

B|A  
Business Alignment



FORM 56-1 ONE REPORT 2020  
BUSINESS ALIGNMENT PCL.

20<sup>th</sup>

ANNIVERSARY

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## Message from Chairman of the Board

In the year 2020, the overall of the business for many companies might not be the year that we expected very much. Because of the events that took place around the world. The current coronavirus outbreak (COVID-19) remains uncertain. This event teaches us to adapt learn and be prepared to accept and handle with unexpected events that would happen adapt to both doing business in the present and continue to be sustainable.

The company is engaged in the distribution of medical devices related to cancer. According to the World Health Organization (WHO), the trend of cancer patients in Thailand will increase. While the present Thailand does not have enough radiation devices. Therefore, the Company's business is considered to have continued growth in the future. Treatment data shows that more than 50% of cancer patients are curable through radiation. Therefore, from the vision of the organization. The company will do its best to take care of its customers and take into the patient to receive quality products and patients can access technology easily.

The Board of Directors places great emphasis on good corporate governance. Conduct business with transparency, fair, responsible and protects the interests of all stakeholders in all social groups. Including honest management that leads to increasing competitiveness and is the foundation of stable and sustainable growth. Putting good practice into practice to stay competitive and have a good performance considering long-term impacts. Conduct business ethically respect rights and be responsible for shareholders and stakeholders and able to adapt under changing factors.

I am confident in the vision and potential of the management, employees of the company that will be able to lead the company to grow and create prosperity and stability continuously. Be ready to follow the corporate vision to create growth for all stakeholders involved.

Finally, on behalf of the Board of Directors of Business Alignment Public Company Limited, we would like to thank you the shareholders and stakeholders who has always trusted and supported the company. The Board of Directors, the management and employees remain committed. Dedicated to performing their duties under ethics and business ethics. Considering the interests of the stakeholders, which leads to the sustainability of the organization further.



Mr. Woodtipong Mooleechad  
Chairman of the Board



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I am confident in the vision and potential of the management, employees of the company that will be able to lead the company to grow and create prosperity and stability continuously. Be ready to follow the corporate vision to create growth for all stakeholders involved.

”





## Message from Chief Executive Officer

If in the past year (Year 2020), It was the year that the company Business Alignment Public Company Limited has operated its business for the 20th anniversary which is considered to be growing continuously. There was no outbreak of Coronavirus 2019 (COVID-19). The company is confident that it will be able to deliver the big project and Thailand will be the first country in ASEAN to offer proton-based cancer treatment services. But with the spread of COVID-19, causing the company itself to be affected as well. The project installation plan of the proton accelerator at some stage, it is necessary to have a professional from a foreign country perform it. But the impact of the COVID-19 outbreak. They cannot do it according to the plan. This resulted in a delay in the installation of the proton accelerator. It is known that the delivery period of the project has been extended. However, a force majeure condition that the company can proceed with requesting an extension of the working period. Mentioned above is the part that the company clearly affected. However, for other projects that do not require installation process by foreign experts, there is not much impact that can be continued.

There is only a matter of shipping and air that has some impact but still in the ability to manage. Unlike other sectors that may be directly affected by such situation. Although the company will be affected only partially. The company has made every effort to revise and prepare the plan for any incidents that may occur in the future. In order to have an impact on customers and the company as little as possible. As the determination that we have set goal “We will focus on providing quality medical devices to meet the needs and create high satisfaction for customers”

In the business of specialized hospitals for cancer operated by a subsidiary (Cancer Alliance Co., Ltd.) that opened the operation in the year 2020 for the first year still not meeting the target. Partly there is an impact from the epidemic of COVID-19, which has resulted in the restrict travelling of patients across to other areas. It is the decision of the patient who can still wait for the treatment. In the decision to refrain from traveling to the hospital. Both patients admitted to treatment on schedule appointments or decision-making of new patients in consultation for treatment. In addition, the current economic conditions Affect the decision to receive treatment. Although admitted to the public sector's rights, there is still a need for personal expenses to be held such as travelling expenses or self-pay admission, it is an important issue when choosing to receive treatment with a private hospital. As a result, the performance of the hospital may not be as planned.

From mention situations, that impact on the operating result year 2020 was not as expected, but it did not exceed my expectations. The company and its subsidiaries had total revenues from the consolidated financial statements 765.13 million Baht, sales revenue 527.04 million Baht, an increase of 6.14 million Baht or an increase of 1.18 percent. Service income was 196.50 million Baht, an increase of 30.99 million Baht or an increase of 18.72%. Revenue from hospital operations was 30.98 million Baht. The total comprehensive profit from the major shareholder of the company was 44.40 million Baht or 5.80% net profit margin. Because the company has a lower gross margin and foreign exchange losses in long-term projects.

Even though the operating results are not as expected. The company uses this opportunity to learn and adapt. To prepare for changes that may occur in the future. For the company to operate with sustainability and stability. The company is proud of is the “excellent” rating of the listed companies’ compliance with the corporate governance principles, which are assessed by the Thai Institute of Directors Association with the support of the Stock Exchange and the SEC to build confidence among shareholders and investors. The company operates its business by following the principles of corporate governance for the benefit of creating sustainable value for the business.



Finally, we must take care of their own health to be healthy, disease-free and flexibility in every situation. This will help us overcome various obstacles as well. I express my sincere gratitude to all shareholders and stakeholders, business partner, financial institution, government agencies and the private sector for the continued support and trust that everyone can give to the company. Make a promise that the company will remain committed to conducting business in response to the vision of the organization. In being the leader in distribution including providing medical and health services. Especially in the treatment and prevention of cancer. To provide people with access to modern technology and equal with developed countries with further commitment.

“

made every effort to revise and prepare the plan for any incidents that may occur in the future. In order to have an impact on customers and the company as little as possible. As the determination that we have set goal “We will focus on providing quality medical devices to meet the needs and create high satisfaction for customers”

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Mr. Sompong Chunekitiyanone  
Chief Executive Officer





## Board of Directors



01



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04



05



06



07

### 01. Mr. Woodtipong Moleechad

- Chairman of the Board
- Independent Director

### 02. Ms. Srirat Chuchottaworn

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

### 03. Mr. Vipoota Trakulhoon

- Independent Director
- Audit Committee
- Chairman of Nomination and Remuneration Committee

### 04. Mr. Thanawat Lertwattanarak

- Independent Director
- Audit Committee
- Nomination and Remuneration Committee

### 05. Mr. Sompong Chunekeityanone

- Director
- Executive Chairman
- Chairman of Risk Management Sub-Committee
- Nominating and Remuneration Committee
- Chief Executive Officer
- Chief Operating Officer (Acting)

### 06. Mr. Voravid Silapusid

- Director
- Executive Committee
- Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Financial Officer
- Human Resources Manager (Acting)

### 07. Mr. Noppadol Suntanaphanich

- Director
- Executive Committee
- Risk Management Sub-Committee
- Chief Quality Officer

## Company Secretary



01

### 01. Ms. Srisunun Anuchornphan

- Company Secretary
- Secretary of Audit Committee
- Secretary of Nomination and Remuneration Committee
- Secretary of Executive Committee
- Secretary of Risk Management Sub-Committee

## Audit Committee



**01. Ms. Srirat Chuchottaworn**

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

**02. Mr. Vipoota Trakulhoon**

- Independent Director
- Audit Committee
- Chairman of Nomination and Remuneration Committee

**03. Mr. Thanawat Lertwattanak**

- Independent Director
- Audit Committee
- Nomination and Remuneration Committee

## Executive Committee



**01. Mr. Sompong Chunekitiyanone**

- Director
- Executive Chairman
- Chairman of Risk Management Sub-Committee
- Nominating and Remuneration Committee
- Chief Executive Officer
- Chief Operating Officer (Acting)

**02. Mr. Voravid Silapusid**

- Director
- Executive Committee
- Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Financial Officer
- Human Resources Manager (Acting)

**03. Mr. Noppadol Suntanaphanich**

- Director
- Executive Committee
- Risk Management Sub-Committee
- Chief Quality Officer

**04. Ms. Sukanlaya Khamnuan**

- Executive Committee
- Risk Management Sub-Committee
- Deputy Chief Financial Officer and Accounting Controller



## Summary of Financial Information

(Unit : Million Baht)

For the year ended Decemeber 31	Y2018 Consolidated FS Audited	Y2019 Consolidated FS Audited	Y2020 Consolidated FS Audited
Total Assets	943.42	1,656.57	2,032.65
Total Liabilities	313.74	1,012.19	1,458.15
Total Equity	561.91	587.26	532.16
Revenue from sales and services	658.52	724.51	755.34
Total Revenues	664.69	734.00	765.13
Gross Profit	157.41	184.27	133.44
Profit before tax	99.49	108.65	47.58
Net Profit	80.60	91.46	44.40
Financial Ratio			
Current Ratio (time)	3.96	1.59	1.35
Gross profit Margin (%)	23.90	25.43	17.67
Operating Profit Margin (%)	14.48	14.86	7.98
Net Profit Margin (%)	12.13	12.46	5.80
Return on Total Assets (%)	9.42	7.04	2.41
Return on Equity (%)	15.00	15.92	7.93
Debt to Equity Ratio (time)	0.56	1.72	2.74
Earning per share (Baht)	0.20	0.23	0.11
Book Value per Share (par value 0.50 Baht)	1.40	1.47	1.33

## Policy and Overview of Business Operations



Business Alignment Public Company Limited is the provider, distributor and maintenance service provider of medical and health equipment especially for cancer patients in order for them to be able to access the modern technology and equality with developed countries.



