M.D. <sup>2/</sup>	-	4 from 4	-	2 from 6
14. Ms. Supotjane	Hahtapornsawan, M.D. <sup>2/</sup>	-	-	-	2 from 6
15. Mr. Dhiti	Patttanakamjorn, M.D.	-	4 from 4	-	-
16. Mrs. Saifon	Chaimongkol	-	-	-	5 from 6
17. Ms. Anchalee	Kengkijakarn	-	-	-	6 from 6

Remark: <sup>1/</sup> Mr.Pumipat Chatnoraset resigned as a director of the company since 21 September 2022 and the Board of Directors' Meeting No. 2/2023 on 28 February 2023 approved a resolution to appoint Mr. Surapant Taweewikayakarn, M.D. to be a member of the Board of Directors.

<sup>2/</sup> The Board of Directors' Meeting No. 4/2022 on 15 August 2022 approved to increase the number of Risk Management Committee and appointed two persons to the Risk Management Committee.

### Remuneration for Directors and Management

The company determines the remuneration of directors and executives at an appropriate and comparable level with those in the same industry. The factors to be considered comprise of duties, scope, roles, and responsibilities. However, the remuneration of the directors must be approved by the shareholders' meeting. The remuneration of the executives will be in accordance with the principles and policies set by the Board of Directors, which will consider based on their duties and responsibilities, the performance of each executive, and the performance of the company.

### 8.1.3 Supervision of Subsidiaries and Associates

The company has sent directors and executives approved by the Board of Directors to be directors in all subsidiaries. However, if such directors and executives retire from being a director in a subsidiary, the Board of Directors will consider sending its representative to take care the benefits of the company from time to time. The company has also established policies on important transactions such as related transactions.

### 8.1.4 Corporate Governance Compliance

The company has monitored its operations to ensure compliance with the Corporate Governance and Business Ethics, especially disclosure of information, related transactions, acquisition or disposition of assets, investment and supervision of subsidiaries, and risk management. The results of the follow-up revealed that the company has completely complied with the relevant policies and guidelines.

#### **Board of Directors, Executive Committee and Risk Management Committee Performance Assessment**

The company set up the Assessment to evaluate Board of Directors and Executive Committee performance every year which conducted in three different forms;

##### **1. Group Self-Assessment**

Self-Assessment form was adapted from Stock Exchange of Thailand on Corporate Governance guidelines and responsibilities of the board in order to comply with the company management structure. The results represent an important part of improving the director responsibilities and also increase the efficiency of the company management. The director and committee will evaluate the level of opinion or level of performance under four subjects:

1. Structure and Qualification of the Board of Directors.
2. Board Meetings.
3. Roles, Duties and Responsibilities of the Board of Directors.
4. Other issues; the relationship between the board and management.

The Company Secretary is responsible for delivering out the assessment form to all the directors to evaluate at the end of every year. Also they are in charge of gathering the results and conduct the summary report for the board to discuss further every year.

##### **2. Individual Self-Assessment**

An individual self-assessment evaluation form is acting as a tool helping board of director to review and improve the roles and duties of them efficiently. The subjects used for the evaluation are according to the responsibilities, corporate governance charter and ethic of the company board of directors which company has followed the standard of Thai Securities and Exchange Commission and Stock Exchange of Thailand office.

1. Structure and Qualification of the Board of Directors.
2. Board Meetings.
3. Roles, Duties and Responsibilities of the Board of Directors.

The Company Secretary is responsible for delivering out the assessment form to all the directors to evaluate at the end of every year. Also they are in charge of gathering the results and conduct the summary report for the board to discuss further every year.

### 3. CEO Performance Assessment

This performance evaluation form is classified into two sections in accordance of SET evaluation guidelines which are the followings:

**Section 1 Performance Measurement** consisted of 10 subjects as followings:



**Section 2 In CEO developments** are consisted of strength of CEO and issues that CEO should be developing, the additional opinions will be given by company board of directors.

CEO will involve on the target setting and get notified every year. At the end of every year, the Company Secretary is responsible for delivering out the assessment form to all the directors to evaluate CEO performance, including with delivering out the assessment to CEO to evaluate himself to compare with past performance and enhance capability.

Also the Company Secretary is in charge of gathering the results and conduct the summary report for the board to discuss further every year.

For 2022, the result of self-assessment of the Board of Directors and Sub-committees are as follows:

Board of Directors/ Sub-committees	Board's self-assessment (%)	Director (individual)'s self-assessment (%)
Board of Directors	92.82	92.35
Executive Committee	91.98	91.48
Risk Management Committee	90.60	92.73
Audit Committee	97.70	100.00
CEO	95.49	94.50

### **(1) Conflicts of Interest Prevention**

The company has set a policy for the Board of Directors, executives, and employees to perform their duties in the best interests of the company. In the event that any person has a stake in or is involved in the transaction, such person must notify the internal audit department who is in charge of such matter and not participate in the transaction.

The company has established measures to prevent conflicts of interest that may arise from transactions between the company and another parties as to which stakeholders will be able to participate in the approval of such transactions. The Board of Directors will comply with the laws, regulations, announcements, orders, or requirements of the Stock Exchange of Thailand, as well as complying with the requirements for disclosure of related transactions, acquiring or disposing of important assets of the company, and strictly complying with accounting standards set by the Association of Accountants.

Furthermore, the company will arrange an Audit Committee or an auditor or an independent expert, to examine and provide opinions on the reasonableness of the related transactions and will disclose such related transactions in the notes to the financial statements that have been audited or reviewed by the auditor. Details appear in the Corporate Governance section under Internal Control and Related Transactions.

### **(2) Insider Information for Exploitation**

The company has a policy to prohibit directors and executives from using the company's internal information that has not yet been disclosed to the public for personal benefit, including trading in the company's securities. The directors, executives, and employees who are in the department that know inside information should avoid or refrain from trading in the company's securities during one month before disclosing the financial statements to the public.

The company has informed the management to understand the roles and duties of holding the company's securities of their own, their spouses, and underage children, as well as to report changes in securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand in accordance with Section 59 and penalty provisions under Section 22 of the Securities and Exchange Act (No. 5) B.E. 2559.

The company also imposes penalties for violations of the use of insider information for personal benefit in the Company regulations, ranging from verbal warnings to dismissal.

### **(3) Anti-Corruption**

The company has established policies and anti-corruption processes. The Audit Committee and Executives are responsible for raising awareness and communicating with employees. The company discloses details of its anti-corruption policy on its website ([www.bangkokchainhospital.com](http://www.bangkokchainhospital.com)) in the investor relations section under the topic of good corporate governance.

The company has announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC) on 10 November 2017 and has been continuously renewed. The company has arranged the implementation of the anti-corruption policy as follows:

- The company regularly assesses risks that may arise from corruption and revises existing risk management measures to ensure that they are appropriate and at an acceptable level, which can be referred to in the Risk Management on Corruption.
- The company and its subsidiaries provide orientation for new employees and knowledge development training for directors, executives, and employees so that everyone has an understanding about anti-corruption measures, company expectations, and penalties.

- Directors, executives, and employees will receive a copy of the policy in the form of a brochure, in which the full policy can be found on the Company's website. The Company also communicate the policy through annual activities to ensure that everyone is aware of and understands the Company's Anti-Corruption Policy.
- The company will continually conduct a regular review of the Anti-Corruption Policy (at least once a year). The Risk Management Committee will propose to the Audit Committee for consideration of sufficiency and effectiveness, as well as report the results of the risk assessment and recommendations to the Board of Directors regarding further actions that should be taken.
- The internal control system and regulations are periodically reviewed by the Internal Audit Department. The detected issues will be urgently reported to the Audit Committee to ensure that the internal control system is effective and sufficient to prevent corruption.

#### (4) Whistleblowing

The company has established a channel for receiving complaints in the event that there are evidences about illegal actions, rules and codes of conduct, or behaviors that may imply corruption of the company's personnel. This includes appropriate protection measures for whistleblowers in accordance with the corruption complaints policy. All internal and external stakeholders of the company and its subsidiaries can submit complaints directly through the following channels:

Phone	02-836-9937
Fax	02-106-4858
E-mail	report@bangkokchainhospital.com
Website	www.bangkokchainhospital.com
Postage	Submit whistleblowers and complaints (According to the attachment) To " <b>Recipient of Complaint</b> " Bangkok Chain Hospital Public Company Limited World Medical Hospital Building, 22nd Floor 44 Moo 4 Chaengwatthana Road, Pak Kret Subdistrict, Pak Kret District, Nonthaburi 11120

Remark: "Recipient of Complaint" is the Company Secretary.

## 8.2 Report on performance of Audit Committee and other sub-committees

In 2022, the Audit Committee and other sub-committees (1. Executive Committee and 2. Risk Management Committee) reported on their own performance, including the Board of Directors' responsibility for financial reports to build confidence and credibility for shareholders and investors as follows:

## Report of Audit Committee

The Board of Directors of Bangkok Chain Hospital Public Company Limited has appointed the Audit Committee, consisting of three independent directors who are experts and have experience in law, accounting, finance, and organizational management, with overall qualifications in accordance with the rules and regulations imposed by the Stock Exchange of Thailand.

In 2022, there were five meetings of the Audit Committee, including one meeting with the auditors and no executives, following the details of attendance as follows:

Name	Position	Attendance / Total Meetings (Times)
1. Assoc. Prof. Virach Aphimeteetamrong, Ph.D.	Chairman of the Audit Committee	5/5
2. Mr. Siripong Sombutsiri	Audit Committee	5/5
3. Prof. Piphob Veraphong	Audit Committee	5/5

The Audit Committee has performed duties as assigned by the Board of Directors in monitoring as specified in the Charter of Audit Committee and good corporate governance principles, of which the important issues of performance and duties can be summarized as follows:

1. Review the financial statements of the company and its subsidiaries before presenting to the Board of Directors by considering important issues and receiving clarifications from the auditors, responsible executives, and Internal Audit Department. The Audit Committee has opinions consistent with the auditors that such financial statements have been prepared correctly in accordance with financial reporting standards, and adequate information has been disclosed;
2. Review the company's internal control system by considering the results of the internal control system assessment according to the guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) as reported by the Internal Audit Department on a quarterly basis. It was found that the internal control system is sufficient and suitable for the company's business operations;
3. Consider the selection and appointment of an internal auditor from Dharmniti Internal Audit Co., Ltd., which is an external company with appropriate qualifications to act as the company's internal auditors. The assessment is based on the adequacy of the number of officers, experience, knowledge, capability, and independence of internal auditors to perform the duty of monitoring the work in each part of the company in accordance with the guidelines for assessing the sufficiency of the internal control system as specified;
4. Review the company's compliance with the laws, rules, regulations, and relevant requirements. In addition, the Audit Committee has reviewed the anti-corruption policy as the company has been certified in the Thai Private Sector Collective Action Coalition Against Corruption (CAC);
5. Consider and propose the appointment and remuneration of the auditors from KPMG Phoomchai Audit Co., Ltd., regarding which the Audit Committee has an opinion that the performance of the previous year was in accordance with the specified procedures and had sufficient independence to act as the auditors for the company and its subsidiaries;



6. Consider the connected transactions or possible conflicts of interest by taking into account the principles of transparency and adequate disclosure of information to comply with the laws and regulations of the Stock Exchange of Thailand;
7. Consider and approve the internal audit work plans for the year 2022 and the quarterly report of audit results; and
8. Review the Charter of the Audit Committee to be up to date and appropriate to the organization's environment. In this regard, the Audit Committee has assessed the performance of duties by self-assessment for completeness in accordance with the scope specified in the Audit Committee Charter.

The Audit Committee has performed duties and responsibilities assigned by the Board of Directors with cautiousness and full ability for the benefits of the company, shareholders, and stakeholders.

On behalf of the Audit Committee



(Assoc. Prof. Virach Aphimeteetamrong, Ph.D.)

Chairman of the Audit Committee

## Report of the Executive Committee

In 2022, the Executive Committee organized a total of four meetings, which 100 of the executives attended. The Executive Committee performed their duties and responsibilities as set out in the Charter and attended other meetings with the management to monitor the progress and provide advice to drive the operations as in the specified goals. The key performance of the Executive Committee can be summarized as follows:

1. Cooperate with the management to set the policy, business strategy, goals and action plans, financial goals, and the budget of the company and its subsidiaries by taking into account industry and economic conditions, including social and technological changes that may affect the company's business for presentation and approval to the Board of Directors.
2. Monitor business operations of the company to comply with the policy, work plans, and financial goals, as well as control the use of the company's budget approved by the Board of Directors to be efficient and effective following the growth of the company Group.
3. Consider and give opinions to the management regarding the organizational structure, as well as set up the guidelines and methods for annual performance indicators to promote and push forward the success according to the goals of the company Group.
4. Study the possibility of acquiring assets and potential business expansion in accordance with the Company's business direction to propose and receive approval by the Board of Directors before entering into the transactions.
5. Consider and recommend to the management regarding cash flow management to increase the chances of generating returns under proper risk. Such investments are in accordance with the investment policy framework approved by the Board of Directors, including risk management from the fluctuation of the baht.
6. Consider and approve the operations which are normal business transactions of the company according to the investment budget or budget approved by the Board of Directors. The amount for each item is in accordance with the approval authority and the budget approved by the Board of Directors, including contracts related to such matters.

On behalf of the Executive Committee



(Prof. Dr. Chalerm Harnphanich, M.D.)  
Chairman of the Executive Committee

## Report of Risk Management Committee

In 2022, the Risk Management Committee held a total of six meetings, in which a quorum was accounted for 98 percent and performed their duties in accordance with the missions set forth in the Risk Management Committee Charter and as assigned by the Board of Directors. In this regard, the key points of the operations can be summarized as follows:

1. Consider the company's annual risk management policy and plan, covering different types of risks from both internal and external factors that may affect the Company's operations.
2. Consider and plan a strategy in accordance with the risk management policy to be able to assess, monitor, and control the overall risks of the company to an acceptable level.
3. Monitor, follow, and control the results of risk management.
4. Report to the Board of Directors for acknowledgment of risk management results.

Following the risk management operations, it is confident that the company can achieve the operation goals as set forth in order to maintain and create maximum benefits for shareholders and stakeholders.

On behalf of the Risk Management Committee



(Mrs. Saifon Chaimongkol)

Chairman of the Risk Management Committee

## Report of the Board of Directors Responsibilities on Financial Reports

The Board of Directors is responsible for the company's financial statements, which are prepared in accordance with financial reporting standards by choosing an appropriate accounting policy with careful discretion and consistency, while sufficiently disclosing important information in the notes to financial statements.

In addition, the Board of Directors has appointed the Audit Committee, comprising independent directors with knowledge and ability to monitor and control the financial statements and assess the efficiency and effectiveness of the internal control system to ensure that the accounting information is recorded accurately, completely, and in a timely manner, while preventing any fraud or irregular operation. The Audit Committee has reported operation results to the Board of Directors as appear in this annual report.

The Board of Directors has an opinion that the overall internal control system of the company is at a satisfactory level and can ensure that the company's financial statements show information of financial status, including the disclosure of complete and accurate information.



(Prof. Dr. Chalerm Harnphanich, M.D.)  
Chairman of the Board of Directors

## 9. Internal Control and Related Transactions

### 9.1 Internal Control

On 16 January 2023, the Board of Directors, Audit Committee, and the managements had a meeting to assess the internal control system based on the audit results of the internal audit unit, recommendations of the auditors, and inquiries of additional information from the management. Following the assessment of the company's internal control system in five parts, namely the organization and environment, risk management, operation control of the management, information and communication systems, and monitoring system, the Board of Directors considered that the company has a fairly effective internal control system, while maintaining a sufficient internal control system in relation to the transactions with major shareholders, directors, executives, or related persons. For the internal control in other sections, the Board of Directors has an opinion that the company also maintains sufficient internal control. In addition, for good corporate governance, the Board of Directors has encouraged and supported the management to continually improve the quality of the internal control system.