- 1 Import, distribute and provide medical services as well as medical products. To help the doctor Including related medical personnel can be treated with advanced technology and allowing the patients to access the mentioned technology conveniently
- 2 Be the center for development in curing patients with the hospitals, doctors and medical personnels especially for cancer in order to better the quality of life of the patients equality with developed countries
- 3 Manage and administer under the corporate governance and medical ethics to ensure that the management and administrations are run effectively and efficiently
- 4 Create the highest satisfaction for all related parties, both directly and indirectly affected, in terms of quality, price, delivery and international standard service
- 5 Look for and expand business related to health and public health related business to prevent and promote good health and increasing revenue and profit



- B Beyond the Best**  
Every time you act, make sure you can do "MORE" with the word "BEST" every time.
- O Openness**  
Openness increases credibility and is the key to success.
- E Expertise**  
Expertise is to know and understand more "Just know that"

**A Accountability**  
Responsibility is the basis of success.

**N Never Give Up**  
The secret of success is that we never give up.





## Corporate Objective/Long Term Goal

The company continues its vision to look for and expand businesses related to health and public health. Leadership in cancer treatment and prevention. In order to give people, access to modern technology and equality with developed countries. Encourage people to have better health. Beyond being a distributor and install high quality medical instruments and software systems including related tools for cancer treatment by radiation treatment.

Established a specialized hospital in cancer which counseling and referral for patients. To provide services for the treatment of cancer patients including radiation therapy and chemotherapy focus on quality control, the quality of doctors, specialists in cancer, efficiency and safety in accordance with international standards. It is a new business that the company has started to work to increase its long-term business potential. Expanding the type of business from the sales and installation of medical devices related to radiation and increasing opportunities and choices of treatment for patients. Increasing sources of income and diversify risks to other businesses which increase opportunity to generate more stable income and cash flow. The company aims to see the results from the revenue of this hospital project after operating within 3-5 years. The specialized hospital in cancer was officially opened on October 1, 2019. As our vision, the company aims to provide people with access to modern technology that is comparable to developed countries. By setting a goal to open another branch of the cancer specialist hospital in another region within 5 years, with a feasibility study of the project closely.

With advanced technology advances, the Next Generation Sequencing (NGS) is accurate and high security. They can access, investigate and understand the secret that links their unique genetic code. This makes it possible to identify the gene mutations. Relating to increasing the risk of cancer in more than 20 types at present. When people can identify our genetic code, BIZGenes is another solution. To reach the DNA level. With this innovation make sure that the person is aware of the risk of cancer in the future. Plan for prevention of cancer. It can help to know and understand the risks of future types of cancer and plan for their health care properly and at risk. Helping to plan a family member's health to reduce or manage genetic risk and change the way of lifestyle to reduce other risks involved.

The company expects, this is a continuation of the cancer-related business which the company specializes in. It is a long-term business plan. To increase sales potential and to be more stable.



## Notable Changes and Development

Since its establishment in 2000, there are important changes and development in the company as follows:

**2000**

**May 12, 2000** The company was registered with 1 million Baht registered capital with 10,000 common shares, at 100 Baht value per share. The office was located at 312/ 20 Soi Kiatchai, Asoke- Dindang Rd. , Dindang, Bangkok. Its business operation was to import medical equipments especially radiation machine for cancer treatment and othe related equipments

The company was appointed as a distributor of Varian Medical Systems Inc. ("Varian") which is the world' s leading company from USA in producing and distributing medical equipments and software system for cancer treatment through radiation therapy, proton beam therapy and mineral implant therapy using up-to-date technology as well as x-ray tubes for medical purposes and linear accelerators for container inspection using high energy x-ray. We can say that Varian is the well known provider and distributor of high quality radiation therapy equipments among the medical industry both domestically and internationally.

Turn Key style. This meant that the company needed to take greater responsibility in renovating the room or building as well as constructing and providing related equipments so that the purchased radiation machines can work at its full capacity to ensure top effectiveness. This caused the company to alter the business policy from only importing the radiation equipments to being a solution provider in cancer treatment which included providing the equipments and other related fixtures, constructing and renovating the venue to be suitable for cancer treatment for both public and private hospitals.

**2010**

**December 21, 2010** The company was contracted to purchase one TrueBeams radiation machine for cancer treatment including installation and room renovation from Chulabhorn Hospital which was the first radiation machine with up-to-date technology and high accuracy in ASEAN region at the time. The machine was tested in November 2011 and was officially used in March 2012.

**2006**

**April 24, 2006** The office relocated to 69/6 Tang Hua Pak Building, 3<sup>rd</sup> Floor, Soi Suksa Wittaya, Silom Rd., Silom, Bangrak, Bangkok to cater for the business expansion and increase the convenience in coordinating with the customers and medical equipment production companies.

**June 27, 2006** The company increased its registered capital from 1 million Baht to 2 million Baht by releasing 10,000 more common shares, at 100 Baht value per share and offered these shares to the original shareholders proportionally and also offered the common shares to 2 new shareholders at 300 Baht per share and these were collected in one time to support the fast expansion and the changing order behaviour of the customers which was more

**2012**

The company received purchase orders for TrueBeam linear accelerator including installation and building construction from Songklanagarind Hospital, Faculty of Medicine, Prince of Songkla University (1 unit), Srinagarind Hospital, Faculty of Medicine, Khon Kaen University (1 unit) , Chulalongkorn Hospital, Thai Red Cross Society ( 2 units) and Faculty of Medicine, Siriraj Hospital, Mahidol Univeristy (1 unit). This resulted in Thailand having the highest number of TrueBeam radiation machines in ASEAN region. This was the highest state-of-the- art technology in cancer treatment at the time in the region which was of equal quality as in the USA and European countries.



## 2014

**November 19, 2014** The company increased its registered capital from 2 million Baht to 5 million Baht and released 30,000 more common shares, at 100 Baht value per share and offered these shares to the original shareholders proportionally to support the fast-growing expansion of the business

## 2015

**June 12, 2015** The office was relocated to 92/45 Sathorn Thani 2 Building, 16th Floor, North Sathorn Rd., Silom, Bangrak, Bangkok to allow more convenience in coordinating with customers

## 2016

**February 4, 2016** The Extraordinary General Meeting of Shareholders No. 1/2016 passed a resolution to increase its registered capital to 150.00 million Baht. By issuing new ordinary shares of 1.45 million shares at par value of 100 Baht to 100 Baht IPO. Offered to original shareholders in proportion. The restructuring costs for the preparation of a listing on the Market for Alternative Investment (mai).

**March 12, 2016** Annual General Meeting of Shareholders for the year 2016 has approved the capital increase of 200.00 million Baht into ordinary shares of 400,000,000 shares at par value of Baht 0.50 per share, divided into ordinary shares from capital increase of 100,000,000 shares with a par. Baht 0.50 per share to be offered to the public initial public offering: IPO or 25 percent of the paid-up capital after the offering IPO.

**March 21, 2016** The company was registered as a public company.

**July 28, 2016** First day of trading of BIZ on the Market for Alternative Investment (mai).

## 2017

**May 9, 2017** The company has signed a project centers treating cancer patients with protons radiotherapy at King Chulalongkorn Memorial Hospital

## 2018

**January 12, 2018** Establishment of a subsidiary to operate specialized hospital for cancer treatment. The Company's shareholding proportion in the subsidiary Company totally 65.00%

**November 14, 2018** Press Conference Grand Opening about "BIZGenes" Genetic Testing for Cancer Screening

## 2019

**October 1, 2019** Soft opening Cancer Specialized Hospital "Sriracha Cancer Alliance Hospital" (CAH)

## AWARDS

**2008**

The company was awarded the **“Award for outstanding achievement 100% market share FY 2006/2007”** from Varian Medical Systems Inc.

**2010**

The company was awarded the **“Award for Record Orders FY 2009”** from Varian Medical Systems Inc.

**2011**

The company was awarded the **“Award for 100% for Thailand 2011”** from Varian Medical Systems Inc.

**2012**

The company was awarded the **“Emerging Market Rising Star 2011”** from Thermo Fisher Scientific Inc.

**2013**

The company was awarded the **“Award for placing order for a record 16M including TrueBeams”** from Varian Medical Systems Inc.

**2017**

The company was awarded the **“ Award for Excellent Sales Performance and Market Share”** from Varian Medical Systems Inc.

November 30, 2017 The company was awarded the **SMEs Excellence Awards 2017 : Silver Award in Trading sector**

The key factors of certified small and medium enterprises must be operational for at least 2 years with a good management system, arrange by TMA.

**2018**

March 23, 2018 Mr. Sompong Chunekitayanone received awarded **the Outstanding Executive of the Year 2018 in Business Administration and Management** from one million merit projects.

**2019**

July 24, 2019 The company was awarded the **Special Recognition under Rising Star Awards 2018** at National Director Conference 2019 by Thai IOD

**2020**

March 26, 2020 The company has been certified for quality management system standards. For distributors of medical instruments and devices **EN ISO13485: 2016** from TUV SUD Product Service GmbH, Germany

September 11, 2020 The company has been included in the **“ESG Emerging List”** a listed securities firm with outstanding performance in environment, society and governance. ESG Emerging Group for the first time is a sustainable investment company.





## General Information

<b>Listed Company</b>	:	Business Alignment Public Company Limited
<b>Registration Number</b>	:	0107559000079
<b>Security Symbol</b>	:	BIZ
<b>Type of business</b>	:	Consumer Products
<b>Business Operations</b>	:	Distribute and install medical equipments for radiotherapy treatment and maintenance service (Maintenance Service)
<b>Head Office Address</b>	:	92/45 Sathorn Thani 2 Building, 16th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500
	:	Tel : +66 2636-6828-9
	:	Fax : +66 2236-3167
<b>Website</b>	:	<a href="http://www.bizalignment.com">www.bizalignment.com</a>
<b>Registered Capital</b>	:	200.00 million Baht
<b>Paid-Up Capital</b>	:	200.00 million Baht
<b>Par value per share</b>	:	0.50 Baht
<b>Type and amount of Outstanding Share</b>	:	Ordinary shares, 400 million Shares
<b>Purpose of fundraising and expenditures</b>	:	During the reporting year and in the period of 3 years, the company has not raised any capital.
<b>Obligations committed by the company in the registration statement</b>	:	None



## Company's Revenue Structure

### Revenue Structure based on Revenue Type

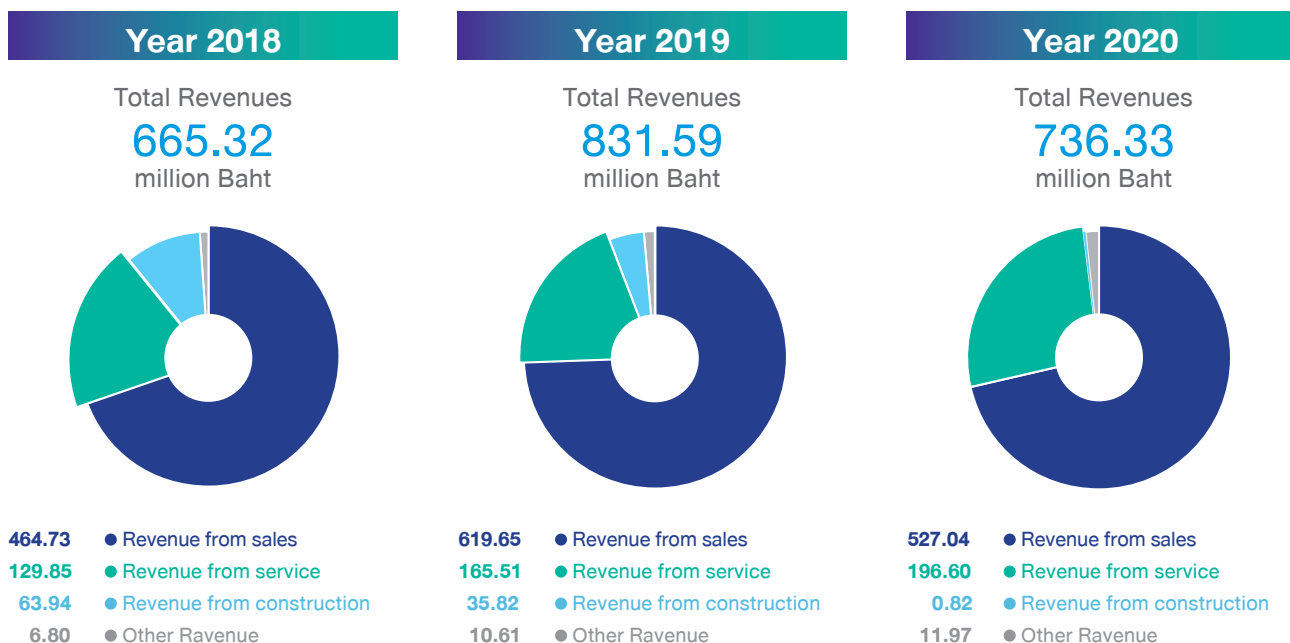
The company's revenue can be divided into 3 categories:

- 1) Sales revenue which comes from selling and installing the medical equipments and
- 2) Service revenue which comes from providing the maintenance service.
- 3) Construction revenue which derived from the project to establish a cancer patient center with proton particles.

During 2018-2020, the company's revenue structure is as follows:

Revenue Type	Year 2018		Year 2019		Year 2020	
	million Baht	%	million Baht	%	million Baht	%
Revenue from Sales	464.73	69.85	619.65	74.51	527.04	71.58
Revenue from Service <sup>/1</sup>	129.85	19.52	165.51	19.90	196.50	26.68
Revenue from Construction <sup>/2</sup>	63.94	9.61	35.82	4.31	0.82	0.11
<b>Total Revenue from Sales, Service and Construction</b>	<b>658.52</b>	<b>98.98</b>	<b>820.98</b>	<b>98.72</b>	<b>724.36</b>	<b>98.37</b>
Other Revenue <sup>/3</sup>	6.80	1.02	10.61	1.28	11.97	1.63
<b>Total Revenue</b>	<b>665.32</b>	<b>100.00</b>	<b>831.59</b>	<b>100.00</b>	<b>736.33</b>	<b>100.00</b>

**Notes:** <sup>/1</sup> Revenue from Service includes revenue generated from maintenance service for radiation machine and othe related equipments as well as revenue generated from software upgrades related to radiotherapy equipments and revenue from Genetic Testing.  
<sup>/2</sup> Revenue from Construction is the revenue generated from the contract for the establishment of a cancer patient center with proton particles for King Chulalongkorn Memorial Hospital. The company received the project and started construction in the second quarter of 2017. Work completed 100% in Q3' Year 2020  
<sup>/3</sup> Other revenue includes interests, profits gained from currency exchange, Gain from adjustment of provisions And other income.







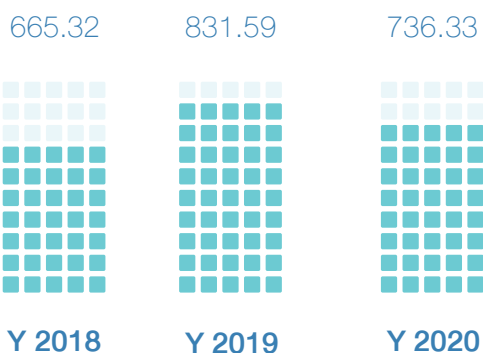
## Comparison of financial figures for the year 2018 – 2020

(Unit : Million Baht)

As of 31 December	Year 2018	Year 2019	Year 2020
Total Revenues	665.32	831.59	736.33
Net Profit	84.74	120.67	71.75
Total Assets	876.66	1,385.81	1,788.87
Total Equity	566.04	620.57	592.68

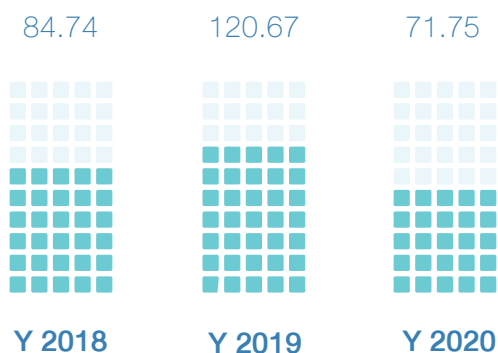
### Total Revenues

(Unit : Million Baht)