For the internal control of the subsidiaries, the company has determined that its subsidiaries maintain an internal control system that is consistent with the company's internal control guidelines. Also, the company has assigned officials to inspect the operations of the subsidiaries. In 2022, it was found that the subsidiaries provided adequate and similar internal control in all five areas to the company.

### 9.2 Connected Transaction

The company has connected transactions with its subsidiaries and no individuals who may have conflicts of interest holding more than 10% of their shares. The connected transactions consist of purchase/sales of goods and services with subsidiaries with the set prices or compensations in accordance with normal business conditions and intercompany loan transactions. Whereas, the interest rates on intercompany loans are set at the rates close to the market rates and with appropriate conditions. The company has disclosed information in the notes to financial statements

#### Measures or procedures for approval of connected transactions

The connected transactions are managed through normal conditions of business, such as providing raw material procurement services for group companies. The procurement and purchase department of the company is responsible for purchasing and charging fees for procurement services from subsidiaries. For the management of service fees, the company has set prices and conditions by taking into account the actual prices plus appropriate profits or normal business prices based on reasonable, proper, fair market conditions and prices by taking into account the best interests of the company. The company will report those connected transactions and conditions to the Audit Committee for considerations and opinions on the necessity and reasonableness of transactions.

For other connected transactions such as borrowings, the company has set prices and conditions according to the general trading or in accordance with reasonable price conditions by taking into account the best interests of the company. The company will assign the Audit Committee to provide opinions on the necessity and reasonableness of transactions. If the Audit Committee does not have expertise for considerations of the connected transactions, the company shall arrange for an independent expert or the company's auditors to provide opinions on the said connected transactions for decisions of the Board of Directors or shareholders, depending on the case.

In this regard, to make the connected transactions, the company shall comply with the law of securities and stock exchange, as well as regulations, notifications, orders, or regulations of the Stock Exchange of Thailand, while complying with the disclosure requirements of connected transactions and the acquiring or disposing of the company's important assets. For the approval of connected transactions, the directors or stakeholders have no rights to vote.

### 9.3 Policy or Trend of Future Connected Transactions

The company expects that connected transactions will remain in the future, which shall be according to normal business operations with subsidiaries, such as raw material procurement services, purchasing assets from individuals who may have conflicts of interest or administrative services. For financial assistance, the company has no policy for further transactions, except in cases of necessity. For instance, the company or its subsidiaries shall face a liquidity shortage by connected transactions which may occur in the future. The Board of Directors shall comply with the above related measures or procedures for approval. In addition, the company shall disclose the connected transactions in the notes to financial statements audited by the company's auditors, in compliance with financial report standards.







# 03

## Financial Statement

### 10. Financial Statement



## Certification of the Accuracy of Information

The company has carefully reviewed the information in this Annual Report and certified that such information is accurate, complete, not misleading, lack of any information that should be reported. In addition, the company certifies that:

(1) The financial statements and financial information summarized in the Annual Report contains accurate and complete information on the financial position, operating results, and cash flows of the company and its subsidiaries.

(2) The company has established a good information disclosure system to ensure that the company has disclosed the essential information of the company and its subsidiaries correctly and completely.

(3) The company has established a good internal control system and supervised to ensure compliance with the existing system. The company has informed the internal control assessment as of 16 January 2023 to the auditor and the Audit Committee of the company, covering deficiencies and significant changes in the internal control system, including misconducts that may affect the preparation of the company's and its subsidiaries' financial reports.

In this regard, as evidence that all documents are the same set of documents that the company has certified, therefore the company has assigned Ms. Pornsuda Harnphanich to notarize every page of the documents. If any document does not have Ms. Pornsuda Harnphanich's signature, the company will assume that it is not the information that the company has certified the accuracy of information.

No.	Name	Position	Signature
1.	Prof.Dr. Chalerm Harnphanich, M.D.	Authorized Director	
2.	Mr. Kantaporn Harnphanich	Authorized Director	
<b>Attorney</b>			
1.	Ms. Pornsuda Harnphanich	Chief Finance Officer	

## Independent Auditor's Report

### To the Shareholders of Bangkok Chain Hospital Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Bangkok Chain Hospital Public Company Limited and its subsidiaries (the “Group”) and of Bangkok Chain Hospital Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

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

<b>Valuation of trade accounts receivable and accrued income</b>	
Refer to Notes 3, 6 and 7	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group has overdue trade accounts receivable and accrued income from medical services to patients under the government welfare schemes such as revenue under service agreement with the Social Security Office, etc. Trade accounts receivable are material and accrued income under the service agreement with the Social Security Office is based on the information, criteria and conditions for calculation defined by the Social Security Office, such as, the number of insured persons registered with the hospital, and statistical information of the services provided by the hospital, etc. In addition, the repayment is dependent on the policy and budget of the government welfare schemes.</p> <p>The Group is exposed to the risk of recoverable amount of trade accounts receivable and accrued income due to the complexity of the reimbursement rules and process which is time consuming. The determination of recoverable amount of trade accounts receivable and accrued income require management's professional judgement and analysis of future payment expectation of these government sector. I determine that this matter is a key audit matter.</p>	<p>The audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the procedure of estimating net realisable value of trade accounts receivable, revenue recognition and estimating accrued income from medical services to patients under the government welfare schemes Office by making enquiry of responsible executives and selecting representative samples to test the operation of the designed controls.</li> <li>• Selecting samples to test trade account receivable and accrued income aging report with supporting documents</li> <li>• Perform a reasonableness check of management's expectation for recoverability of trade accounts receivable and accrued income by comparing with the historical data, actual amount received during the year, and relevant documents.</li> <li>• Evaluate the status of the repayments that the Group has discussed and followed up with customer and the government entity.</li> <li>• Perform subsequent cash receipt after the reporting period with relevant documents.</li> <li>• Assessing the adequacy of Group's disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

Impairment assessment of goodwill	
Refer to Notes 3 and 15	
The key audit matter	How the matter was addressed in the audit
<p>The Group has goodwill, which is material to the financial statements whereby the Group perform test impairment of goodwill annually. Impairment loss will occurred when the carrying amount of goodwill exceed its recoverable amount The Group determine the recoverable amount by using the estimation of future cash flows (“DCF”) method.</p> <p>Due to the estimation are important to use judgment. I determine that this matter is a key audit matter.</p>	<p>The audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Enquiry with management to understanding the operation plan and the estimation process for calculation recoverable amount.</li> <li>• Evaluate the appropriateness of the Group’s future cash flows projections method and assumptions by considering financial performance, operation plan with supporting document and the information from external sources and test calculation.</li> <li>• Perform sensitivity analysis around the significant key assumption.</li> <li>• Assessing the adequacy of Group’s disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

### Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

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



I communicate with 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, actions taken to eliminate threats or safeguards applied.

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

(Nawarat Nitikeatipong)  
Certified Public Accountant  
Registration No. 7789

KPMG Phoomchai Audit Ltd.  
Bangkok  
28 February 2023

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Statement of Financial Position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	2,598,186,435	4,520,060,586	1,504,682,515	2,457,959,716
Trade accounts receivable	4, 6	1,538,865,422	3,546,614,963	1,081,094,319	2,091,595,406
Accrued income	7	2,215,553,970	2,122,569,370	1,130,849,728	1,236,388,542
Other receivables	4, 8	59,598,333	2,150,881,790	166,921,545	1,380,438,265
Short-term loans to related parties	4	-	-	500,000,000	230,000,000
Current portion of long-term loan to related party	4	-	-	-	157,500,000
Inventories	9	361,565,022	436,736,097	209,449,798	226,691,761
Other current financial assets	25	41,850,330	736,134,294	655,888	641,107,582
Other current assets		19,087,192	28,270,618	17,354,990	26,579,477
<b>Total current assets</b>		<b>6,834,706,704</b>	<b>13,541,267,718</b>	<b>4,611,008,783</b>	<b>8,448,260,749</b>
<b>Non-current assets</b>					
Restricted deposits		765,728	764,871	-	-
Other non-current financial assets	25	21,283,050	22,676,522	-	-
Investment in associate	10	9,537,565	10,195,512	-	-
Investments in subsidiaries	11	-	-	2,556,519,048	2,556,519,048
Long-term loans to related parties	4	-	-	65,200,000	381,275,000
Investment properties	13	452,933,890	452,951,856	452,933,890	452,951,856
Property, plant and equipment	14	11,829,325,493	11,789,595,171	6,393,353,894	6,227,805,642
Goodwill	15	329,376,024	329,376,024	-	-
Intangible assets	16	95,884,015	119,982,583	43,940,284	56,035,790
Deferred tax assets	22	198,541,548	90,571,557	104,834,786	56,204,120
Other non-current assets		24,105,373	26,377,663	18,300,538	21,717,778
<b>Total non-current assets</b>		<b>12,961,752,686</b>	<b>12,842,491,759</b>	<b>9,635,082,440</b>	<b>9,752,509,234</b>
<b>Total assets</b>		<b>19,796,459,390</b>	<b>26,383,759,477</b>	<b>14,246,091,223</b>	<b>18,200,769,983</b>

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Financial Position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
(in Baht)					
<b>Current liabilities</b>					
Short-term loans from financial institutions	17	-	250,000,000	-	-
Trade accounts payable	4	796,871,291	893,470,588	475,052,804	506,159,365
Construction and equipments payables		140,537,584	93,708,187	69,845,070	40,918,233
Other payables		362,817,861	370,372,230	192,506,120	179,700,449
Current portion of long-term loan from financial institutions	17	270,807,190	528,157,560	149,463,106	443,262,054
Current portion of lease liabilities	17	4,324,733	2,731,206	4,324,733	1,434,111
Current portion of debentures	17, 25	999,869,563	2,199,551,638	999,869,563	2,199,551,638
Current tax payable		64,572,495	1,323,891,720	-	812,689,428
Accrued expenses	4	712,133,709	850,989,426	397,509,400	392,563,067
Deferred income		67,549,496	1,260,800,128	49,196,554	757,547,010
Other current liabilities		90,709,421	73,840,136	73,972,060	45,608,296
<b>Total current liabilities</b>		<b>3,510,193,343</b>	<b>7,847,512,819</b>	<b>2,411,739,410</b>	<b>5,379,433,651</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	17	2,599,085,685	2,979,432,045	1,187,234,630	1,336,613,851
Lease liabilities	17	14,333,090	81,709,976	14,333,090	2,302,308
Debentures	17, 25	-	999,345,043	-	999,345,043
Provision for employee benefit	18	126,030,191	128,319,532	58,435,124	56,452,270
Other non-current liabilities		37,015,717	41,801,363	19,782,540	13,004,625
<b>Total non-current liabilities</b>		<b>2,776,464,683</b>	<b>4,230,607,959</b>	<b>1,279,785,384</b>	<b>2,407,718,097</b>
<b>Total liabilities</b>		<b>6,286,658,026</b>	<b>12,078,120,778</b>	<b>3,691,524,794</b>	<b>7,787,151,748</b>

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

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Statement of Financial Position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(2,494 ordinary million shares, par value at Baht 1 per share)		2,493,748,115	2,493,748,115	2,493,748,115	2,493,748,115
Issued and paid-up share capital					
(2,494 ordinary million shares, par value at Baht 1 per share)		2,493,747,984	2,493,747,984	2,493,747,984	2,493,747,984
Share premium on ordinary shares	19	644,640,000	644,640,000	644,640,000	644,640,000
Retained earnings					
Appropriated					
Legal reserve	19	249,374,812	249,374,812	249,374,812	249,374,812
Unappropriated		9,244,038,117	9,696,354,035	7,166,803,633	7,025,855,439
Other components of equity	19	(186,900,039)	(104,392,484)	-	-
Equity attributable to the Company		12,444,900,874	12,979,724,347	10,554,566,429	10,413,618,235
Non-controlling interests	12	1,064,900,490	1,325,914,352	-	-
Total equity		13,509,801,364	14,305,638,699	10,554,566,429	10,413,618,235
Total liabilities and equity		19,796,459,390	26,383,759,477	14,246,091,223	18,200,769,983

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Comprehensive Income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
<b>Revenue</b>	4				
Revenue from hospital operations	20	18,826,674,640	21,404,848,472	11,136,817,337	12,579,142,235
Rental income		68,006,419	48,755,871	45,191,623	33,099,325
Other income		15,617,841	75,791,841	205,285,748	276,705,592
<b>Total revenue</b>		<b>18,910,298,900</b>	<b>21,529,396,184</b>	<b>11,387,294,708</b>	<b>12,888,947,152</b>
<b>Expenses</b>	4, 21				
Cost of hospital operations		12,771,552,330	10,561,306,249	7,088,964,160	6,142,003,719
Distribution costs		338,169,980	289,728,457	269,351,054	215,181,368
Administrative expenses		1,607,709,239	1,179,600,744	806,207,925	733,587,978
<b>Total expenses</b>		<b>14,717,431,549</b>	<b>12,030,635,450</b>	<b>8,164,523,139</b>	<b>7,090,773,065</b>
<b>Profit from operating activities</b>		<b>4,192,867,351</b>	<b>9,498,760,734</b>	<b>3,222,771,569</b>	<b>5,798,174,087</b>
Interest income		8,170,757	4,020,227	17,475,419	18,342,848
Dividend income	4	-	-	1,128,794,327	460,770,688
Finance costs		(155,755,384)	(151,270,331)	(83,438,200)	(111,799,520)
Share of profit of associate	10	342,053	2,131,824	-	-
<b>Profit before income tax expense</b>		<b>4,045,624,777</b>	<b>9,353,642,454</b>	<b>4,285,603,115</b>	<b>6,165,488,103</b>
Tax expense	22	(888,259,551)	(1,846,188,829)	(653,430,923)	(1,118,465,348)
<b>Profit for the year</b>		<b>3,157,365,226</b>	<b>7,507,453,625</b>	<b>3,632,172,192</b>	<b>5,047,022,755</b>
<b>Other comprehensive income</b>					
<b>Item that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations of subsidiary		(119,533,415)	(23,726,974)	-	-
<b>Total item that will be reclassified subsequently to profit or loss</b>		<b>(119,533,415)</b>	<b>(23,726,974)</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified to profit or loss</b>					
Gains (losses) on measurement of financial asset		(1,393,471)	485,176	-	-
Losses on remeasurements of defined benefit plans	18	-	(13,981,351)	-	(3,486,248)
Income tax relating to items that will not be reclassified	22	278,694	2,699,235	-	697,250
<b>Total items that will not be reclassified to profit or loss</b>		<b>(1,114,777)</b>	<b>(10,796,940)</b>	<b>-</b>	<b>(2,788,998)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(120,648,192)</b>	<b>(34,523,914)</b>	<b>-</b>	<b>(2,788,998)</b>
<b>Total comprehensive income for the year</b>		<b>3,036,717,034</b>	<b>7,472,929,711</b>	<b>3,632,172,192</b>	<b>5,044,233,757</b>

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

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Statement of Comprehensive Income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
		(in Baht)			
<b>Profit attributable to:</b>					
Owners of the Company		3,038,908,080	6,846,001,683	3,632,172,192	5,047,022,755
Non-controlling interests	12	118,457,146	661,451,942	-	-
<b>Profit for the year</b>		<b>3,157,365,226</b>	<b>7,507,453,625</b>	<b>3,632,172,192</b>	<b>5,047,022,755</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		2,956,400,525	6,823,379,309	3,632,172,192	5,044,233,757
Non-controlling interests		80,316,509	649,550,402	-	-
<b>Total comprehensive income for the year</b>		<b>3,036,717,034</b>	<b>7,472,929,711</b>	<b>3,632,172,192</b>	<b>5,044,233,757</b>
<b>Basic earnings per share</b>	23	<b>1.22</b>	<b>2.75</b>	<b>1.46</b>	<b>2.02</b>