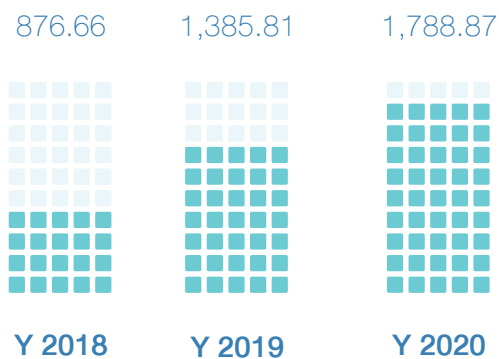
### Net Profit

(Unit : Million Baht)



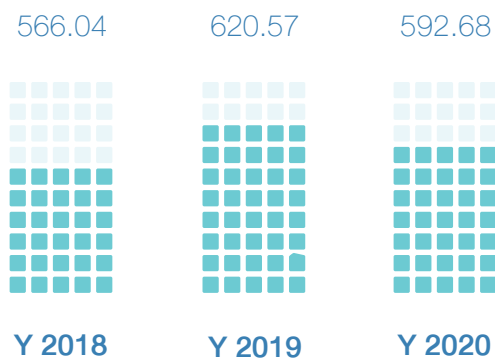
### Total Assets

(Unit : Million Baht)



### Total Equity

(Unit : Million Baht)



## Sales service and construction revenue structure based on customer type

Sales service and construction revenue structure based on customer type between Year 2018-2020 is as follows:

Customer Type	Year 2018		Year 2019		Year 2020	
	million Baht	%	million Baht	%	million Baht	%
<b>1. Public Hospitals</b>	<b>632.41</b>	<b>96.04</b>	<b>623.27</b>	<b>75.92</b>	<b>619.46</b>	<b>85.52</b>
1.1 Hospitals under faculties of medicine <sup>/1</sup>	113.00	17.16	74.00	9.01	302.75	41.80
1.2 Cancer hospitals <sup>/2</sup>	214.25	32.54	240.50	29.29	77.07	10.64
1.3 General hospitals <sup>/3</sup>	305.16	46.34	308.77	37.62	239.64	33.08
<b>2. Private Hospitals<sup>/4</sup></b>	<b>0.04</b>	<b>0.00</b>	<b>3.60</b>	<b>0.44</b>	<b>68.22</b>	<b>9.42</b>
<b>3. Others<sup>/5</sup></b>	<b>26.07</b>	<b>3.96</b>	<b>194.11</b>	<b>3.96</b>	<b>36.68</b>	<b>5.06</b>
<b>Total Sales and Service Revenue</b>	<b>658.52</b>	<b>100.00</b>	<b>820.98</b>	<b>100.00</b>	<b>724.36</b>	<b>100.00</b>

**Note:**

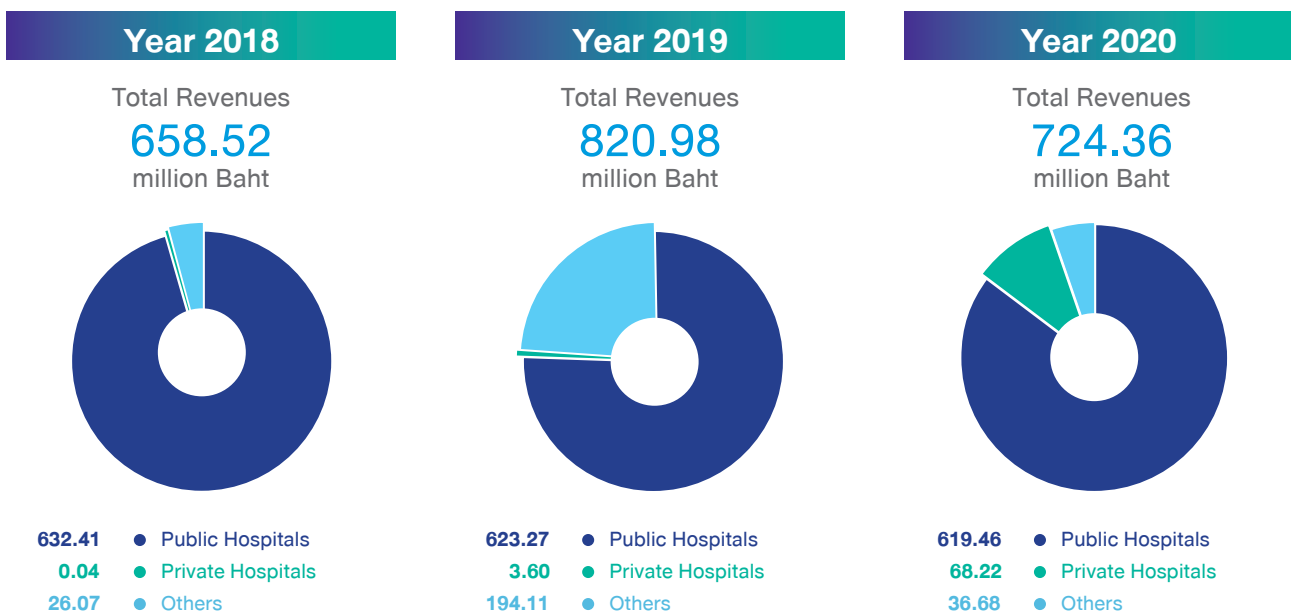
<sup>/1</sup> Hospitals under faculties of medicine includes hospitals in universities and medical schools of faculties of medicine or medical colleges which are mostly under the Ministry of Education. These are super tertiary care medical centers with highest capabilities in service and treatment readiness as they are for educational purposes in order to manufacture new medical personnel and conduct new research

<sup>/2</sup> Cancer hospitals include hospitals under the Medical Department which focus on developing their expertise in oncology excellence

<sup>/3</sup> General hospitals include hospitals under the Ministry of Public Health which can be provincial hospitals, regional hospitals or district hospitals with tertiary care or super tertiary care capabilities

<sup>/4</sup> Private hospitals mean private hospitals such as Bangkok Hospital, Phyathai Hospital

<sup>/5</sup> Others include departments or organizations which are not medical clinics or hospitals such as the Department of Medical Sciences, Office of Atom of Peace or Synchrotron Light Research Institute, including sales that occurred in Cambodia.





## Sales revenue structure based on product type and job type

Sales revenue structure based on product type and job type during Year 2018-2020 is as follows:

Product Type and Job Type	Year 2018		Year 2019		Year 2020	
	million Baht	%	million Baht	%	million Baht	%
1. Teletherapy Projects and Brachytherapy Projects <sup>1</sup>	362.11	77.92	513.30	82.84	485.41	92.10
2. Equipment and System <sup>2</sup>	91.54	19.70	84.47	13.63	6.10	1.16
3. Others <sup>3</sup>	11.08	2.38	21.88	3.53	35.53	6.74
<b>Total Sales Revenue</b>	<b>464.73</b>	<b>100.00</b>	<b>619.65</b>	<b>100.00</b>	<b>527.04</b>	<b>100.00</b>

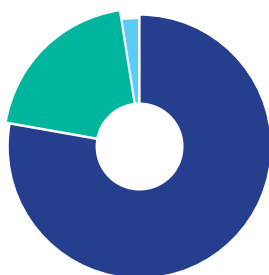
หมายเหตุ: <sup>1</sup> Sales revenue from project work types which include the value of other equipments in the project but the key equipments will be the teletherapy machines and brachytherapy machines respectively.

<sup>2</sup> Equipment and system includes the groups of equipments which are high technology equipments or systems such as radiation simulation machine, treatment planning system and radiotherapy patients database system. This can either be a project work type or a one-off sales work type

<sup>3</sup> Others include the groups of equipments which are part of the key equipment such as applicators for afterloaders, or batteries. They could also be the groups of equipments which are for the treatment process such as quality assurance and pretreatment verification tool or gafchromic film.

### Year 2018

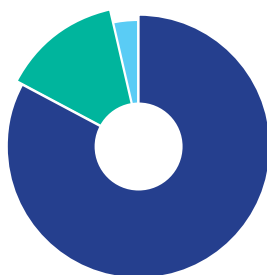
Total Revenues  
**464.73**  
million Baht



**362.11** ● Teletherapy Projects and Brachytherapy Projects  
**91.54** ● Equipment and System  
**11.08** ● Others

### Year 2019

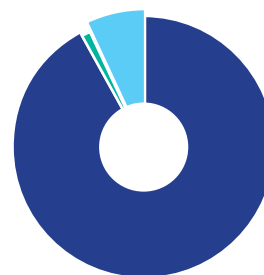
Total Revenues  
**619.65**  
million Baht



**513.30** ● Teletherapy Projects and Brachytherapy Projects  
**84.47** ● Equipment and System  
**21.88** ● Others

### Year 2020

Total Revenues  
**527.04**  
million Baht



**485.41** ● Teletherapy Projects and Brachytherapy Projects  
**6.10** ● Equipment and System  
**35.53** ● Others



## Product Information

Business Alignment Public Company Limited or BIZ operates the distribution and installation of medical equipments for cancer treatment through radiotherapy by importing the equipments from world's leading professional in cancer treatment equipment and technology. The company's operations also include the maintenance service of the mentioned equipments. The key clients include hospitals under faculties of medicine, hospitals in the Cancer Hospital Group under Medical Department, Ministry of Public Health, other public hospitals, public health departments or organizations and private hospitals.

The company is the sole importer and exclusive distributor of radiation machine equipments for Varian Medical Systems Inc. and its affiliates, which is the world's leading company with great credibility and widely accepted among the medical industry personnel from all over the world as the medical equipment provider and modern software system for cancer treatment. The company has been trusted as the exclusive distributor for over 20 years. Additionally, the company also works with many suppliers overseas such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA), Xstrahl Limited (United Kingdom), Deltabit Oy (Finland), Vision RT Ltd (United Kingdom), Computerized Imaging Reference Systems, Inc. (CIRS) (USA), Radiation Product Design, Inc. (USA) and Ashland Inc. (USA). Beside from distribution, the company also provides maintenance service of the medical equipments to the clients who ordered from the company to ensure its functionality throughout its usage period.

The key product that the company offers is radiation treatment equipment especially the linear accelerator which is the key equipment in teletherapy. This product is highly important and has high value to the project. Moreover, the company acts as the solution provider which means the company is responsible for providing the equipment as well as a full circle service to ensure that our clients will be able to operate the machine to its highest effectiveness. Therefore, the company is responsible for providing everything starting from the construction process, renovation process to ensure the room is of high standard to increase to prevent radiation leak as well as providing other necessary equipments to ensure the effectiveness of the treatment such as treatment planning computer system, oncology information system, quality assurance and pretreatment verification tool and other supporting equipments. In addition, the company provides maintenance service to lengthen the usage life of the equipment.



The company can categorize its product and service types based on revenue type as follows:

## **1. Revenue from Sale** generated from the distribution and installation of the following equipment types:

### **1.1 Treatment Delivery Equipment**

This is the main equipment that the company sells which is the equipment used in radiotherapy and is of the highest value when compared to the other functions or equipment types of the company. Treatment Delivery equipments as detail follow;

- **Linear Accelerator**

Used for teletherapy cancer treatment by using radiation from high energy x-ray far from treatment area onto the cancer cells area to destroy them. This is an equipment with state-of-the-art technology, high accuracy and can be used on several cancer cells area in the body. That is why this equipment is the main revenue source for the company today.

The Linear Accelerator that we import is from Varian Medical Systems Inc. and its group of companies ("Varian") who is the world's leader in radiotherapy technology, proton beam therapy and mineral implant therapy. We can say that Varian is the well known provider and distributor of high quality radiation therapy equipments among the medical industry both domestically and internationally.

- **Proton Therapy**

That's product used in the treatment of cancer by remote radiation by proton radiation that derived from a particle accelerated by a particle accelerator. Proton radiation has a distinctive feature called "Bragg peak". The ability to penetrate lower body x-rays. It does not penetrate the tumor. Therefore, it can transfer energy to destroy tumors or cancer cells as well. And the good tissue or normal organs around the lesion, or the tumor mass, in the way the radiation passes, gets less energy. It is less damaged or damaged by proton radiation. Proton bombs can also adjust the size and intensity of radiation. The proton beam can be fired into the tumor precisely. Therefore, it is possible to destroy tumors or cancer cells precisely while the normal organs in the vicinity are receiving the least amount of radiation or not. Therefore, the treatment of cancer patients with radiation is the most effective and reduce the side effects of treatment even more.

- **Brachytherapy Afterloader**

Used for brachytherapy cancer treatment by placing the fully covered radioactive, namely Iridium 192, near the treatment area into the affected parts of the body. This type of treatment allows the high volume of radiation into the affected body parts accurately and can reduce the harm to the tissue surrounding the cancer cells so it is suitable for certain types of cancer only.

### **1.2 Equipment and System Type**

This equipment type relates to high level technology equipment and system which is used together with the radiation machine in the radiotherapy process. The key equipment in this group include hardware and software system for treatment planning system, oncology information system and radiation simulation.

- **Treatment Planning System**

This is a software system used in planning the treatment to ensure accuracy in the radiotherapy process and prevent any harm that may happen to the surrounding tissue which can cause more harm to the patient. The software system uses state-of-the-art computer system and can plan the treatment in different ways such





as 2D or 3D treatment, Intensity Modulated Radiation Therapy (IMRT), Volumetric Modulated Arc Therapy (VMAT) by using the x-ray film of the patient from the treatment 3D simulation machine to support the treatment planning process. Radiologists can accurately determine the shape and size of the designated treatment area or body parts. Medical physicists can plan the treatment in different techniques and process the calculation to see how the radiation spreads in the cancer tumors. Then, radiologists can assess to select the best treatment for each patient. The spread of radiation must cover as much of the cancer tumors as possible and least affect the surrounding body parts but must also meet the set criteria. Once the radiologists agrees with the plan, the medical physicists will send the treatment plan to the linear accelerators through the computer network system to begin the treatment.

- **Oncology Information System**

This is a software system used to record and verify the level of radiation the patient is receiving throughout the treatment process. It is also the information system that supports the hospital's electronic medical records and patients' appointment system in radiotherapy and oncology clinics for radiotherapy and chemotherapy patients. It can also support the administration of the image information in radiotherapy in order to check for accuracy of the radiation area and location.

### **1.3 Other Equipment**

These are the supporting equipments for the key equipment such as applicators for the Afterloader or the group of equipments that is used in supporting the treatment process such as the Quality Assurance and Pretreatment Verification Tool, Gafchromic film, Motion Detector during radiation process and patients' immobilization solution

## **2. Revenue from Services**

Service revenue comes from 2 types of services as follows:

- 2.1 Service revenue comes from the maintenance services for the medical equipment after the warranty period is over according to the sales contract .This warranty usually lasts 1-2 years after the handover of the equipment depending on each agreement.
- 2.2 Service revenue comes from genetic testing services for cancer screening, which is the revenue that the company provides for the detection of gene mutations and sent to the genetic laboratory. It will take time to examine and analyze the results with Next Generation Sequencing (NGS) technology, which the results are certified by a specialist in cancer genetics.

## **3. Revenue from Construction**

The revenue from structure derived from the project to establish a cancer patient center with proton particles for King Chulalongkorn Memorial Hospital. The company received the project and started construction in the second quarter of the year 2017 and revenue from construction ends in the year 2020

## Images of different models of Linear Accelerators

Linac  
Model :  
Clinac iX



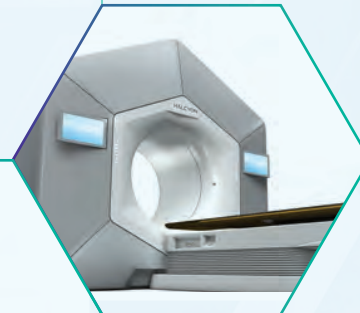
Linac  
Model : Edge



Linac  
Model :  
True Beam



Linac  
Model : Halcyon

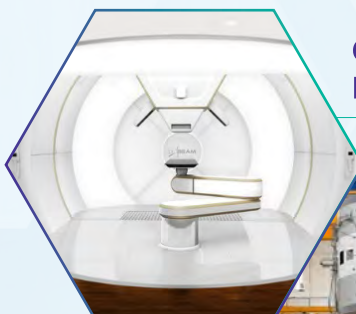


Linac  
Model : Vital Beam



Brachytherapy Afterloader

Cyclotron  
Probeam Therapy





## Marketing and Competitions

### Marketing Strategy

The linear accelerators and other supporting equipment imported and distributed by the company are considered unique with high technology application. This means that in the overall business conditions, there are only a few companies in the market and the expert personnel in the mentioned equipment also play a vital role in driving the business. Therefore, the company employs the following marketing strategies on the competitors and target customers.