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



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Changes in Equity

	Consolidated financial statements										
	Retained earnings			Other components of equity							
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Translation foreign operations of subsidiary	Fair value reserve	Total other components of equity				
								Equity attributable to owners of the Company	Non - controlling interests	Total equity	
(in Baht)											
Year ended 31 December 2021											
		2,493,747,984	644,640,000	249,374,812	3,588,592,340	(72,253,910)	(19,598,460)	(91,852,370)	6,884,502,766	741,808,364	7,626,311,130
Balance at 1 January 2021											
Transaction with owners, recorded directly in equity											
Distribution to owners											
Dividends to owners of the Company											
	12, 24	-	-	-	(821,498,024)	-	-	-	(821,498,024)	(162,104,118)	(983,602,142)
and non-controlling interests											
Changes in ownership interests in subsidiaries											
Issue ordinary shares of subsidiary											
		-	-	-	93,340,296	-	-	-	93,340,296	96,659,704	190,000,000
Total transaction with owners, recorded directly in equity											
		-	-	-	(728,157,728)	-	-	-	(728,157,728)	(65,444,414)	(793,602,142)
Comprehensive income for the year											
Profit for the year											
		-	-	-	6,846,001,683	-	-	-	6,846,001,683	661,451,942	7,507,453,625
Other comprehensive income											
		-	-	-	(10,082,260)	(12,822,410)	282,296	(12,540,114)	(22,622,374)	(11,901,540)	(34,523,914)
Total comprehensive income for the year											
		-	-	-	6,835,919,423	(12,822,410)	282,296	(12,540,114)	6,823,379,309	649,550,402	7,472,929,711
Balance at 31 December 2021											
		2,493,747,984	644,640,000	249,374,812	9,696,354,035	(85,076,320)	(19,316,164)	(104,392,484)	12,979,724,347	1,325,914,352	14,305,638,699

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

Consolidated financial statements							
Retained earnings		Other components of equity					
		Translation foreign operations of subsidiary	Fair value reserve	Total other components of equity	Equity attributable to owners of the Company	Non - controlling interests	Total equity
Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve					
<i>Note</i>		Unappropriated					

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Changes in Equity

	Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Separate financial statements	
					Retained earnings	
					Unappropriated	Total equity
<i>(in Baht)</i>						
<b>Year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>		<b>2,493,747,984</b>	<b>644,640,000</b>	<b>249,374,812</b>	<b>2,803,119,706</b>	<b>6,190,882,502</b>
<b>Transaction with owners, recorded directly in equity</b>						
<b><i>Distribution to owners</i></b>						
Dividends to owners of the Company	24	-	-	-	(821,498,024)	(821,498,024)
<b>Total transaction with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(821,498,024)</b>	<b>(821,498,024)</b>
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	5,047,022,755	5,047,022,755
Other comprehensive income		-	-	-	(2,788,998)	(2,788,998)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,044,233,757</b>	<b>5,044,233,757</b>
<b>Balance at 31 December 2021</b>		<b>2,493,747,984</b>	<b>644,640,000</b>	<b>249,374,812</b>	<b>7,025,855,439</b>	<b>10,413,618,235</b>

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

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Statement of Changes in Equity

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	
(in Baht)						
Year ended 31 December 2022						
Balance at 1 January 2022		2,493,747,984	644,640,000	249,374,812	7,025,855,439	
					10,413,618,235	
Transaction with owners, recorded directly in equity						
Distribution to owners						
Dividends to owners of the Company	24	-	-	-	(3,491,223,998)	
					(3,491,223,998)	
Total transaction with owners, recorded directly in equity		-	-	-	(3,491,223,998)	
Comprehensive income for the year						
Profit for the year		-	-	-	3,632,172,192	
Other comprehensive income		-	-	-	-	
Total comprehensive income for the year		-	-	-	3,632,172,192	
Balance at 31 December 2022		2,493,747,984	644,640,000	249,374,812	7,166,803,633	
					10,554,566,429	

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Cash Flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
(in Baht)					
<b>Cash flows from operating activities</b>					
Profit for the year		3,157,365,226	7,507,453,625	3,632,172,192	5,047,022,755
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	22	888,259,551	1,846,188,829	653,430,923	1,118,465,348
Finance costs		155,755,384	151,270,331	83,438,200	111,799,520
Depreciation and amortisation	21	949,557,706	873,830,930	493,547,034	470,226,332
Gains on fair value of debt instrument adjustment		(4,836)	(456,518)	-	(451,695)
Gains on disposal debt instruments		(1,091,071)	(1,289,049)	(1,091,071)	(1,136,806)
Share of profit of associate for using equity method, net of tax	10	(342,053)	(2,131,824)	-	-
Bad debt and expected credit loss	21	166,127,770	84,967,352	46,982,979	61,253,608
Loss on decline in value on inventories	21	489,010,052	4,119,884	234,857,214	3,700,005
Loss on write off inventories	21	1,097,897,876	-	709,820,679	-
Losses on disposal of equipment		1,270,816	1,216,444	775,942	1,648,150
Loss on write off intangible assets		2,736,755	-	2,736,755	-
Effect on cancellation of lease agreement		(10,547,666)	-	-	-
Dividend income	4	-	-	(1,128,794,327)	(460,770,688)
Interest income		(8,170,757)	(4,020,227)	(17,475,419)	(18,342,848)
		<b>6,887,824,753</b>	<b>10,461,149,777</b>	<b>4,710,401,101</b>	<b>6,333,413,681</b>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		1,903,949,919	(2,100,560,910)	978,385,117	(891,227,814)
Accrued income		(141,203,444)	(1,346,923,271)	90,671,805	(741,225,688)
Other receivables		996,197,702	(2,117,884,497)	505,324,451	(1,352,844,466)
Inventories		(389,850,780)	(184,639,230)	(217,615,251)	(88,625,289)
Other current assets		13,847,135	(20,674,215)	9,224,487	(22,492,668)
Other non-current assets		2,272,290	3,874,011	3,417,240	2,592,859
Trade accounts payable		(5,700,699)	329,465,504	(31,106,561)	116,276,348
Other payables		(1,998,625)	225,008,693	12,805,671	73,512,918
Accrued expenses		(126,376,359)	456,646,025	8,815,610	163,641,783
Deferred income		(1,186,309,594)	1,234,521,456	(708,350,456)	743,629,801
Other current liabilities		17,477,143	45,257,056	28,363,764	29,083,183
Provision for employee benefit		(2,231,012)	(1,929,886)	1,982,854	675,761
Other non-current liabilities		1,980,704	(41,152,336)	6,777,915	(1,127,179)
<b>Net cash generated from operating activities</b>		<b>7,969,879,133</b>	<b>6,942,158,177</b>	<b>5,399,097,747</b>	<b>4,365,283,230</b>
Taxes paid		(2,255,270,073)	(685,752,858)	(1,514,751,017)	(412,777,348)
<b>Net cash from operating activities</b>		<b>5,714,609,060</b>	<b>6,256,405,319</b>	<b>3,884,346,730</b>	<b>3,952,505,882</b>

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Statement of Cash Flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
(in Baht)					
<b>Cash flows from investing activities</b>					
Increase in restricted deposits		(857)	(560)	-	-
(Increase) decrease in fixed deposits with financial institutions		28,428,574	(103,121,159)	-	(2,357)
Proceeds from sale of debt securities		3,531,542,765	1,576,870,634	3,531,542,765	1,476,718,391
Acquisition of debt securities		(2,890,000,000)	(2,215,581,585)	(2,890,000,000)	(2,115,581,585)
Proceeds from sale of equipment		11,902,518	3,309,357	2,623,672	1,008,888
Acquisition of property, plant and equipment		(1,446,252,209)	(743,087,320)	(605,704,474)	(118,272,235)
Acquisition of intangible assets		(3,599,418)	(19,390,756)	(293,394)	(3,467,045)
Proceeds from short-term loans to related parties		-	-	910,900,000	1,218,800,000
Paid for short-term loans to related parties		-	-	(1,180,900,000)	(550,000,000)
Proceeds from long-term loans to related parties		-	-	544,975,000	285,025,000
Paid for long-term loans to related parties		-	-	(71,400,000)	(658,900,000)
Dividends received		1,000,000	1,500,000	1,128,794,327	460,770,688
Interest received		8,170,757	4,020,227	15,847,010	17,755,260
<b>Net cash from (used in) investing activities</b>		<b>(758,807,870)</b>	<b>(1,495,481,162)</b>	<b>1,386,384,906</b>	<b>13,855,005</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of ordinary shares of subsidiary		-	190,000,000	-	-
Decrease in short-term loans from financial institutions		(250,000,000)	(1,654,000,000)	-	(1,348,000,000)
Decrease in short-term loans from related party		-	-	-	(70,000,000)
Proceeds from long-term loans from financial institutions		83,507,333	2,681,887,889	-	1,600,000,000
Repayment of long-term loans from financial institutions		(531,243,318)	(734,700,000)	(444,300,000)	(734,700,000)
Payment of lease liabilities		(3,991,806)	(4,793,369)	(3,424,460)	(1,389,301)
Issuance of debentures		-	1,000,000,000	-	1,000,000,000
Redemption of debentures		(2,200,000,000)	(1,500,000,000)	(2,200,000,000)	(1,500,000,000)
Dividends paid to owners of the Company	24	(3,491,223,998)	(821,498,024)	(3,491,223,998)	(821,498,024)
Dividends paid to non-controlling interests	12	(341,330,371)	(162,104,118)	-	-
Finance costs paid		(143,393,181)	(179,461,182)	(85,060,379)	(124,623,272)
<b>Net cash used in financing activities</b>		<b>(6,877,675,341)</b>	<b>(1,184,668,804)</b>	<b>(6,224,008,837)</b>	<b>(2,000,210,597)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,921,874,151)</b>	<b>3,576,255,353</b>	<b>(953,277,201)</b>	<b>1,966,150,290</b>
Cash and cash equivalents at 1 January		4,520,060,586	943,805,233	2,457,959,716	491,809,426
<b>Cash and cash equivalents at 31 December</b>	5	<b>2,598,186,435</b>	<b>4,520,060,586</b>	<b>1,504,682,515</b>	<b>2,457,959,716</b>
<b>Non-cash transactions :</b>					
Property, plant and equipment - right of use assets		18,193,478	4,329,449	18,193,478	4,329,449
Cancellation of property, plant and equipment right of use assets		69,943,273	-	-	-
Transfer of property, plant and equipment to investment properties		-	96,624	-	96,624
Transfer of investment properties to property, plant and equipment		-	513,355,780	-	513,355,780
Transfer short-term loans from financial institutions to long-term loans from financial institutions		-	261,346,641	-	-
Construction and equipments payables		140,537,584	93,708,187	69,845,070	40,918,233
Lease liabilities		18,657,823	84,441,182	18,657,823	3,736,419
Cancellation of lease liability		(80,490,939)	-	-	-

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

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Accrued income
8	Other receivables
9	Inventories
10	Investment in associate
11	Investments in subsidiaries
12	Non-controlling interests
13	Investment properties
14	Property, plant and equipment
15	Goodwill
16	Intangible assets
17	Interest-bearing liabilities
18	Provision for employee benefit
19	Share premium and reserve
20	Segment information and disaggregation of revenue
21	Expenses by nature
22	Income tax expense
23	Earnings per share
24	Dividends
25	Financial instruments
26	Capital management
27	Commitments with non-related parties and litigations
28	Events after the reporting period



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2023.

### 1 General information

Bangkok Chain Hospital Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on November 2004. The Company’s registered office at 44 Moo 4 Chaengwattana Road, Pakkred Nonthaburi.

The Company’s major shareholders during the financial year were Harnphanich family (49.99% shareholding).

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are private hospitals, nursing business to provide medical treatment to patients with a total of 15 chained hospitals in Bangkok vicinity, Chiang Rai, Saraburi, Nonthaburi, Pathumthani, Ayudhaya, Chachoengsao, Prachinburi, Sa Kaeo Province and Lao People’s Democratic Republic as well as selling healthy drinks, providing medical analysis and research services in operation rooms, and providing assets management services relevant to the hospital and property for rent. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 11.

### 2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associate.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investments in associates using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### *Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

### **(b) Investments in subsidiaries and associate**

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

### **(c) Foreign currencies**

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity until disposal of the investment.

### **(d) Financial instruments**

#### *(d.1) Classification and measurement*

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### *(d.2) Derecognition and offset*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### *Interest rate benchmark reform*

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform. If there were any other additional changes, the Group applied the policies on accounting for modifications to those changes

### *(d.3) Impairment of financial assets other than trade accounts receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, equity investments measured at FVOCI, debt investments measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

### *(d.4) Write offs*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

*(d.5) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method.

*(e) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

*(f) Trade accounts receivable and accrued income*

Trade receivable and accrued income are recognised when the Group has an unconditional right to receive consideration. Trade receivable and accrued income are measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

*(g) Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

*(h) Investment properties*

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 30 years and recognised in profit or loss. No depreciation charged on freehold land.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

*(i) Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Land use rights were land in Lao People's Democratic Republic which the Group has ownership and consume of benefit in such land throughout the term of the land assignment agreement. Land use rights measured at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over the contract period.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

### *Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land use right	90	years (Contract period)
Land improvement	30	years
Buildings and buildings improvements	6 - 40	years
Buildings equipment	5 - 30	years
Hospital equipment and medical instrument	5 - 20	years
Office equipment	5 - 20	years
Computer and system work	3 - 20	years
Vehicles	5 - 20	years

### **(j) Goodwill**

Goodwill is measured at cost less accumulated impairment losses.

### **(k) Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives for the current period and comparison period are as follows:

Software licenses	3 - 10	years
-------------------	--------	-------

### **(l) Leases**

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As a lessee*

At commencement of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### *As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### **(e) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

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

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (f) *Employee benefits*

#### *Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

#### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (g) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### ***h) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

### ***m) Revenue from contracts with customers***

#### *Revenue recognition*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered. The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Income from services provided to patients under the service contract with Social Security Office is recognised on the basis, procedures and conditions for reimbursement as stipulated by the aforesaid offices, such as, the number of insured persons registered with the hospital, and statistical information of the services provided by the hospital, etc. In addition, the repayment is depended on the policy and budget of the government welfare schemes. The management is required to make an estimation of such accrued income in accordance with the basis, procedures and conditions as stipulated by the aforesaid offices.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### (n) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (o) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

## 4 Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries and associates are described in notes 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the company.
Balleto Foods Co., Ltd.	Thailand	Common directors

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Coffee and Latte House Co., Ltd.	Thailand	Common directors
K.P.A. food Co., Ltd.	Thailand	Common directors
Lattee Coffee Shop Co., Ltd.	Thailand	Common directors
P Medical Co., Ltd.	Thailand	Common key management
M Medical Care Co., Ltd.	Thailand	Common key management
Park Inn Saraburi Co., Ltd	Thailand	Common key management

<b>Significant transactions</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Year ended 31 December</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenues from hospital operations	-	-	88,779	103,557
Revenues from sales of goods	-	-	36,351	29,530
Dividend income	-	-	1,128,794	460,771
Interest income	-	-	14,832	17,218
Other income	-	-	22,330	29,100
Management service fee	-	-	117,640	144,420
Procurement service fee	-	-	21,418	21,274
Purchases inventories / services	-	-	110,293	79,190
Other expenses	-	-	5,685	8,343
<b>Associate</b>				
Purchases inventories / services	7,626	7,245	-	-
<b>Other related parties</b>				
Purchases inventories / services	22,369	71,716	-	-
Other expenses	9,196	6,060	6,159	6,031
<b>Key management personnel</b>				
Doctor fee	43,444	36,066	20,848	15,223
Key management personnel compensation				
Short-term employee benefit	234,391	212,545	164,589	140,509
Post-employment benefits	1,594	1,776	453	568
<b>Total</b>	<b>279,429</b>	<b>250,387</b>	<b>185,890</b>	<b>156,300</b>

Significant balances as at 31 December with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Trade accounts receivable</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	41,800	45,816

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Other receivables</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	126,894	104,730

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>Interest receivables - loans to related parties</i>		(in thousand Baht)		
Subsidiaries	-	-	4,503	2,874

	Interest rate		Separate financial statements	
	2022	2021	2022	2021
	(% per annum)		(in thousand Baht)	
<i>Short-term loans to related parties</i>				
Subsidiaries	1.50	1.00	500,000	230,000

<i>Long-term loans to related parties</i>				
Subsidiaries	2.50	1.72 - 2.50	65,200	538,775

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Subsidiaries	-	-	52,316	19,170
Associate	-	1,934	-	-
Other related parties	51	11,042	36	17
<b>Total</b>	<b>51</b>	<b>12,976</b>	<b>52,352</b>	<b>19,187</b>

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Accrued expenses</i>				
Key management personnel	3,435	2,761	1,421	1,184

### Significant agreements with related parties

#### Ordering goods

The Company has entered into the procurement agreements with Rattatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd., Navanakorn Medicare Co., Ltd., Sothon Vejchakit Co., Ltd., Bangkok Chain Management Co., Ltd., and Bangkok Chain International (Lao) Co., Ltd. for the purchase of medicines, medical supplies, general goods, equipment, medical instruments and fixed assets. The service charges are computed at the agreed percentage of the asset value. The agreements expired on 31 December 2022.