#### 1) Product Strategy

The company's policy primarily focuses on the quality of the product because the product is related to the quality of life of cancer patients as well as the patients' loved ones. Therefore, the company focuses on the quality of the product as its first priority by only selling products of international standard and that are well-accepted among the medical personnel both domestically and internationally. Most products are imported from overseas suppliers who have been certified on their production standard in different types such as Good Manufacturing Practice (GMP) and Quality Management System such as ISE 13485: 2003 as well as certified by the Food and Drugs Administrations (FDA). All products sold by the company must have sales certification documents and quality control process certification documents from either public or private organization that the government of that country and must be tested by the Food and Drugs Administration according to the 2006 Ministry of Public Health announcement (Issue 34) under the Medical Device Act 1988. The company is a distributor to major manufactures, namely Varian Medical Systems, Inc. along with many key suppliers in different countries such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA), Xstrahl Limited. (UK), Deltabit Oy (Finland), Vision RT Ltd. (UK), Computerized Imaging Reference Systems, Inc.(CIRS) (USA), Radiation Product Design, Inc. (USA) and Ashland Inc. (USA) which are all of high quality and well-accepted by the medical personnel both domestically and internationally.

Beside from focusing on product standard, the company also has the policy to run the business as a solution provider in cancer treatment. This means that the company not only provides and sells the linear accelerators and their related products, it also looks after the constructions and renovations of the space to be suitable for radiotherapy cancer treatment. From this, the company is also able to fully serve the clients' needs and gain trusts from the clients until today.

Beside from distributing and installing the linear accelerators for radiotherapy, the company also places its value on the after sales service especially maintenance service on the equipment for clients who ordered from the company. This helps the equipment to run at its full effectiveness through its usage life as we know that without the proper maintenance and fixing, the equipment couldn't run properly and could affect the cancer patients receiving the treatment.

As for the aspects of providing genetic testing services to screening for cancer risk which is the addition of new products. In the form of services provided by the company, having a contract with a company that has direct expertise in cancer genetics and has a laboratory that meets international quality standards Including inspection tools that have the most modern technology and it also emphasizes the importance of checking the results by specialized experts that have been properly inspected, hence, the customers would receiving the service can be used in the care planning cancer at the point.





## **2) Price Strategy**

The company has the policy in setting the pricing by adding the proper profit rate to the cost of the product known as Cost Plus Margin. Pricing of the product will be controlled based on the related cost such as product cost, insurance and delivery cost, exchange rate risk, installation cost plus import duty and margin by basing on the price of the production company which is a Free on Board (FOB) or Carriage and Insurance Paid To (CIP) type. The company also uses credit services to import Letter of Credit (L/C) products or Trust Receipt (T/R) products as well as setting up forward foreign currency contracts from financial institutions to reduce the risk from the fluctuation in currency exchange. The payment method depends on the agreements and conditions as agreed in the purchasing contracts which differ for each client.

For the maintenance service that occurs after the warranty period, the company will charge based on Cost Plus Margin also.

Providing genetic testing service to screening for cancer risk screening, the company will calculate the cost by adding the cost plus margin from the laboratory's quotation which is the price that the company proposed to the hospital or clinical. However, the price of genetic testing to screening for cancer risk in each hospital or clinic that provides the service will be difference it depends on the hospital and clinic that will set the service price according to the service standards of each location.

## **3) Place Strategy**

As the product and service of company is the medical tool for cancer treatment which aim at the clients in medical industry, the company needs our personnel in sales, marketing and after sales to be well informed in the product and service in order to provide the correct advice to the clients and point out the benefits gained from using the products and services of the company. Therefore, our sales team is the key in our distribution success.

The product and service presentation will be operated by the sales and marketing department which has 2 main access to the clients, one is from following the notice of procurement of the government sectors and the other is from receiving the direct contact from clients. In the past, most high value sales come from the notice of procurement of the government sectors. From this, there are 2 ways to go which is either through electronic bidding or through special procurement process which follows the government procurement process set by the Comptroller General' s Department, Ministry of Finance. Due to the nature of the product which is unique and has a lot of details, the procurement must pass the Terms of Reference (TOR) from the government procurement process. For the sales of smaller values products usually come directly from the client to the company.

Beside from following the notice of procurement above, the company also sets strategies to meet the target clients to inform them of the development and advancement in the product periodically to allow those target clients to realize the importance of these equipments and be able to continuously serve the growing needs of cancer patients. If any clients become interestesed, they will contact the company directly for more information and start the procurement process based on the client's internal process. Moreover, the company also coordinates with the target clients and offers sessions or seminars to provide knowldge about the products before they make their final decision.

For genetic testing services to screening for cancer risk, as a distributor of products (services), it is responsible for promoting and publicizing sales and provide information to customers in both the direct group which are customers or those interested in the services that ask and prefer to receive services directly, and in the In-direct



customers group are personnel medical team and hospital related persons and also the leading anti-aging clinic for the hospital, and the anti-aging medicine clinic that will bring information about genetic testing to screening for cancer risk to recommend to customers who are interested in hospital services for further acknowledgment.

#### 4) Promotion Strategy

As this is a business that requires specific expertise with unique users and few competitors, the company does not do PR. Also, because we have been trusted by the people in the medical and radiotherapy industry both in terms of product quality and after sales service, there is no need for the company to do lots of PR. Moreover, the company cannot run advertisement on the product due to the restrictions announced in the 2010 FDA Announcement regarding the criteria, procedures and conditions in advertising medical tools, number 3.2.4 which stated that one shall not advertise the dangerous medical tools which the linear accelerators are qualified as one of the dangerous tools. However, the product that the company imports is well-known and well-accepted worldwide among the radiotherapy doctors and experts.

However, the company runs continuous marketing activities and public relation activities to promote the company and inform clients about the product knowledge on a regular basis through seminars and academic fairs of Thai Association of Radiation Oncology and Thai Medical Physicist Society which are organized specifically for the medical personnel to promote the products to the directly concerned party and to build a strong image of the company and build brand recognition and brand awareness to the target clients.

For genetic testing services to screening for cancer risk, in marketing and public relations, the company uses methods of providing information and publicizing the services through medical professionals and medical personnel. In this field, especially to build credibility for customers including public relations through various media, both online channels such as the company's website, Facebook of products and publications is the target that audience is interested in.

### Characteristics of customers and target customers

Most of the company's customers were hospitals under the medical university. Specialized Cancer Hospital, General hospital and the leading private hospitals in the country. The Group's customers can be classified into the following categories:

1. University hospitals under the Faculties of Medicine such as Faculty of Medicine, Siriraj Hospital, Mahidol University, Chulalongkorn Hospital, Thai Red Cross Society, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, Srinagarind Hospital, Faculty of Medicine, Khon Kaen University and Songklanagarind Hospital, Faculty of Medicine, Prince of Songkla University.
2. Specialized hospitals such as Lopburi Cancer Hospital, Chonburi Cancer Hospital, Ubonratchathani Cancer Hospital, Maha Vajiralongkorn, Thanyaburi Hospital Patumthani, Chulabhorn Hospital
3. General hospitals such as Sawan Pracha Rak Hospital, Maharat Nakhon Ratchasima Hospital and Bhumibol Adulyadej Hospital, Roi-ed Hospital, Maharat Nakornratchasima Hospital, Phrapokklao Chantaburi Hospital.
4. Specialized Cancer Hospital such as Wattanosoth Cancer Hospital (Bangkok Dusit Medical Services) and Bangkok Cancer Hospital.

For customers of the genetic testing service to screening for cancer risk, the main customers are considered general private hospitals such as Samitivej Sukhumvit Hospital, Samitivej Srinakarin Hospital, Phyathai 1 Hospital, etc. and various anti-aging clinics such as Yoskann clinic ID-Life. Currently, the main services are only available. In hospitals and clinics in Bangkok, however, in the future, there are plans to expand to other regions.



## Industry Situation

### 1) Situation of the hospitals in Thailand with radiotherapy service

At present, the list of hospitals in Thailand in tertiary level and super tertiary level and the hospitals with radiotherapy service are as follows:

Public Hospitals	Number of Hospitals <sup>1</sup>	Hospitals with Radiotherapy Service <sup>2</sup>
University Hospitals	25	11
Cancer Specialized Hospitals	9	9
General Hospitals	38	15
<b>Total Public Hospitals</b>	<b>72</b>	<b>35</b>
Private Hospitals	Number of Hospitals <sup>1</sup>	Hospitals with Radiotherapy Service <sup>2</sup>
University Hospitals	2	1
Cancer Specialized Hospitals	5	5
Large Private Hospitals (more than 250 beds)	21	6
<b>Total Private Hospitals</b>	<b>28</b>	<b>12</b>
<b>Total Public and Private Hospitals</b>	<b>100</b>	<b>47</b>

**Sources:** 1. Number of hospitals taken from Thai Association of Radiation Oncology  
 2. Number of hospitals with radiotherapy service taken from Business Alignment Public Co., Ltd.

**Note:** Number of hospitals shown will only include hospitals in tertiary and super tertiary levels which are large sized hospitals and the target clients of the company

### 2) Situation of the Cancer Patients

The present, Cancer is the most commonly found disease and one of the first causes of death around the world. Death from cancer accounts for 15% of all death causes. The World Health Organization found that in year 2018, there were 18.1 million new cancer cases and 9.6 million deaths from cancer, with the top 5 found in the world being lung cancer, breast cancer, colon cancer, prostate cancer and gastric cancer. It was 1.8 million people who died from lung cancer, 881,000 colon cancer, 783,000 gastric cancer, 782,000 liver cancer and 627,000 breast cancer.

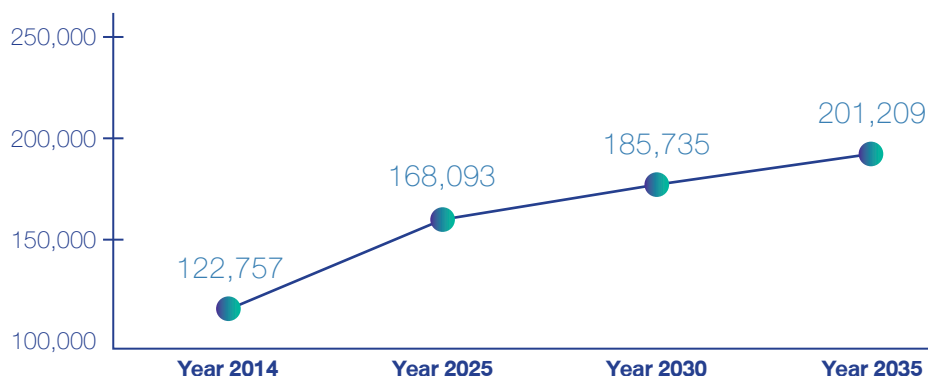
In addition, The International Agency for Research on Cancer (IARC), which is a unit of the World Health Organization (WHO), has been reported in The Lancet Oncology. It is predicted that by 2030 the country with a standard of living, such as countries in South Africa, China and India, the cancer rate will increase to 78%, while countries with a low standard of living will have a higher cancer rate up to 93%, because they adopt more Western-style health-enhancing lifestyles in their lives.

The estimates of the incidence of cancer in Thailand from the World Health Organization show that the incidence of cancer in Thailand is likely to increase. In the year 2014 total 122,757 new patients by males 59,662 patients and 63,095 were women. The Strategy and Planning Division Ministry of Public Health Reported that in year 2019, Thailand have 84,073 patients died of cancer, 48,078 is males, 35,995 is females which has increased the mortality rate from the previous years. (Source: Public Health Statistics, year 2019) It is estimated that the incidence of cancer cases in Thailand was found. In the year 2025 total 168,093 patients. In the year 2030 total 185,735 patients and in the year 2035 total 201,209 patients.





### Predicting the incidence of cancer cases in Thailand



From the data “the proportion of causes of death with cancer compared to the total deaths in Thailand”, cancer has been the number one cause of death among Thai people since 1999, and Thai people There is a tendency to increase cancer mortality every year. Due to the changing environment and social factors such as the expansion of urban society Entering the aging society Marketing strategy Advancement in technology and communication Is a factor that causes the rate of cancer to rise Found that from 2007 to 2014, there are 50,000-70,000 Thai people die from cancer each year, accounting for 13.59-16.09%, with the cancer mortality rate increasing steadily and also the number one cause of death for Thai people.

### **3) Situation of the Radiotherapy Equipment in Thailand**

At present, the medical equipment related to radiation is continuously expanding. But there are still insufficient amounts of cancer patients seeking radiotherapy. The new cancer patients forecast from WHO suggested that the number is likely to increase. Despite cancer being the number one cause of death in Thailand, patients today still do not have access to the necessary radiotherapy treatment as 1 linear accelerator can support approximately 400-500 patients per year (data from Oxford University research in association with International Network For Cancer Treatment and Research (INCR) by Mr. Massoud Samiei under the topic “Challenge of Making Radiotherapy Accessible in Developing Countries” , 2013) However, today the data from Thai Association of Radiation Oncology in the year 2020 suggested that Thailand has only 105 LINAC while the number of cancer patients is expected to high increase which the research from Oxford University in association with International Network For Cancer Treatment and Research (INCR) by Mr. Massoud Samiei under the topic “Challenge of Making Radiotherapy Accessible in Developing Countries”, 2013 pointed out that at least 50% of cancer patients need to be treated with radiotherapy. Therefore, this brings the ratio of cancer patients to LINAC in year 2020 to 700:1 which is more than the capacity that Thailand currently has. The number suggested that Thailand needs at least 188 LINAC to support the cancer patients which means an additional 108 LINAC Shortage 83 LINAC. (Source: LINAC Capacity Data from International Network For Cancer Treatment and Research (INCR) by Mr.Massoud Samiei under the topic “Challenge of Making Radiotherapy Accessible in Developing Countries”, year 2013 and Number of LINAC from Thai Association of Radiation Oncology.

Apart from the needed LINAC mentioned above, there is also a need for replacing the Cobalt- 60 Machine with the LINAC due to its treatment limitation. At present, there are 8 Cobalt-60 Machine in Thailand which is in need of replacement to increase the effectiveness in the treatment according to the reasons stated above. For this reason, together with the need for 95 additional LINAC mentioned above, the market needs a total of 103 additional LINAC. (Source: Number of LINAC from Thai Association of Radiation Oncology)

- **Estimates of 188 particle accelerators that should be available in Thailand**



Apart from the needed LINAC mentioned above, there is also a need for replacing the Cobalt- 60 Machine with the LINAC due to its treatment limitation. At present, there are 5 Cobalt-60 Machine in Thailand which is in need of replacement to increase the effectiveness in the treatment according to the reasons stated above. There have been 4 active suspension for reasons of efficacy. For this reason, together with the need for 83 additional LINAC mentioned above, the market needs a total of 88 additional LINAC. (Source: Number of LINAC from Thai Association of Radiation Oncology)

## Competition Situation

### LINAC Manufacturers

As manufacturing a LINAC requires advanced technology, there is not a lot of manufacturers in the market. Today Thailand cannot manufacture its own LINAC either so importing the machine from overseas companies such as Varian Medical Systems, Inc. (USA) or Elekta AB (Sweden) is still required. The 2 mentioned companies are considered as the main manufacturer and distributor in LINAC in the world. There is also LINAC imported from China which has very low market share and so far Thailand has not imported any from China.

### Genetic testing service providers for cancer screening

Genetic testing services for cancer screening is not a new service that has just arrived in Thailand, but it is a service that has been around for a long time just that the information is still not accessible to the general public. There is a service that can examine the genetic level of DNA that you are at risk of developing cancer that is genetic or from environmental stimuli or not Including not being aware of the importance and / or necessity of knowing the said information in advance to use in their own health care planning and future Including not knowing, which modern technology can analyze these results, Therefore, the current competition is to compete in providing direct and indirect information for the public to be informed and access to services.

### Competitions in Thailand

The import of medical equipments is a fast-growing industry especially ones with advanced technology such as linear accelerators. Today there are only 2 companies which import and distribute the linear accelerators, and our company is the exclusive distributor of LINAC from Varian Medical Systems, Inc. (USA) while our competitor imports from Elekta AB who is also the key competitor of Varian in the world market. This allows the 2 mentioned companies to dominate the LINAC industry in Thailand.

From preliminary information, the number of radiation machine in Thailand. It can be classified according to the domestic market share as follows:



No.	Radiation Machine	Number of machines	% Market Shares
1	Linac Varian	55	52.38
2	Linac Elekta	35	33.33
3	Other accelerators and/or old technology	15	14.29

## Product and Service Provider

The company operates the business as the solution provider in radiotherapy to hospital clients. Therefore, the distribution of the product focuses on projects which means that the company also takes on the responsibility of construction and renovations of the radiotherapy room as well as providing and installing supporting equipments related to radiotherapy treatment to make sure that it works efficiently. Then the company will hand over to the clients once all of the projects is completed.

As a project work, the company must find personnel in all related aspects such as constructions, renovations, installation and maintenance and other equipment. The company also looks after the procurement of the equipments needed for the effective treatment and installation of the equipments to ensure that the machine can work perfectly.

In distributing the radiotherapy medical equipments such as LINAC, Treatment Planning System and Radiotherapy patients database system, the company imports products from Varian Medical Systems Inc. and its group of companies ("Varian") and the company is appointed as the exclusive distributor of Varian in Thailand.