#### Management

The Company has entered into a management service agreement with Rattatibeth General Hospital Co., Ltd., Saraburi Wetchakit Co., Ltd., Sriburin Medical Co., Ltd., Navanakorn Medicare Co., Ltd., Sothon Vejchakit Co., Ltd., Bangkok Chain Management Co. Ltd., and Bangkok Chain International (Lao) Co., Ltd. to provide advisory services and management assistance for running of the hospital, including accounting, tax, personnel management and facilities management. The service charges are computed at the agreed rate of gross revenue prior to deduction of expenses. The agreement expired on 31 December 2022.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	6,754	5,274	2,331	1,437
Cash at banks	2,591,427	4,514,782	1,502,352	2,456,523
Highly liquid short-term investments	5	5	-	-
<b>Total</b>	<b>2,598,186</b>	<b>4,520,061</b>	<b>1,504,683</b>	<b>2,457,960</b>

### 6 Trade account receivable

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Within credit terms	600,749	1,136,729	485,546	987,137
Overdue:				
1 - 90 days	678,632	1,883,896	490,828	949,096
91 - 180 days	71,645	454,451	37,275	149,425
181 - 365 days	173,866	75,874	95,479	21,946
More than 365 days	198,107	95,628	66,588	56,599
<b>Total</b>	<b>1,722,999</b>	<b>3,646,578</b>	<b>1,175,716</b>	<b>2,164,203</b>
Less allowance for expected credit loss	(184,134)	(99,963)	(94,622)	(72,608)
<b>Net</b>	<b>1,538,865</b>	<b>3,546,615</b>	<b>1,081,094</b>	<b>2,901,595</b>

#### *Allowance for expected credit loss*

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	99,963	77,030	72,608	58,663
Addition	107,010	39,430	26,454	30,442
Write-off	(22,839)	(16,497)	(4,440)	(16,497)
<b>At 31 December</b>	<b>184,134</b>	<b>99,963</b>	<b>94,622</b>	<b>72,608</b>

The normal credit term granted by the Group ranges from 30 - 150 days.

### 7 Accrued income

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accrued income	1,066,852	1,184,535	436,620	858,769
Accrued income - the Social Security Office	1,198,154	1,063,986	712,207	456,620
<b>Total</b>	<b>2,265,006</b>	<b>2,248,521</b>	<b>1,148,827</b>	<b>1,315,389</b>
Less allowance for expected credit loss	(49,462)	(125,952)	(17,978)	(79,000)
<b>Net</b>	<b>2,215,554</b>	<b>2,122,569</b>	<b>1,130,849</b>	<b>1,236,389</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Accrued income - the Social Security Office were mainly from the unearned proceeds owed by such state agency of which has the reimbursements in accordance with terms and conditions stipulated by the aforesaid authority. During the year of 2022, the Group had fully written off the accrued income and the allowance for expected credit loss in which the medical service fees under the type of High Cost Care in the fourth quarter of 2017 and 2018.

### 8 Other receivables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Advance payment - vaccine	-	2,094,094	-	1,251,320
Other receivables	42,580	36,691	150,607	115,188
Other advance payment	17,019	20,097	11,887	11,131
Accrued interest income	-	-	4,428	2,799
<b>Total</b>	<b>59,599</b>	<b>2,150,882</b>	<b>166,922</b>	<b>1,380,438</b>

### 9 Inventories

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Medicine and medical supplies		804,724	389,967	416,418	198,159
Supplies and equipment		62,700	63,619	39,880	40,523
<b>Total</b>		<b>867,424</b>	<b>453,586</b>	<b>456,298</b>	<b>238,682</b>
Less allowance for decline in value	21	(505,859)	(16,850)	(246,848)	(11,990)
<b>Net</b>		<b>361,565</b>	<b>436,736</b>	<b>209,450</b>	<b>226,692</b>
<b>Inventories recognised in cost of hospital operations</b>		<b>2,691,632</b>	<b>3,064,245</b>	<b>1,684,223</b>	<b>1,776,559</b>



## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 10 Investment in associate

Investment in associate as at 31 December 2022 and 2021, and dividend income for the year then ended were as follows:

Type of business	Consolidated financial statements									
	Ownership Interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Chiang Rai Imaging Center Co., Ltd. <i>(31.22% holding by Sriburin Medical Co., Ltd.)</i>										

Investment in associate was incorporated in Thailand and none of the Group's and the Company's associates are publicly listed and consequently do not have published price quotations.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### *Immaterial associate*

The following is summarised financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associate	
	2022	2021
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associate	<b>9,538</b>	<b>10,196</b>
Group's share of:		
- Profit from continuing operations	342	2,132
- Other comprehensive income	-	-
- Total comprehensive income	<b>342</b>	<b>2,132</b>

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 11 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2022 and 2021, and dividend income for the years then ended were as follows:

	Type of business	Separate financial statements					
		Ownership Interest		Cost method		Impairment	
		2022	2021	2022	2021	2022	2021
		(%)				(in thousand Baht)	
<b>Direct subsidiaries</b>							
Rattanaibeth General Hospital Co., Ltd.	Hospital	72.73	72.73	448,258	448,258	-	-
Saraburi Wetchakit Co., Ltd.	Hospital	59.92	59.92	225,653	225,653	-	-
Sriburin Medical Co., Ltd.	Hospital	93.67	93.67	544,164	544,164	-	-
Navanakorn Medicare Co., Ltd.	Hospital	79.44	79.44	357,496	357,496	-	-
Sothon Vejchakit Co., Ltd.	Hospital	86.29	86.29	604,051	604,051	-	-
Bangkok Chain Management Co., Ltd.	Selling healthy drinks, providing medical analysis & research services in operation rooms	100.00	100.00	5,000	5,000	-	-
Bangkok Chain International (Lao) Co., Ltd.	Hospital	68.47	68.47	371,897	371,897	-	-
<b>Total</b>				<b>2,556,519</b>	<b>2,556,519</b>	<b>371,897</b>	<b>371,897</b>
						<b>2,556,519</b>	<b>2,556,519</b>

All subsidiaries were incorporated in Thailand, except Bangkok Chain International (Lao) which was incorporated in Lao People's Democratic Republic.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2022					
	Rattanaibeth General Hospital Co., Ltd.	Saraburi Wetchakit Co., Ltd.	Sriburin Medical Co., Ltd.	Navanakorn Medicare Co., Ltd. <i>(in thousand Baht)</i>	Sothon Veichakit Co., Ltd.	Bangkok Chain International (Lao) Co., Ltd.
						Intra-group eliminations
						Total
Non-controlling interest percentage	27.27%	40.08%	6.33%	20.56%	13.71%	31.53%
Current assets	543,120	364,441	370,347	1,061,376	503,289	108,730
Non-current assets	1,238,510	401,726	783,959	776,349	1,563,668	985,950
Current liabilities	(285,837)	(219,227)	(136,513)	(687,277)	(354,255)	(167,144)
Non-current liabilities	(14,361)	(16,542)	(24,586)	(13,175)	(586,599)	(841,416)
<b>Net assets</b>	<b>1,481,432</b>	<b>530,398</b>	<b>993,207</b>	<b>1,137,273</b>	<b>1,126,103</b>	<b>86,120</b>
Carrying amount of non-controlling interest	403,987	212,584	62,835	233,787	154,437	27,155
						(29,885)
						<b>1,064,900</b>
Revenue	2,244,423	1,100,108	1,254,673	1,650,835	1,349,350	304,195
Profit (loss) for the year	477,313	113,909	167,679	(22,501)	174,268	(276,700)
Other comprehensive income	(1,115)	-	-	-	-	(96,583)
<b>Total comprehensive income</b>	<b>476,199</b>	<b>113,909</b>	<b>167,679</b>	<b>(22,501)</b>	<b>174,268</b>	<b>(373,283)</b>
Profit (loss) allocated to non-controlling interest	130,163	45,655	10,608	(4,626)	23,900	(87,243)
Other comprehensive income allocated to non-controlling interest	(304)	-	-	-	-	(37,837)
						<b>118,457</b>
						<b>(38,141)</b>
Dividend paid to non-controlling interests	(147,260)	(80,405)	(5,915)	(61,680)	(46,080)	-
Cash flows from operating activities	165,832	118,199	23,022	18,017	65,033	14,307
Cash flows used in investing activities	(7,679)	(10,003)	(1,656)	(85,555)	(21,749)	(34,925)
Cash flows from (used in) financing activities	(141,336)	(111)	(14,607)	81,606	(34,524)	6,094
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(130,443)</b>	<b>27,680</b>	<b>844</b>	<b>(47,612)</b>	<b>(37,320)</b>	<b>(14,524)</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	31 December 2021					Total
	Rattanaibeth General Hospital Co., Ltd.	Saraburi Wetchakit Co., Ltd.	Sriburin Medical Co., Ltd.	Navanakorn Medicare Co., Ltd. <i>(in thousand Baht)</i>	Sothon Vejchakit Co., Ltd.	Bangkok Chain International (Lao) Co., Ltd.
Non-controlling interest percentage	27.27%	40.08%	6.33%	20.56%	13.71%	31.53%
Current assets	1,356,206	606,514	580,257	1,792,114	1,130,312	223,781
Non-current assets	1,276,914	382,250	846,525	454,960	1,514,616	1,389,572
Current liabilities	(719,823)	(352,818)	(480,257)	(695,418)	(664,745)	(175,939)
Non-current liabilities	(368,063)	(18,832)	(28,128)	(91,883)	(692,348)	(978,011)
<b>Net assets</b>	<b>1,545,234</b>	<b>617,114</b>	<b>918,397</b>	<b>1,459,773</b>	<b>1,287,835</b>	<b>459,403</b>
Carrying amount of non-controlling interest	421,385	247,339	58,102	300,085	176,617	144,857
						(22,471)
						<b>1,325,914</b>
Revenue	2,950,633	1,021,856	969,820	2,488,853	1,488,242	155,984
Profit (loss) for the year	1,020,863	279,332	183,238	1,051,643	467,412	(74,258)
Other comprehensive income	(1,514)	(287)	(5,692)	(563)	48	(17,429)
<b>Total comprehensive income</b>	<b>1,019,349</b>	<b>279,045</b>	<b>177,546</b>	<b>1,051,080</b>	<b>467,460</b>	<b>(91,687)</b>
Profit (loss) allocated to non-controlling interest	278,389	111,956	11,593	216,184	64,102	(20,772)
Other comprehensive income allocated to non-controlling interest	(413)	(115)	(360)	(116)	7	(10,905)
Dividend paid to non-controlling interests	(85,083)	(57,891)	(6,130)	(10,408)	(2,592)	-
Cash flows from operating activities	273,602	67,180	12,802	114,472	43,969	15,986
Cash flows from (used in) investing activities	(9,509)	6,747	(1,203)	(5,024)	(15,554)	(118,927)
Cash flows from (used in) financing activities	(34,928)	(159)	1,073	(8,633)	31,404	116,191
<b>Net increase in cash and cash equivalents</b>	<b>144,082</b>	<b>15,877</b>	<b>6,542</b>	<b>90,407</b>	<b>57,227</b>	<b>13,250</b>

661,452

(11,902)

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 13 Investment properties

	Consolidated / Separate financial statements					
	Land and land improvement	2022 Building and building improvements	Total (in thousand Baht)	Land and land improvement	2021 Building and building improvements	Total
<b>Cost</b>						
At 1 January	453,052	-	453,052	911,773	70,520	982,293
Transfer from Property, plant and equipment	-	-	-	179	-	179
Transfer to Property, plant and equipment	-	-	-	(458,900)	(70,520)	(529,420)
<b>At 31 December</b>	<b>453,052</b>	<b>-</b>	<b>453,052</b>	<b>453,052</b>	<b>-</b>	<b>453,052</b>
<b>Accumulated depreciation</b>						
At 1 January	100	-	100	-	16,064	16,064
Transfer from Property, plant and equipment	-	-	-	82	-	82
Transfer to Property, plant and equipment	-	-	-	-	(16,064)	(16,064)
Depreciation charge for the year	18	-	18	18	-	18
<b>At 31 December</b>	<b>118</b>	<b>-</b>	<b>118</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>Net book value</b>						
<b>At 31 December</b>	<b>452,934</b>	<b>-</b>	<b>452,934</b>	<b>452,952</b>	<b>-</b>	<b>452,952</b>

The fair value of investment properties as at 31 December 2022 of Baht 586 million (2021: Baht 586 million) was determined by independent professional valuers, at market. The fair value measurement for investment property has been categorised as a Level 3 fair value.

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

#### 14 Property, plant and equipment

Consolidated financial statements (in thousand Baht)										
	Land and land improvement	Land use right	Buildings and buildings improvements	Building equipment	Hospital equipment and medical	Office equipment	Computer and system work	Vehicles	Assets under construction	Total
At 1 January 2021	2,435,515	263,097	7,189,906	2,091,412	3,242,297	584,143	266,659	132,060	1,585,463	17,790,552
Additions	4,329	-	45,541	43,165	197,422	36,736	24,197	19,740	444,436	815,566
Transfer from Investment properties	458,900	-	70,520	-	-	-	-	-	-	529,420
Transfer to Investment properties	(179)	-	-	-	-	-	-	-	-	(179)
Transfers	3,566	-	1,258,667	594,883	64,674	1,995	380	6,293	(1,930,458)	-
Disposals	(2,080)	-	(10,251)	(1,564)	(21,491)	(10,399)	(68)	(1,376)	-	(47,229)
Exchange differences on translating foreign operations	(310)	(20,013)	(66,173)	(28,935)	(15,936)	(1,514)	(1,786)	(570)	11,191	(124,046)
At 31 December 2021 and 1 January 2022	2,899,741	243,084	8,488,210	2,698,961	3,466,966	610,961	289,382	156,147	110,632	18,964,084
Additions	421,285	-	392,903	36,852	253,554	26,760	15,654	11,395	366,387	1,524,790
Transfers	-	-	182,655	62,207	30,207	3,691	518	-	(279,278)	-
Disposals	-	-	(78,672)	(7,110)	(25,868)	(20,091)	(17,788)	(5,797)	(8,453)	(163,779)
Exchange differences on translating foreign operations	(1,026)	(80,947)	(219,988)	(95,949)	(71,826)	(5,635)	(5,965)	(2,174)	(20,353)	(503,863)
At 31 December 2022	3,320,000	162,137	8,765,108	2,694,961	3,653,033	615,686	281,801	159,571	168,935	19,821,232
Accumulated depreciation and impairment losses										
At 1 January 2021	14,539	10,420	2,705,493	968,757	1,921,249	414,001	221,280	96,913	-	6,352,652
Depreciation charge for the year	3,342	1,099	326,022	192,685	246,472	46,314	21,078	13,972	-	850,984
Depreciation transfers to assets under construction	-	1,872	-	-	-	-	-	-	-	1,872
Transfer from Investment properties	-	-	16,064	-	-	-	-	-	-	16,064
Transfer to Investment properties	(82)	-	-	-	-	-	-	-	-	(82)
Disposals	(2,080)	-	(10,050)	(1,416)	(17,397)	(10,323)	(68)	(1,370)	-	(42,704)
Exchange differences on translating foreign operations	(14)	(1,064)	(1,204)	(1,071)	(622)	(114)	(148)	(60)	-	(4,297)
At 31 December 2021 and 1 January 2022	15,705	12,327	3,036,325	1,158,955	2,149,702	449,878	242,142	109,455	-	7,174,489
Depreciation charge for the year	4,874	2,261	371,021	209,985	262,769	43,378	17,975	16,516	-	928,779
Disposals	-	-	(8,668)	(5,772)	(24,092)	(19,727)	(17,784)	(4,619)	-	(80,662)
Exchange differences on translating foreign operations	(91)	(4,566)	(9,578)	(8,459)	(5,563)	(924)	(1,102)	(416)	-	(30,699)
At 31 December 2022	20,488	10,022	3,389,100	1,354,709	2,382,816	472,605	241,231	120,936	-	7,991,907



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	Consolidated financial statements (in thousand Baht)								Total
	Land and land improvement	Land use right	Buildings and buildings improvements	Building equipment	Hospital equipment and medical	Office equipment	Computer and system work	Vehicles	
<b>Net book value</b>									
<b>At 31 December 2021</b>									
Owned assets	2,880,308	230,757	5,381,408	1,540,006	1,317,264	161,083	47,240	46,692	110,632
Right-of-use assets	3,728	-	70,477	-	-	-	-	-	-
	<b>2,884,036</b>	<b>230,757</b>	<b>5,451,885</b>	<b>1,540,006</b>	<b>1,317,264</b>	<b>161,083</b>	<b>47,240</b>	<b>46,692</b>	<b>110,632</b>
<b>At 31 December 2022</b>									
Owned assets	3,281,738	152,115	5,374,761	1,340,252	1,270,217	143,081	40,570	38,635	168,935
Right-of-use assets	17,774	-	1,247	-	-	-	-	-	-
	<b>3,299,512</b>	<b>152,115</b>	<b>5,376,008</b>	<b>1,340,252</b>	<b>1,270,217</b>	<b>143,081</b>	<b>40,570</b>	<b>38,635</b>	<b>168,935</b>

## Bangkok Chain Hospital Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

	Separate financial statements						
	Land and land improvement	Buildings and buildings improvements	Building equipment	Hospital equipment and medical instruments	Office equipment	Computer and system work	Vehicles
					(in thousand Baht)		
<b>Cost</b>							
At 1 January 2021	1,236,607	4,815,514	1,189,352	1,974,651	305,858	151,347	65,860
Additions	4,329	21,314	12,076	47,675	6,702	1,720	7,377
Transfer from Investment properties	458,900	70,520	-	-	-	-	-
Transfer to Investment properties	(179)	-	-	-	-	-	-
Transfers	-	2,591	11,378	-	-	384	2,172
Disposals	(2,080)	(1,015)	(447)	(12,258)	(807)	-	(1,038)
<b>At 31 December 2021 and 1 January 2022</b>	<b>1,697,577</b>	<b>4,908,924</b>	<b>1,212,359</b>	<b>2,010,068</b>	<b>311,753</b>	<b>153,451</b>	<b>74,371</b>
Additions	366,645	4,878	11,829	96,124	9,485	9,771	3,494
Transfers	-	76,158	18,070	25,300	35	-	-
Disposals	-	(121)	(5,197)	(19,209)	(15,326)	(17,330)	(5,533)
<b>At 31 December 2022</b>	<b>2,064,222</b>	<b>4,989,839</b>	<b>1,237,061</b>	<b>2,112,283</b>	<b>305,947</b>	<b>145,892</b>	<b>72,332</b>
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2021	2,718	1,624,144	480,996	1,221,623	222,631	124,035	47,897
Depreciation charge for the year	1,487	183,566	91,064	144,182	19,224	12,268	6,473
Transfer from Investment properties	-	16,064	-	-	-	-	-
Transfer to Investment properties	(82)	-	-	-	-	-	-
Disposals	(2,080)	(814)	(305)	(10,013)	(739)	-	(1,038)
<b>At 31 December 2021 and 1 January 2022</b>	<b>2,043</b>	<b>1,822,960</b>	<b>571,755</b>	<b>1,355,792</b>	<b>241,116</b>	<b>136,303</b>	<b>53,332</b>
Depreciation charge for the year	2,718	204,041	92,293	149,135	19,195	9,526	6,967
Disposals	-	(121)	(4,294)	(18,179)	(15,038)	(17,327)	(4,356)
<b>At 31 December 2022</b>	<b>4,761</b>	<b>2,026,880</b>	<b>659,754</b>	<b>1,486,748</b>	<b>245,273</b>	<b>128,502</b>	<b>55,943</b>
<b>Net book value</b>							
At 31 December 2021	1,691,806	3,085,964	640,604	654,276	70,637	17,148	21,039
Owned assets	3,728	-	-	-	-	-	-
Right-of-use assets	<b>1,695,534</b>	<b>3,085,964</b>	<b>640,604</b>	<b>654,276</b>	<b>70,637</b>	<b>17,148</b>	<b>21,039</b>
<b>At 31 December 2022</b>	<b>2,041,687</b>	<b>2,961,712</b>	<b>577,307</b>	<b>625,535</b>	<b>60,674</b>	<b>17,390</b>	<b>16,389</b>
Owned assets	17,774	1,247	-	-	-	-	-
Right-of-use assets	<b>2,059,461</b>	<b>2,962,959</b>	<b>577,307</b>	<b>625,535</b>	<b>60,674</b>	<b>17,390</b>	<b>16,389</b>
<b>Assets under construction</b>							
At 31 December 2021	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,761,337</b>	<b>138,174</b>	<b>529,420</b>	<b>10,411,107</b>	<b>652,824</b>	<b>652,824</b>	<b>652,824</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 2,215 million and Baht 937 million, respectively (2021: Baht 1,402 million and Baht 906 million, respectively).

As from 1997, servitude has been made to Land & House Public Company Limited for a passage way with a width of not less than 7 meters for all motor vehicles, drainage water, electricity and telephone systems, on a plot of land, under the title deed No. 2175, Khwaeng Bangsue, Khet Bangsue, Bangkok running along the whole length of the south side of the land, without any compensation and time frame.

The Company leased property for 3 years and paid fixed lease payment. These payment terms are common in Thailand.

In 2022, The Company leased property for 3 years and paid variable lease payment. These payment terms are common in Thailand.

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 18.2 million and Baht 18.2 million, respectively (2021: Baht 4.3 million and Baht 4.3 million, respectively).

During 2022, the Group leased photocopier and computer for 5 years and paid fixed and variable lease payment that are based on usage over the lease term. These payment terms are general term.

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Land	2,599	1,367	2,599	1,367
- Buildings	835	3,204	301	-
Interest on lease liabilities	506	2,164	152	23
Expenses relating to leases of low-value assets	29,220	24,394	15,603	14,679

In 2022, total cash outflow for leases of the Group and the Company were Baht 3.99 million and Baht 3.42 million, respectively (2021: Baht 4.79 million and Baht 1.39 million, respectively).

## 15 Goodwill

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Cost</i></b>		
At 1 January	329,376	329,376
<b>At 31 December</b>	<b>329,376</b>	<b>329,376</b>
<b><i>Net book value</i></b>		
<b>At 31 December</b>	<b>329,376</b>	<b>329,376</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### *Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Rattanatibeth General Hospital Co., Ltd.	100,550	100,550
Saraburi Wetchakit Co., Ltd.	46,944	46,944
Sriburin Medical Co., Ltd.	8,617	8,617
Navanakorn Medicare Co., Ltd.	45,624	45,624
Sothon Vejchakit Co., Ltd.	127,641	127,641
<b>Total</b>	<b>329,376</b>	<b>329,376</b>

The recoverable amount of these CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the Group's.

The key assumptions used in the estimation of value in use were as follows:

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(%)</i>	
Discount rate	5.8	8.2
Budgeted revenue growth rate (average of next five years)	2	2

The discount rate was measure based on the rate of weighted average of cost of capital (WACC), adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product (GDP) rates for the countries and revenue growth was projected taking into account the average growth levels experienced over the past years by management and the estimated patients and price average per head for the next five years.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 16 Intangible assets

	Consolidated financial statements (in thousand Baht)	Separate financial statements
<b>Software licenses</b>		
<b>Cost</b>		
At 1 January 2021	378,243	221,312
Additions	17,964	3,467
<b>At 31 December 2021 and 1 January 2022</b>	<b>396,207</b>	<b>224,779</b>
Additions	3,282	294
Write-off	(2,746)	(2,746)
Exchange differences on translating	(4,672)	-
<b>At 31 December 2022</b>	<b>392,071</b>	<b>222,327</b>
<b>Accumulated amortisation</b>		
At 1 January 2021	253,396	156,799
Amortisation for the year	22,828	11,944
<b>At 31 December 2021 and 1 January 2022</b>	<b>276,224</b>	<b>168,743</b>
Amortisation for the year	20,761	9,654
Write-off	(10)	(10)
Exchange differences on translating	(788)	-
<b>At 31 December 2022</b>	<b>296,187</b>	<b>178,387</b>
<b>Net book value</b>		
<b>At 31 December 2021</b>	<b>119,983</b>	<b>56,036</b>
<b>At 31 December 2022</b>	<b>95,884</b>	<b>43,940</b>

### 17 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
Short-term loans from financial institutions	-	-	-	-	250,000	250,000
Long-term loans from financial institutions	845,024	2,024,869	2,869,893	954,647	2,552,943	3,507,590
Lease liabilities	-	18,658	18,658	-	84,441	84,441
Debentures	-	999,870	999,870	-	3,198,897	3,198,897
<b>Total</b>	<b>845,024</b>	<b>3,043,397</b>	<b>3,888,421</b>	<b>954,647</b>	<b>6,086,281</b>	<b>7,040,928</b>
	Separate financial statements					
	Secured	2022 Unsecured	Total (in thousand Baht)	Secured	2021 Unsecured	Total
Long-term loans from financial institutions	-	1,336,698	1,336,698	-	1,779,876	1,779,876
Lease liabilities	-	18,658	18,658	-	3,736	3,736
Debentures	-	999,870	999,870	-	3,198,897	3,198,897
<b>Total</b>	<b>-</b>	<b>2,355,226</b>	<b>2,355,226</b>	<b>-</b>	<b>4,982,509</b>	<b>4,982,509</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### Long-term loans from financial institutions

	Interest rate		Maturity date by	Consolidated financial statements	
	2022	2021		2022	2021
	(% per annum)			(in thousand Baht)	
Unsecured loan	BIBOR 3 months plus fixed interest	BIBOR 3 months plus fixed interest	May 2022	-	166,800
Unsecured loan	Fixed interest	Fixed interest	June 2022	-	127,500
Unsecured loan	Fixed interest	Fixed interest	January 2024	1,000,000	1,000,000
Unsecured loan	BIBOR 3 months plus fixed interest	BIBOR 3 months plus fixed interest	March 2025	337,500	487,500
Unsecured loan	MLR less fixed interest	THBFIX 6 months plus fixed interest	March 2029	688,171	770,751
Secured loan by the Company	MLR less fixed interest	MLR less fixed interest	June 2028	237,056	160,543
Secured loan by the Company (LAK 180,000 million) (2021: LAK 180,000 million)	Fixed interest at 1-4 years, then LLR 12 months less fixed interest	Fixed interest at 1-4 years, then LLR 12 months less fixed interest	May 2030	358,740	537,840
Secured loan by the Company	BIBOR 1 months plus fixed interest	BIBOR 1 months plus fixed interest	May 2030	250,694	260,703
<b>Total long-term loans from financial institutions</b>				<b>2,872,161</b>	<b>3,511,637</b>
Less deferred financial costs				(2,268)	(4,047)
<b>Long-term loans from financial institutions - net</b>				<b>2,869,893</b>	<b>3,507,590</b>
Less current portion of long-term loans from financial institutions				(270,807)	(528,158)
<b>Long-term loans from financial institutions due more than one year</b>				<b>2,599,086</b>	<b>2,979,432</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	Interest rate		Maturity date by	Separate financial statements	
	2022	2021		2022	2021
	(% per annum)			(in thousand Baht)	
Unsecured loan	BIBOR 3 months plus fixed interest	BIBOR 3 months plus fixed interest	May 2022	-	166,800
Unsecured loan	Fixed interest	Fixed interest	June 2022	-	127,500
Unsecured loan	Fixed interest	Fixed interest	January 2024	1,000,000	1,000,000
Unsecured loan	BIBOR 3 months plus fixed interest	BIBOR 3 months plus fixed interest	March 2025	337,500	487,500
<b>Total long-term loans from financial institutions</b>				<b>1,337,500</b>	<b>1,781,800</b>
Less deferred financial costs				(802)	(1,924)
<b>Long-term loans from financial institutions - net</b>				<b>1,336,698</b>	<b>1,779,876</b>
Less current portion of long-term loans from financial institutions				(149,463)	(443,262)
<b>Long-term loans from financial institutions due more than one year</b>				<b>1,187,235</b>	<b>1,336,614</b>

The long-term loans of the Company and the Group contain certain significant covenants with which the Company and the Group must comply throughout the term of the long-term loans such as the maintenance of interest bearing liabilities to equity ratio, maintenance of major shareholding and maintenance Debts Service Coverage ratio.

### Debentures

	Interest rate	Issue Date	Maturity date	Consolidated / Separate financial statements	
				2022	2021
	(% per annum)			(in thousand Baht)	
No. 1/2560	2.54	22 December 2017	22 December 2022	-	1,000,000
No. 1/2562	2.55	18 June 2019	18 June 2022	-	1,200,000
No. 1/2564	1.31	31 March 2021	31 March 2023	1,000,000	1,000,000
<b>Total debentures - carrying amount</b>				<b>1,000,000</b>	<b>3,200,000</b>
Less debenture issuance expense				(130)	(1,103)
<b>Debentures - net</b>				<b>999,870</b>	<b>3,198,897</b>
Less current portion of debentures				(999,870)	(2,199,552)
<b>Debentures due more than one year</b>				<b>-</b>	<b>999,345</b>

Movements of debentures before deduction of debenture issuance expense for the year ended 31 December are summarised as follows:

	Consolidated / Separate financial statements	
	2022	2021
	(in thousand Baht)	
At 1 January	3,200,000	3,700,000
Issuance of debentures during the year	-	1,000,000
Redemption of debenture during the year	(2,200,000)	(1,500,000)
<b>At 31 December</b>	<b>1,000,000</b>	<b>3,200,000</b>

The debentures are in the name of specific holders, unsubordinated, without collateral and with semi-annually interest payment throughout the term of the debentures.



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

The debentures contain certain significant covenants with which the Company must comply throughout the term of the debentures such as the maintenance of interest bearing liabilities to equity ratio not exceeding 2:1 as of the end of each quarter and a dividend payment restriction.

As at 31 December 2022, the Group had unutilised credit facilities from financial institutions totalling Baht 5,005 million (2021: 5,341 million).

As at 31 December 2022, the Company secured loan from financial institution of a subsidiary.

### 18 Provision for employee benefit

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Post-employment benefits</b>				
<b>Defined benefit plan</b>	<b>126,030</b>	<b>128,320</b>	<b>58,435</b>	<b>56,452</b>

#### *Defined benefit plan*

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b><i>Present value of the defined benefit obligations</i></b>				
At 1 January	128,320	116,268	56,452	52,290
<b><i>Include in profit or loss:</i></b>				
Current service cost	12,000	11,826	6,114	5,766
Interest on obligation	1,682	1,647	739	728
<b><i>Included in other comprehensive income:</i></b>				
Actuarial loss				
- Financial assumptions	-	796	-	394
- Experience adjustment	-	13,186	-	3,092
Benefit paid	(15,972)	(15,403)	(4,870)	(5,818)
<b>At 31 December</b>	<b>126,030</b>	<b>128,320</b>	<b>58,435</b>	<b>56,452</b>

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(%)			
<b><i>Actuarial assumptions</i></b>				
Discount rate	1.4	1.4	1.4	1.4
Future salary increases	4.5	4.5	4.5	4.5

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 6 years (2021: 6 years).

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

### **Consolidated financial statements**

<b><i>Effect to the defined benefit obligation</i></b>	<b>0.5% increase in assumption</b>		<b>0.5% decrease in assumption</b>	
<b><i>At 31 December</i></b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
Discount rate	(4,168)	(3,892)	3,689	4,112
Future salary growth	4,164	3,967	(4,657)	(3,797)

### **Separate financial statements**

<b><i>Effect to the defined benefit obligation</i></b>	<b>0.5% increase in assumption</b>		<b>0.5% decrease in assumption</b>	
<b><i>At 31 December</i></b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
Discount rate	(2,166)	(1,926)	1,866	2,040
Future salary growth	2,075	1,970	(2,381)	(1,879)

## 19 Share premium and reserve

### ***Share premium***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

### ***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

The Company's legal reserve as at 31 December 2022 and 2021 was equal to 10% of the registered authorised capital.

### ***Other components of equity***

#### **Translation reserve**

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### **Fair value reserve**

The cumulative net change in the fair value of equity securities designated at FVOCI.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

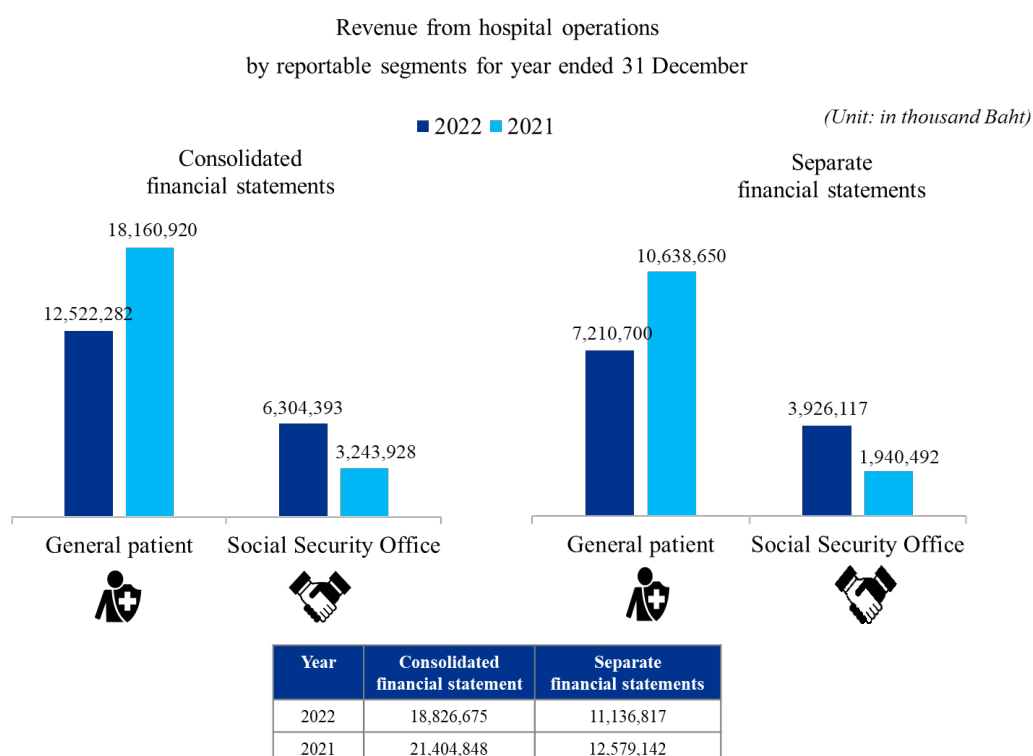
### 20 Segment information and disaggregation of revenue

#### Segment information

Management considers the Group operates in single line of business, private hospital business, and has, therefore only one reportable segment. Nevertheless in 2017, the Group has expanded business to the Lao People's Democratic Republic. Therefore, the Group has 2 segments which comprise of the Kingdom of Thailand and in the Lao People's Democratic Republic. Nevertheless, business operations in the Lao People's Democratic Republic does not meet the quantitative thresholds for determining reportable segments in 2021 and 2022.

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.

#### Disaggregation of revenue





# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### Defined contribution plans

The defined contribution plans comprise provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Group at 2% to 15% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

## 22 Income tax expense

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	995,951	1,868,257	702,062	1,134,161
<b>Deferred tax expense</b>				
Movements in temporary differences	(107,691)	(22,068)	(48,631)	(15,696)
<b>Total income tax expense</b>	<b>888,260</b>	<b>1,846,189</b>	<b>653,431</b>	<b>1,118,465</b>

<b>Consolidated financial statements</b>						
<i>Income tax</i>	Before tax	2022	Net of tax	Before Tax	2021	Net of Tax
		Tax benefit			Tax benefit	
<b>Recognised in other comprehensive income</b>						
Differences from foreign operations translation	(119,533)	-	(119,533)	(23,727)	-	(23,727)
Financial assets at FVOCI	(1,394)	279	(1,115)	485	(97)	388
Losses on remeasurements of defined benefit plans	-	-	-	(13,981)	2,796	(11,185)
<b>Total</b>	<b>(120,927)</b>	<b>279</b>	<b>(120,648)</b>	<b>(37,223)</b>	<b>2,699</b>	<b>(34,524)</b>

<b>Separated financial statements</b>						
<i>Income tax</i>	Before tax	2022	Net of tax	Before Tax	2021	Net of Tax
		Tax benefit			Tax benefit	
<b>Recognised in other comprehensive income</b>						
Losses on remeasurements of defined benefit plans	-	-	-	(3,486)	697	(2,789)

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### Reconciliation of effective tax rate

	Rate (%)	Consolidated financial statements		Rate (%)	2021 (in thousand Baht)
		2022 (in thousand Baht)			
Profit before income tax expense		<b>4,045,625</b>			<b>9,353,643</b>
Income tax using the Thai corporation tax rate	20	809,125	20		1,870,728
Expense (income) not subject to tax		11,549			(26,019)
Expenses not deductible for tax purposes		26,930			6,859
Expenses with tax deductible benefits		(14,489)			(20,058)
Current year losses for which no deferred tax asset is recognised		55,145			14,679
<b>Total</b>	<b>22</b>	<b>888,260</b>	<b>20</b>		<b>1,846,189</b>

### Reconciliation of effective tax rate

	Rate (%)	Separate financial statements		Rate (%)	2021 (in thousand Baht)
		2022 (in thousand Baht)			
Profit before income tax expense		<b>4,285,603</b>			<b>6,165,488</b>
Income tax using the Thai corporation tax rate	20	857,121	20		1,233,098
Income not subject to tax		(208,232)			(112,012)
Expenses not deductible for tax purposes		9,596			4,276
Expenses with tax deductible benefits		(5,054)			(6,897)
<b>Total</b>	<b>15</b>	<b>653,431</b>	<b>18</b>		<b>1,118,465</b>

### Deferred tax At 31 December

	2022	Consolidated financial statements		2022	2021
		Assets	Liabilities		
		2021			
		(in thousand Baht)			
Total	212,664	109,439	(14,122)		(18,867)
Set off of tax	(14,122)	(18,867)	14,122		18,867
<b>Deferred tax assets - net</b>	<b>198,542</b>	<b>90,572</b>	<b>-</b>		<b>-</b>

### Deferred tax At 31 December

	2022	Separate financial statements		2022	2021
		Assets	Liabilities		
		2021			
		(in thousand Baht)			
Total	107,851	64,916	(3,016)		(8,712)
Set off of tax	(3,016)	(8,712)	3,016		8,712
<b>Deferred tax assets - net</b>	<b>104,835</b>	<b>56,204</b>	<b>-</b>		<b>-</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>2022</b>				
<b>Deferred tax assets</b>				
Allowance for expected credit loss	45,183	1,357	-	46,540
Allowance for decline in value of inventories	3,370	97,776	-	101,146
Provision for employee benefit	25,664	(471)	-	25,193
Payable for Social Security Office referring	28,583	4,284	-	32,867
Adjust in fair value on equity instruments	6,639	-	279	6,918
<b>Total</b>	<b>109,439</b>	<b>102,946</b>	<b>279</b>	<b>212,664</b>
<b>Deferred tax liabilities</b>				
Difference from the depreciation of right- of-use assets	(8,910)	3,636	-	(5,274)
Deferred finance cost	(605)	418	-	(187)
Fair value adjustment assets acquired through business combination	(9,352)	691	-	(8,661)
<b>Total</b>	<b>(18,867)</b>	<b>4,745</b>	<b>-</b>	<b>(14,122)</b>
<b>Net</b>	<b>90,572</b>	<b>107,691</b>	<b>279</b>	<b>198,542</b>

	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>2021</b>				
<b>Deferred tax assets</b>				
Allowance for expected credit loss	32,174	13,009	-	45,183
Allowance for decline in value of inventories	2,546	824	-	3,370
Provision for employee benefit	23,254	(386)	2,796	25,664
Payable for Social Security Office referring	27,210	1,373	-	28,583
Adjust in fair value on equity instruments	6,736	-	(97)	6,639
<b>Total</b>	<b>91,920</b>	<b>14,820</b>	<b>2,699</b>	<b>109,439</b>
<b>Deferred tax liabilities</b>				
Difference from the depreciation of right- of-use assets	(15,075)	6,165	-	(8,910)
Deferred finance cost	(998)	393	-	(605)
Fair value adjustment assets acquired through business combination	(10,042)	690	-	(9,352)
<b>Total</b>	<b>(26,115)</b>	<b>7,248</b>	<b>-</b>	<b>(18,867)</b>
<b>Net</b>	<b>65,805</b>	<b>22,068</b>	<b>2,699</b>	<b>90,572</b>



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements (Charged) / Credited to</b>		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2022</b>				
<b>Deferred tax assets</b>				
Allowance for expected credit loss	30,322	(7,802)	-	22,520
Allowance for decline in value of inventories	2,398	46,972	-	49,370
Provision for employee benefit	11,290	397	-	11,687
Payable for Social Security Office referring	20,906	3,368	-	24,274
<b>Total</b>	<b>64,916</b>	<b>42,935</b>	<b>-</b>	<b>107,851</b>
<b>Deferred tax liabilities</b>				
Difference from the depreciation of right- of-use assets	(8,107)	5,278	-	(2,829)
Deferred finance cost	(605)	418	-	(187)
<b>Total</b>	<b>(8,712)</b>	<b>5,696</b>	<b>-</b>	<b>(3,016)</b>
<b>Net</b>	<b>56,204</b>	<b>48,631</b>	<b>-</b>	<b>104,835</b>

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements (Charged) / Credited to</b>		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2021</b>				
<b>Deferred tax assets</b>				
Allowance for expected credit loss	21,613	8,709	-	30,322
Allowance for decline in value of inventories	1,658	740	-	2,398
Provision for employee benefit	10,458	135	697	11,290
Payable for Social Security Office referring	20,541	365	-	20,906
<b>Total</b>	<b>54,270</b>	<b>9,949</b>	<b>697</b>	<b>64,916</b>
<b>Deferred tax liabilities</b>				
Difference from the depreciation of right- of-use assets	(13,461)	5,354	-	(8,107)
Deferred finance cost	(998)	393	-	(605)
<b>Total</b>	<b>(14,459)</b>	<b>5,747</b>	<b>-</b>	<b>(8,712)</b>
<b>Net</b>	<b>39,811</b>	<b>15,696</b>	<b>697</b>	<b>56,204</b>

The tax losses expire in 2023 - 2027 of Baht 378.74 million. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 23 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>For the year ended 31 December</i>	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders</b>				
Profit for the year attributable to equity shareholders of the Company (basic)	<u>3,038,908</u>	<u>6,846,002</u>	<u>3,632,172</u>	<u>5,047,023</u>
Number of ordinary shares outstanding	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>	<u>2,493,748</u>
Earnings per share (in Baht)	<u>1.22</u>	<u>2.75</u>	<u>1.46</u>	<u>2.02</u>

### 24 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
<b>2022</b>				
Interim dividend 2022	15 August 2022	September 2022	0.40	997.50
Annual dividend 2021	26 April 2022	May 2022	1.00	2,493.73
<b>Total</b>				<u>3,491.23</u>
<b>2021</b>				
Interim dividend 2021	16 August 2021	September 2021	0.20	497.97
Annual dividend 2020	26 April 2021	May 2021	0.13	323.53
<b>Total</b>				<u>821.50</u>

### 25 Financial instruments

#### (a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Financial instruments measured at FVTPL	Consolidated financial statement Carrying amount		Fair value  Level 2
		Financial instruments measured at FVOCI (in thousand Baht)	Total	
<b>At 31 December</b>				
<b>2022</b>				
<b>Financial assets</b>				
Other financial assets:				
Debt instruments	732	-	732	732
Equity instruments	-	21,283	21,283	21,283
<b>Total other financial assets</b>	<u>732</u>	<u>21,283</u>	<u>22,015</u>	

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

		Consolidated financial statement		Fair value
	Financial instruments measured at FVTPL	Carrying amount	Financial instruments measured at FVOCI	
<i>At 31 December</i>		Total		Level 2
		<i>(in thousand Baht)</i>		
<b>2021</b>				
<b>Financial assets</b>				
Other financial assets:				
Debt instruments	641,179	-	641,179	641,179
Equity instruments	-	22,677	22,677	22,677
<b>Total other financial assets</b>	<b>641,179</b>	<b>22,677</b>	<b>663,856</b>	

		Separate financial statements	Fair value
		Carrying amount	Financial instruments measured at FVTPL
<i>At 31 December</i>			Level 2
		<i>(in thousand Baht)</i>	
<b>2022</b>			
<b>Financial assets</b>			
Debt instruments		640,452	640,452

	At 1 January	Consolidated financial statement		Fair value adjustment	At 31 December
<i>Marketable debt securities</i>		Purchase	Disposal		
		<i>(in thousand Baht)</i>			
<b>2022</b>					
<b>Current financial assets</b>					
Debt securities measured at - FVTPL	641,179	2,890,000	(3,530,452)	5	732

	At 1 January	Separate financial statements		Fair value adjustment	At 31 December
<i>Marketable debt securities</i>		Purchase	Disposal		
		<i>(in thousand Baht)</i>			
<b>2022</b>					
<b>Current financial assets</b>					
Debt securities measured at - FVTPL	640,452	2,890,000	(3,530,452)	-	-

		Consolidated / Separate financial statement		Fair value
		Carrying amount	Financial instruments measured at amortised cost	
<i>At 31 December</i>	Note			Level 2
		<i>(in thousand Baht)</i>		
<b>2022</b>				
<b>Financial liability</b>				
Debentures	17	999,870		999,578
<b>2021</b>				
<b>Financial liability</b>				
Debentures	17	3,198,897		3,228,566

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

The following tables present valuation technique of financial instruments.

Type	Valuation technique
Debentures	Determined based on quoted prices in the debentures market from the Thai Bond Market Association by using the closing price at the end of the reporting period.
Debt and equity securities	Adjusted net asset method

The book value of long-term loans to and long-term loans from are approximate to the fair value because of contractual interest rate is taken to approximate the discount rate which measured at fair value by discounted projected cash flows method.

### (b) Financial risk management policies

#### *Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### (b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's account receivables from customers and investments in debt securities.

##### (b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Loss rates are based on actual credit loss experience over the past 3-5 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Detail of trade receivable are included in note 6

### (b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

### (b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

### (b.1.4) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2022, the Group has issued a guarantee to certain banks in respect of credit facilities granted to a subsidiary (see note 17).

## (b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Consolidated financial statements						
At 31 December	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in million Baht)			
2022						
Non-derivative financial liabilities						
Trade accounts payable	797	797	-	-	-	797
Construction and equipments payables	141	141	-	-	-	141
Other payables	363	363	-	-	-	363
Long-term loans from financial institutions	2,870	271	1,297	653	649	2,870
Lease liabilities	19	4	4	9	2	19
Debentures	999	999	-	-	-	999
	5,189	2,575	1,301	662	651	5,189
2021						
Non-derivative financial liabilities						
Short-term loans from financial institutions	250	250	-	-	-	250
Trade accounts payable	893	893	-	-	-	893
Construction and equipments payables	94	94	-	-	-	94
Other payables	370	370	-	-	-	370
Long-term loans from financial institutions	3,508	528	270	1,702	1,008	3,508
Lease liabilities	84	3	3	6	72	84
Debentures	3,199	2,200	999	-	-	3,199
	8,398	4,338	1,272	1,708	1,080	8,398

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

At 31 December	Carrying amount	1 year or less	Separate financial statements Contractual cash flows			Total
			More than 1 year but less than 2 years (in million Baht)	More than 2 years but less than 5 years	More than 5 years	
<b>2022</b>						
<b>Non-derivative financial liabilities</b>						
Trade accounts payable	475	475	-	-	-	475
Construction and equipments payables	70	70	-	-	-	70
Other payables	193	193	-	-	-	193
Long-term loan from financial institutions	1,337	149	1,150	38	-	1,337
Lease liabilities	19	4	4	9	2	19
Debentures	999	999	-	-	-	999
	<b>3,093</b>	<b>1,890</b>	<b>1,154</b>	<b>47</b>	<b>2</b>	<b>3,093</b>
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Trade accounts payable	506	506	-	-	-	506
Construction and equipments payables	41	41	-	-	-	41
Other payables	180	180	-	-	-	180
Long-term loan from financial institutions	1,780	443	150	1,187	-	1,780
Lease liabilities	4	1	1	2	-	4
Debentures	3,199	2,200	999	-	-	3,199
	<b>5,710</b>	<b>3,371</b>	<b>1,150</b>	<b>1,189</b>	<b>-</b>	<b>5,710</b>

### (b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

#### Managing interest rate benchmark reform

The Group has finished the process of amending contractual terms for all of the THBFIX.



# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### (b.3.1) Foreign currency risk

Management believe that the foreign currency risk for the operation is minimal because revenues and expenses are principally denominated in the Group functional currency.

Assets and liabilities to foreign currency as at 31 December	Consolidated financial statements	
	2022	2021
	(in million Baht)	
<b>United States Dollars</b>		
Cash and cash equivalents	1.57	5.75
Accrued expenses	(0.69)	(0.40)
Other current liabilities	(3.39)	(0.16)
<b>Total</b>	<b>(2.51)</b>	<b>5.19</b>

### (b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan to, debentures and loan from are fixed interest rates except partial loans from bank institutions are variable interest rate. The fluctuation of interest rate are currently low, so the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

## 26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## 27 Commitments with non-related parties and litigations

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Building and constructions	115,225	520,294	20,330	49,724
Hospital equipment and medical instruments	23,680	2,607	22,329	-
Computer, system work and other	14,499	941	-	225
<b>Total</b>	<b>153,404</b>	<b>523,842</b>	<b>42,659</b>	<b>49,949</b>
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within 1 year	23,838	24,459	13,431	12,056
After 1 year but within 5 years	20,996	29,567	11,414	13,050
<b>Total</b>	<b>44,834</b>	<b>54,026</b>	<b>24,845</b>	<b>25,106</b>

# Bangkok Chain Hospital Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<b>Other commitments</b>				
Letters of guarantees for nursing care	239,511	213,566	103,826	93,904
Letters of guarantees for electricity use	28,215	29,762	17,334	17,334
Letters of guarantees for purchase of assets	3,255	3,928	1,635	1,625
<b>Total</b>	<b>270,981</b>	<b>247,256</b>	<b>122,795</b>	<b>112,863</b>

### Other

At 31 December 2022, the Company had commitment for letters of guarantee issued by certain local banks totalling Baht 1,093 million (2021: Baht 1,003 million).

The group has entered into service agreements for solar power generation projects in order to reduce utility costs at four hospital sites. Service period 15 years from the date of commercial operation. The compensation under the contract depends on the amount of electricity used in each period.

### Litigations

The Group has been criminal case and claimed for the provision in the total amount of Baht 182 million as at 31 December 2022 (2021: Baht 171 million). Up to the date of this report, the legal claims are still in the consideration processes of the court and the ultimate outcome is not finalised. According to the management's assessment, there is no expected losses. The Group has not recorded any provision in the financial statements.

## 28 Events after the reporting period

On 24 February 2023, the Company entered into joint venture agreement with a company to held 51% shareholding, with authorised share capital amounting to Baht 300 million, to establish the specialise medical center for cancer treatment using radiotherapy.

At the Board of Directors' meeting of the Company held on 28 February 2023, the directors approved the appropriation of cash dividends for Baht 0.80 per share amounting to Baht 1,995 million, from 2022 operations. The interim dividends were paid in September 2022 for Baht 0.40 per share, of Baht 997.50 million. The additional cash dividend payment is Baht 0.40 per share, amounting to Baht 997.50 million. The dividend will be paid to shareholders in May 2023 subject to approval by the Annual General Meeting of Shareholders of the Company.

# 04

## Attachment

### **Attachment 1**

Details of Directors, Executives, Persons with Controlling Authority who is assigned the highest responsibility in accounting and finance, persons assigned to be directly responsible for overseeing bookkeeping, and Company Secretary

### **Attachment 2**

Duties and Responsibilities of Company Secretary

### **Attachment 3**

Details of the Directors of the Subsidiaries

### **Attachment 4**

Details of the Internal Audit Supervisor

### **Attachment 5**

Details about the Property Appraisal List

### **Attachment 6**

Others



## Attachment 1 Details of Directors, Executives, Persons with Controlling Authority who is assigned the highest responsibility in accounting and finance, persons assigned to be directly responsible for overseeing bookkeeping, and Company Secretary

### Board of Directors



**Prof. Dr. Chalerm Harnphanich, M.D.**

Age (year) 68

Chairman of the Board of Directors / Chairman of Executive Committee / Chief Executive Officer

**Date of Appointment :** 24 November 1993

#### Education

- Ph.D., Honorary Doctoral Programme in Medicine, Chiang Mai University
- Ph.D., Honorary Doctoral Programme in Business Administration, Ramkhamhaeng University
- Honorary Certificate, Professor for Hospital Administration Programme, Bodhisatstra University, USA
- Honorary Certificate, Associate Professor in Public Administration Programme, Bodhisatstra University, USA
- Ph.D. (Buddhist Studies), Honorary Doctoral Programme in Buddhist Studies, Mahachulalongkorn Rajavidyalaya University
- Master Degree in Business Administration, Ramkhamhaeng University
- M.D. Chiang Mai University
- B.Sc., Medical Science, Chiang Mai University
- Board Certification Specialist in Obstetrics and Gynecology, Siriraj Hospital, Mahidol University
- High Medical Certificate in Obstetrics and Gynecology, Siriraj Hospital, Mahidol University

#### Training

- Director Certification Program, Thai Institute of Directors Association (IOD)
- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Hospital Management, Sasin Graduate Institution of Business Administration of Chulalongkorn University

#### Work Experiences

- 2022 - present Chairman of the Board of Directors / The Better News Co., Ltd.
- 2019 - present President / Private Hospital Association Thailand
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present President / Chiangmai Medical School Alumni Association
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2014 - present Advisory / Private Hospital Association of Asean
- 2014 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2013 - 2021 Director / Ayutthaya Medicare Co., Ltd.
- 2013 - present Director / C.M.J. Land Co., Ltd.
- 2011 - present Director / Park Inn Chiangrai Part Co., Ltd.
- 2006 - present Director of Master of Public Health Program / School of Health Science Sukhothai Thammathirat Open University
- 1996 - present Director / S.C.K. Land Co., Ltd.
- 1996 - present Director / Saraburi Wetchakit Co., Ltd.
- 1996 - present Director / Sriburin Medical Co., Ltd.
- 1992 - present Director / Rattatibeth General Hospital Co., Ltd.
- 1988 - present Director / Pisuthikij Co., Ltd.

**Position in Other Listed Companies:** -None-

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4

**Shareholdings (%)** : 32.63 (No change in 2022)

**Relationship** : Asst. Prof. Dr. Somporn Harnphanich's husband



**Asst. Prof. Dr. Somporn Harnphanich, M.D.**

Age (year) 70

Director / Member of Executive Committee /  
Deputy CEO

**Date of Appointment :** 24 November 1993

#### Education

- PH.D. (Buddhist Studies), Honorary Doctoral Programme in Buddhist Studies, Mahachulalongkorn Rajavidyalaya University
- Master Degree in Business Administration, Ramkhamhaeng University
- M.D. Mahidol University
- BSc, Medical Science, Mahidol University
- Board Certificate: Anesthesia, Siriraj Hospital, Mahidol University
- Board Certificate: Medical Laws and Public Health Class 5th, Mahidol University
- Certificate of Occupational Medicine, Class 10th, Medical Council
- Certificate of Asia Pacific Hospital Management Programme, Singapore Management University
- Certificate of Meeting the Logistics Challenger of the Healthcare Sector HEC Montreal, Canada
- Certificate of Successful Completion / Lead Assessor Certificate, Anglo Japanese American

#### Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Hospital Management, Sasin Graduate Institution of Business Administration of Chulalongkorn University
- Strategic Human Resource Manager Human Resource Institute, Thammasat University
- Role of the Chairman Program Thai Institute of Directors Association (IOD)

#### Work Experiences

- 2019 - present Vice President of Association / Private Hospital Association Thailand
- 2017 - present Director / Committee on Development of Stroke Service
- 2017 - present Director / Health Promotion Committee
- 2017 - present Director / Committee on Non-Communicable Disease Service
- 2017 - present Sub Committee/ Social Security Office
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present Director / Service Plan, Ministry of Public Health
- 2016 - present 3<sup>rd</sup> Vice President of Association / The Private Hospital Association
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2013 - 2021 Director / Ayutthaya Medicare Co., Ltd
- 2010 - 2012 Director / Thai Listed Companies Association
- 1996 - present Director / Saraburi Wetchakit Co., Ltd
- 1996 - present Director / Sriburin Medical Co., Ltd.
- 1992 - present Director and Managing Director / Rattanatibeth General Hospital Co., Ltd.

**Position in Other Listed Companies:** -None-

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4

**Shareholdings (%)** : 7.05 (decreased 0.14 in 2022)

**Relationship** : Prof. Dr. Chalerm Harnphanich, M.D.'s wife



**Ms. Pornluck Harnphanich, M.D.**

Age (year) 37

Director / Member of Executive Committee /  
Member of Risk Management Committee /  
Chief Operating Officer

**Date of Appointment :** 10 August 2012

#### Education

- Master degree of Healthcare and Wellness Management College of Management Mahidol University
- M.D., Thammasat University
- Diploma Course in Dermatology and Dermatosurgery, Institute of Dermatology
- American Board Certified in Nutritional Wellness American Board of Nutritional Wellness
- Executive Mini Master of Business Administration, NIDA Business School
- Short Course training in Skin Laser Surgery, Faculty of Medicine, Siriraj Hospital, Mahidol University
- Certificate in Chelation Therapy (CMAT)
- HA Course for Quality Hospital Management (HA900)
- Certificate on Introduction to Medical Law by Thai MOOC, Ministry of Higher Education, Science, Research and Innovation

#### Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution of Strategy (SFE) Program, Thai Institute of Directors Association (IOD)
- Entrepreneurial Finance, CONC Thammasat Business School, Thammasat University
- Oxford Program on Negotiation in Bangkok Said Business School, University of Oxford

#### Work Experiences

- 2021 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2020 - present Director / Navanakorn Medical Co., Ltd.
- 2016 - present Director / Sriburin Medical Co., Ltd.
- 2016 - present Director / Saraburi Wetchakit Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Coffee and Latte House Co., Ltd.
- 2015 - 2019 Director / Global Inspired Laboratory Co., Ltd.
- 2012 - present Medical Director / Rattanatibeth General Hospital Co., Ltd.
- 2011 - 2014 Director / Rattanatibeth General Hospital Co., Ltd.
- 2011 - 2018 Director / Tipnatee s.p.p. Co., Ltd.

**Position in Other Listed Companies :** -None-

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4
- Risk Management Committee : 6 from 6

#### Shareholdings (%)

: 3.44 (increased 0.05 in 2022)

#### Relationship

: Prof. Dr. Chalerm Harnphanich, M.D.'s daughter





### Mr. Kantaporn Harnphanich

Age (year) 35

Director / Member of Executive Committee /  
Chief Marketing Officer

- 2014 - present Director / Park Inn Saraburi Co., Ltd.
- 2014 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2013 - 2022 Director / Balleto Foods Co., Ltd.
- 2013 - present Director of Marketing / Rattanatibeth General Hospital Co., Ltd.
- 2012 - present Director / Sriburin Medical Co., Ltd.
- 2011 - 2018 Director / Tipnatee s.p.p. Co., Ltd.

**Position in Other Listed Companies :** -None-

### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4
- **Shareholdings (%)** : 3.43 (increased 0.04 in 2022)

**Relationship** : Prof. Dr. Chalerm  
Harnphanich, M.D.'s son

**Date of Appointment :** 28 April 2015

### Education

- Master Degree of Healthcare and Wellness Management, College of Management, Mahidol University
- Master of Business Administration, Assumption University
- Bachelor of Business Administration, Assumption University

### Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Successful Formulation & Execution of Strategy (SFE) Program, Thai Institute of Directors Association (IOD)
- Oxford Program on Negotiation in Bangkok Said Business School, University of Oxford

### Work Experiences

- 2022 - present Director / The Better News Co., Ltd.
- 2020 - present Director / S G GOODFRIENDS Co., Ltd.
- 2020 - present Director / K.P.A. FOOD Co., Ltd.
- 2019 - present Director / Latte Coffee Shop Co., Ltd.
- 2017 - 2021 Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2015 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Bangkok Chain Hospital PCL.
- 2015 - present Director / Coffee and Latte House Co., Ltd.





**Mr. Phinij Harnphanich**

Age (year) 67  
Director

**Date of Appointment :** 27 February 2017

#### Education

- Master degree of Political Science (Government), Thammasat University
- Bachelor degree of Political Science (Public Administration), Thammasat University

#### Training

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

#### Work Experiences

- 2022 - present Director / The Better News Co., Ltd.
- 2016 - present Retired Government Official / Ministry of Interior
- 2014 - 2016 The Governor / Samutprakan Province
- 2013 - 2014 Director General / Department of Lands
- 2012 - 2013 The Governor / Lamphun Province

#### Position in Other Listed Companies

- 2018 - present Independent Director and audit Committee / Chewathai PCL.

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6

**Shareholdings (%)** : -None-

**Relationship** : Prof. Dr. Chalerm Harnphanich, M.D.'s cousin



### Ms. Pornsuda Harnphanich

Age (year) 33

Director / Member of Executive Committee /  
Member of Risk Management Committee /  
Chief Finance Officer

**Date of Appointment** : 13 January 2020

#### Education

- Master degree of Healthcare and Wellness Management, College of Management, Mahidol University
- Master degree of Science (Finance), University College Dublin, Singapore
- Bachelor of Business Administration in Finance, Thammasat University
- Certificate IR Professional Certificate Program, Federation of Accounting Professions
- Certificate CompTIA IT Fundamentals, Network Training Center, 2018
- Certificate on Introduction to Medical Law by Thai MOOC, Ministry of Higher Education, Science, Research and Innovation

#### Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Personal Income Tax and Corporate Income Tax Program, Faculty of Commerce and Accountancy, Thammasat University
- Oxford Programme on Negotiation in Bangkok Said Business School, University of Oxford
- AI for Healthcare: Equipping the workforce for digital transformation by The University of Manchester and Health Education, England

- Human Resources Management Course by Oxford Home Study College
- Supply Chain Management Course by Oxford Home Study College
- Innovation for IoT (Beginner) by Digital Economy Promotion Agency
- Health Insurance System by Learning Innovation Center, Chulalongkorn University
- Personal Data Protection by Digital Council of Thailand

#### Continuing Professional Knowledge Development (CPD & CPA)

- e-learning CFO's Refresher Course, Year 2022, 6.0 Hours
- Accounting of Income and Expenses, Impact on Net Profit Calculation, Year 2021, 6.0 Hours
- Cybersecurity Fundamentals Course, Year 2020, 6.0 Hours
- TFRS16 Financial Lease, Year 2019, 6.0 Hours

#### Work Experiences

- 2020 - present Director / S G GOODFRIENDS Co., Ltd.
- 2020 - present Director / K.P.A. FOOD Co., Ltd.
- 2019 - present Director / Latte Coffee Shop Co., Ltd.
- 2017 - present Director / Bangkok Chain International (Lao) Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present Director / Sothon Vejchakit Co., Ltd.
- 2015 - present Director / Coffee and Latte House Co., Ltd.
- 2014 - present Director of Auditing and Finance / Rattanatibeth General Hospital Co., Ltd.
- 2014 - present Director / Rattanatibeth General Hospital Co., Ltd.
- 2013 - present Director / Navanakorn Medical Co., Ltd.
- 2013 - 2021 Director / Ayutthaya Medicare Co., Ltd.
- 2013 - 2022 Director / Balleto Foods Co., Ltd.
- 2011 - 2018 Director / Tipnatee s.p.p. Co., Ltd.

**Position in Other Listed Companies** : -None-

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4
- Risk Management Committee : 6 from 6

**Shareholding (%)** : 3.44 (increased 0.05 in 2022)

**Relationship** : Prof. Dr. Chalerm Harnphanich,  
M.D.'s daughter



**Mr. Voravee Kiatinijomsak**

Age (year) 43

Director / Member of Executive Committee /  
Member of Risk Management Committee /  
Company Secretary / Accounting Director

**Date of Appointment :** 23 June 2020

#### Education

- Master Degree in Business Administration in Finance, Thammasat University
- Bachelor of Business Administration in Accounting, Assumption University
- Certified Public Accountant

#### Training

- Director Accreditation Program (DAP) 172/2020, Thai Institute of Directors Association (IOD)
- Advanced Course for Company Secretary Class 1/2016, Thai Company Secretary Club, Thai Listed Companies Association partnership with Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand
- Course for Chief Financial Officer, Strategic CFO in Capital Market Class 9, Stock Exchange of Thailand

#### Continuing Professional Knowledge Development (CPD & CPA)

- Ethics Course for Chartered Professional Accountant Class 6, Year 2022, 2.0 Hours
- Thai Chartered Management Accountant (TCMA) Course Class 1/2022, 6.30 Hours
- TFRS for NPAs Update according to the Notification of the Accounting Profession no.42/2563, 14.0 Hours
- CFO 2022, 7.0 hours
- Income, difference between Accounting and Tax, Year 2022, 6.3 Hours
- Accounting Standards related to land, buildings, equipment, Year 2022, 6.0 Hours

- Financial statement analysis, Year 2020, 7.0 Hours
- Accounting Standard for Non-current assets, Year 2020, 7.0 Hours
- Financial statement preparation course, Year 2020, 7.30 Hours
- TFRS16 Financial lease, Year 2019, 6.0 Hours
- Strategic CFO in Capital Market, Year 2019, 22 Hours

#### Work Experiences

- 2016 - present Director / Sriburin Medical Co., Ltd.
- 2016 - present Director / Navanakorn Medicare Co., Ltd.
- 2016 - 2021 Director / Ayutthaya Medicare Co., Ltd.
- 2016 - present Director / Bangkok Chain Management Co., Ltd.
- 2016 - present Director / Chiangrai Imaging Center Co., Ltd.
- 2006 - 2015 Audit Manager / EY Office Limited

**Position in Other Listed Companies :** -None-

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Executive Committee : 4 from 4
- Risk Management Committee : 6 from 6

**Shareholdings (%)** : -None-

**Relationship** : -None-



**Assoc. Prof. Virach Aphimeteetamrong, Ph.D.**

Age (year) 79

Independent Director /

Chairman of the Audit Committee

- 1995 - present Independent Director and Chairman of the Audit Committee / Metro Systems Corporation PCL.
- 1993 - present Chairman of the Independent Director / Supalai PCL.

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

**Shareholdings (%)** : -None-

**Relationship** : -None-

**Date of Appointment** : 9 April 2004

#### Education

- Ph.D. (Finance), University of Illinois, Urbana-Champaign, USA
- Master Degree in M.A.S., University of Illinois, Urbana-Champaign, USA
- Master Degree in Business Administration, Gothenburg, Sweden
- Bachelor of Accounting (Honors 2nd), Chulalongkorn University

#### Training

- Director Accreditation Program (DAP) 2/2003, Thai Institute of Directors Association (IOD)

#### Work Experiences

- 2021 - present Director / TRIS Rating Co., Ltd.
- 2020 - 2021 Independent Director / Allianz Ayudhya Assurance PCL.
- 2003 - present Director / TRIS Corporation Co., Ltd.
- 1988 - present Chairman of the Board of Directors / Office Dr.Virach & Associates Co., Ltd.

#### Position in Other Listed Companies

- 2013 - present Chairman of Board of Directors and Audit Committee / Thai Agro Energy PCL.
- 2007 - 2021 Chairman of Board of Directors / Intouch Holdings PCL.
- 2004 - present Independent Director and Chairman of the Audit Committee / Asia Plus Group Holdings PCL.



**Mr. Siripong Sombutsiri**

Age (year) 68

Independent Director / Audit Committee

#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

Shareholdings (%) : -None-

Relationship : -None-

**Date of Appointment :** 9 April 2004

#### Education

- Master Degree of Business Administration in Finance, Sul Ross University, USA
- Bachelor of Commerce and Accounting, Chulalongkorn University

#### Training

- Ethical Leadership Program Class 1/2015, Thai Private Sector Collective Action against Corruption (CAC)
- Director Accreditation Program (DAP) 2/2003, Thai Institute of Directors Association (IOD)

#### Work Experiences

- 2011 - present Director / Infinite Electric (Thailand) Co., Ltd.

#### Position in Other Listed Companies

- 2014 - present Chairman of the Board of Directors and Chairman of the Audit Committee / Com 7 PCL.
- 2013 - present Director and Chairman of the Audit Committee / Pan Asia Footwear PCL.
- 2007 - present Director and Executive Director / AP (Thailand) PCL and subsidiaries.



#### Directors' Meeting Participation in 2022

- Board of Directors : 6 from 6
- Audit Committee : 5 from 5

**Shareholdings (%)** : -None-

**Relationship** : -None-

**Date of Appointment :** 9 April 2004

#### Education

- Master Degree of LL.M., Harvard University, USA
- Master Degree of LL.M., Taxation, Boston University, USA
- Bachelor of Law (Honors), Chulalongkorn University
- Barrister-at-law
- Certificate of International Taxation, Harvard University, USA

#### Training

- Director Accreditation Program, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 238/2017, Thai Institute of Directors Association (IOD)

#### Work Experiences

- 2002 - present Partner / Law Alliance Co., Ltd.

#### Position in Other Listed Companies

- 2022 - present Independent Director and Audit Committee / LH Financial Group PCL.
- 2022 - present Independent Director and Audit Committee / Land and Houses Bank PCL.
- 2015 - present Independent Director and Audit Committee / Land and Houses PCL.



Position in Other Listed Companies: -None-

**Directors' Meeting Participation in 2022**

• Board of Directors : 6 from 6

Shareholdings (%) : -None-

Relationship : -None-

**Date of Appointment : 26 April 2010**

**Education**

- M.PH Mahidol University
- M.D. Chiang Mai University
- B.Sc, Medical Science, Chiang Mai University

**Training**

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

**Work Experiences**

- 2019 - present Advisory to the Executive Committee / The National Vaccine Institute
- 2016 - 2019 Vice Minister for Public Health / The Prime Minister's Office
- 2016 - present Senior Advisory / Sub-committee of Ministry of Public Health
- 2016 - present Senior Advisory / Sub-committee of Department of Health and Service Support, Ministry of Public Health
- 2010 - present Senior Advisory / University of Phayao Council
- 2009 - present President / Thailand Health Association
- 2008 - present Advisory / Global Fund Principal Recipient Management office, Ministry of Public Health
- 2008 - present Advisory / Permanent Secretary Ministry of Public Health



## Attachment 2 Duties and Responsibilities of Company Secretary

The Company's secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 effective on 31 August 2008 with responsibility, caution, and honesty, as well as complying with the law, objectives, resolutions of the Board of Directors, and resolutions of the shareholders' meeting. The legal duties of the Company Secretary are as follows:

1. Prepare and maintain various documents such as Registration of Directors, Notice of Board of Directors' Meeting, Minutes of Board of Directors' Meeting, Notice of Shareholders' Meeting, and Minutes of Shareholders' Meeting.
2. Manage the Reporting of Conflict of Interest reported by directors or executives and send a copy of the Reporting of Conflict of Interest under section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date the Company receives the report.
3. Perform other actions as specified by the Capital Market Supervisory Board.
4. Other duties include:
  - Responsible for arranging the Board of Directors and shareholders' meetings.
  - Provide advice on the relevant laws and regulations, and the best practices for governance in the implementation of the Board's activities in compliance with the law.
  - Coordinate with regulatory agencies such as the Stock Exchange of Thailand, and supervise the disclosure and reporting of information to the regulatory agencies and the public to ensure complete compliance with the law.
  - Other duties as assigned by the Company.

At the Board of Directors' meeting held on 14 January 2016, the Board of Directors resolved to appoint Mr. Voravee Kiatinijomsak to be the Company Secretary, who has passed the training course for Company Secretary, class 1/2016, organized by Association of Thai Listed Companies Secretary with the Stock Exchange of Thailand and the Securities and Exchange Commission.



## Attachment 3 Details of the Directors of the Subsidiaries

No.	Name of Director	Rattanaibeth General Hospital Co., Ltd	Saraburi Wetchakit Co., Ltd.	Sriburin Medical Co., Ltd.	Navanakorn Medicare Co., Ltd.	Sothon Vejsakrit Co., Ltd	Bangkok Chain Management Co., Ltd.	Bangkok Chain International (Lao) Co., Ltd
1	Prof. Dr. Chalerm Hamphanich, M.D.	C S	C MD S	C MD S	C MD S	C MD S	C MD S	C MD S
2	Asst. Prof. Dr. Somporn Hamphanich, M.D.	MD S D	D S	D S	D S	D S	D S	D
3	Dr. Buntham Hamphanich	D	-	-	-	-	-	-
4	Ms. Pornluck Hamphanich, M.D.	-	D S	D S	D S	D S	D S	D
5	Mr. Kantaporn Hamphanich	-	-	D S	D S	D S	D S	-
6	Ms. Pornsuda Hamphanich	D S	-	-	D S	D S	D S	D
7	Mrs. Saifon Chaimongkol	-	-	-	-	-	D S	-
8	Mr. Voravee Kiattiniyomsak	-	-	D S	D S	-	D S	-
9	Mrs. Somjai Manatrakul	-	D S	-	-	-	-	-
10	Mrs. Jirawan Supamongkolsirichot	-	D S	-	-	-	-	-
11	Dr. Itthipong Yodprasit, M.D.	-	-	D S	-	-	-	-
12	Mr. Surapant Taweewiyakarn, M.D.	D	-	-	-	-	-	-
13	Ms. Supojanee Hattapawan, M.D.	D	-	-	-	-	-	-
14	Mrs. Sopha Warokorn	-	-	-	-	D	-	-
15	Mr. Ekarat Samantarot	-	-	-	-	D	-	-
16	Mr. Chollowish Chanlalit, M.D.	-	-	-	-	D	-	-
17	Ms. Valy Vetsaphong	-	-	-	-	-	-	D
18	Mr. Phisit Wannawittayapha	-	-	-	-	-	-	D
19	Mr. Chollowit Winichchai	-	-	-	-	-	-	D

C : Chairman of the Board    MD : Managing Director    S : Authorized Director    D : Director

## Attachment 4 Details of the Internal Audit Supervisor

**Name** Ms. Wanthanee Wongbutrod

**POSITION** Deputy Manager of Internal Audit Department 2 / Dharmniti Internal Audit Co., Ltd.

### Education

- Bachelor of Accountancy Program in Accounting Information System, School of Management, Walailak University

### Work Experiences

- 2017 - present Deputy Manager of Internal Audit Department 2 / Dharmniti Internal Audit Co., Ltd.
- 2016 Internal Audit Manager / Dharmniti Internal Audit Co., Ltd.
- 2013 - 2015 Risk Management and Internal Audit Assistant Manager / Dharmniti Audit Co., Ltd.
- 2010 - 2012 Senior Internal Audit / Dharmniti Audit Co., Ltd.
- 2007 - 2009 Internal Audit / Dharmniti Audit Co., Ltd.

### Training

- Seminar in CEO & Integrated Management - Audit
- Seminar 2012 in Internal Audit preparation for AEC
- Internal Audit planning course
- Going from Good to Great in IT Governance and Outsourcing course
- Internal Audit and Quality Management course
- COSO 2013 course, theory and practice
- Project to maintain and improve the quality of internal audit
- Self-Assessment Form on Anti-Corruption
- IT Audit for Non IT Auditor course
- IIA Standard & Implementation Guide (Practice advisory)
- Seminar in Internal Audit : The key factor for corporate governance and business value creation
- Accounting for Construction Business and Agreement course
- 59 issues of Tax Preparation for Medicals, Hospitals, Medicine Clinics, Healthcare service providers, and Aesthetic center
- Thailand's Anti-Corruption Act, the Organic Act on Counter Corruption B.E. 2542 (1999)
- MS-Excel for Auditor course
- IA Day: Innovative Internal Auditor course
- IT General Control (Beginner) course
- Audit Plan course
- Sampling for Working Paper
- Negotiation for Internal Auditor course
- International Standards for the Professional Practice of Internal Auditing

### Responsibility

- Set goals, strategies, and work plans, as well as monitor internal audit performance for each customer to be in accordance with the specified work plans.
- Propose services on risk management and internal audit.
- Provide knowledge and understanding about internal audits to the team and coordinate operations with customers.

## Attachment 5 Details about the Property Appraisal List

None

## Attachment 6 Others

None

A modern hospital reception area with a curved wall and a white reception desk. The wall features the text "MEDICINE DEPARTMENT" in large, bold, metallic letters. The ceiling is white with recessed lighting and a large, curved, illuminated panel. The floor is light-colored and polished. In the background, there are more reception desks and a waiting area with armchairs.

**MEDICINE  
DEPARTMENT**

**ดูแลใกล้ชิด สนิทเหมือนญาติ**  
Your Family Your Hospital



## Bangkok Chain Hospital Public Company Limited

📍 World Medical Hospital, 17th Floor, No.44 Moo 4,  
Chaengwattana Road, Pakkret, Nonthaburi 11120

☎ +6628369907    📠 +6621064858

✉ [info@bangkokchainhospital.com](mailto:info@bangkokchainhospital.com)

🌐 [www.bangkokchainhospital.com/th/home](http://www.bangkokchainhospital.com/th/home)