For other products such as QA tools, the company imported and purchased from overseas suppliers such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA) , Xstrahl Limited. (UK), Deltabit Oy (Finland), Vision RT Ltd.(UK), Computerized Imaging Reference Systems, Inc. (CIRS) (USA), Radiation Product Design, Inc. (USA), Ashland Inc.(USA) etc.

For genetic testing services for cancer screening, the company entered into a distributor agreement with ATGenes Company Limited which has been certified according to laboratory standards ISO15189-2012 and ISO15190-2003, which is a company that engages in business by providing services related to genetic testing By diagnosing at the extensive gene and DNA level, covering various genetic diseases found in Thailand and in Southeast Asia. With a contract term of 3 years minimum and can be automatically renewed for 3 years at a time.

## Recruitment

Staff of Project and warehouse of the company are responsible for assessing the possibility of the installation of different equipments, system wiring, and installation for equipments used in the radiotherapy room, radiotherapy simulator room and afterloader room. They are responsible for coordinating with the engineers, architects, project consultants and clients to prepare the space and other things to be ready for the installation as well as assessing and following up on the project to ensure that it is completed according to the project time frame. They are also responsible for coordinating with the sales team and the clients in providing the necessary equipments that match the clients' needs. Therefore, the project and warehouse of the company must have the engineering or radiology knowledge or have worked in medical physics.

For the installation process especially the Varian products, the manufacturer will install for the clients.

For the maintenance service, our after sales personnel will coordinate with the manufacturer team to run system check up for all LINAC and important software system. For the maintenance of the afterloader, the company's after sales personnel will be responsible for changing the minerals as scheduled.

For these reasons, the company puts an emphasis on selecting the personnel who has the expertise in the area and has passed the training from the manufacturing company and has some past experience in the maintenance of medical equipments for cancer treatment.

## Contractors

In the pre-installation process, some clients will ask the company to take charge of the constructions or renovations of the space for the LINAC to match the international standard and be suitable for the use of the machine. Therefore, the company has to hire outsource contractors to do this. These contractors include constructions worker, designers and build-in designers as the company does not have its own contractors.

As LINAC is a high radiation machine, the installation process must be done in a specifically designed room to prevent any danger that may occur from the radiation. This is why the company needs to select the suitable and professional contractors to do this. The company has a set selection criteria for these contractors to ensure satisfactions to all our clients.

## Sales and Maintenance Process

### Sales Process (through electronic bidding and special procurement)

#### 1. Product Presentation and Consideration Process

For the procurement process, clients have 2 options which depends on the detail and the complexity of the product.

##### 1.1 Electronic Bidding

1.1.1 When client has the desire to purchase the product, the procurement board will invite the LINAC distributors to present the information to the board to support the drafting of the Terms of Reference (TOR)

1.1.2 After the initial product presentation, the sales team of the company will follow up on the procurement announcement of the company and draft the TOR according to the announcement on the clients' websites and government's procurement website by the Comptroller Generals' Department, Ministry of Finance. The company will review the announcement to see if the company has the right qualifications according to the announcement or not by looking at the TOR. If so, the sales and marketing team of the company will calculate the costs, and in the case where the space renovation is needed, the company will assign the engineer, architect and company consultant to inspect the area and assess the cost of constructions or renovations and add it to the original costs. Then the administration team will prepare the quotation for the bidding.

##### 1.2 Special Procurement

If the clients wish to purchase through special procurement process, they must appoint a special procurement board to set the estimate cost and prepare the details of the needed equipments and invite the companies to present the quotation.





2. After the company has received the selection process results or has been invited by the clients to be the provider or distributor from one of the above processes, the company will contact its partners overseas to prepare the purchase order according to the project and prepare the necessary documents to process the loan from the bank as well as any other necessary documents for contract signing
3. In the case that there is a need to prepare space before installation. The company will coordinate external contractors to carry out the construction or renovation of the area, including the construction contractor, designer and internal installation contractor (Build- in) to implement renovate the place. To support the installation of radiotherapy products with various systems and accessories. The company will monitor the work process of the contractors closely to ensure the necessary standard is met.
4. After the product has been delivered to Thailand, the company will process the installation of the product in the designated space according to the clients.
5. Once the installation is complete, the company will set up an appointment with the client for quality inspection before the hand over. This will also include any necessary trainings, both domestic and overseas, to doctors or related officers so that they are able to operate the machine correctly.
6. The company hands over the project to the client and billing for payment according to the terms in the contract.
7. The company provides the maintenance service to the equipment according the agreed warranty period as stated in the contract.

### **Maintenance Service Process**

A continuous maintenance service helps the equipment to last longer and work effectively throughout their usage life. The company will issue a contract regarding the maintenance agreement between the company and the client that the company will provide the maintenance service every time there is an issue or when the maintenance period is due to ensure that the equipments can work to its highest capacity throughout its usage life period. Each contract is for 1 year and most of our clients will renew this contract on a regular basis because without a proper maintenance, the machine cannot run effectively. The company also provides maintenance services to equipments that are not in the maintenance agreements on a case by case basis depending on the issues that have arisen such as Chiller system maintenance or air-conditioning system maintenance. Moreover, the company also provides upgrade services to the software system related to radiotherapy which helps the system to be more effective such as software upgrade for the treatment planning system.

The company has a clear policy in handing over the equipments which must be accurate according to the agreed time frame in the contract including the quality of the product must be according to the purchasing agreement as well as the commitment in quality control of the installation and maintenance service throughout its usage life.



## Assets in Business Operations

### 1. Assets Table as of December 31, 2020

(Unit : Thousand Baht)

Asset Types	Asset Description	Ownership	Contingencies	Net Value	Usage
1. Cars and their improvements	Trucks and trucks roofs	Company owned	-No-	7.65	To use in communication and deliver the products
2. Equipments	Small medical equipments	Company owned	-No-	1,831.93	To use in installing and quality vision and mission inspection of the radiotherapy system
3. Office Supplies	Office supplies used at the company's office	Company owned	-No-	976.42	To use within the office
4. Rental Office Renovation	Renovation of the company's rental office located at 92/45 16th Floor, and 92/32 14th Floor, Sathorn Thani 2 Building, Sathorn Nua Rd., Silom, Bangrak, Bangkok	Company owned	-No-	2,487.02	To use within the office
5. Business office	92/32 14 <sup>th</sup> Floor, Sathorn Thani 2 Building	Company owned	-No-	22,205.59	To use within the office
<b>Total</b>				<b>27,508.61</b>	

### Intangible Assets

As of December 31, 2020, the company's intangible assets include computer programs whose net value is 374,676.11 Baht

### Important Contracts in Business Operations

- Distributor Agreement in Thailand and Cambodia about radiotherapy Products with Varian Medical Systems Pacific, Inc.
- Distributor of laboratory examinations and services with ATGenes Company Limited



## 2. Investment in the Subsidiary Companies and Associates

To consider an investment in a subsidiary company or associate, the company will focus on the business that will support and benefit the operations of the company first by taking into account the profits, risk and liquidity of the company carefully. The investment must be considered by the Board of Directors and Shareholders Meeting according to the approved authorization and must be done in accordance with the requirements and announcement of the Capital Market Supervisory Board and the Stock Exchange Market of Thailand as well as any related laws, rules and regulations and order announcements. The company will monitor the consideration by assigning members of the board of directors or the directors of the companies as a board member to control the direction and policy in management to align with company's business operations.

- As at December 31, 2018 the company invested in subsidiaries company held the Extraordinary General Meeting of Shareholders No. 1/2018 held on January 9, 2018. The meeting approved the investment in specialized cancer hospital. The company set up a joint venture with a registered share capital of 200 million Baht divided into 2,000,000 ordinary shares with a par value of 100 Baht each. The company will hold 65.00% of the registered capital. It was registered with the Ministry of Commerce, the company name Cancer Alliance Co.,Ltd on January 12, 2018.

## Unfinished Project

The company has projects that have not yet been delivered with a value that is more than 10 percent of the total revenue according to the consolidated financial statements for the year 2020, totaling 7 projects with a total value of 2,481.20 million Baht with delivery date for all projects within the year 2021

No.	Project	Project Value (million Baht)	Expected Delivery Date
1	Project to establish a cancer treatment center with proton particles	1,200.00 <sup>(1)</sup>	within 2021
2	Distribute and installing radiation treatment machines (1)	223.90	within 2021
3	Distribute and installing radiation treatment machines (2)	124.80	within 2021
4	Distribute and installing radiation treatment machines (3)	245.00	within 2021
5	Distribute and installing radiation treatment machines (4)	399.00	within 2021
6	Distribute and installing radiation treatment machines (5)	180.00	within 2021
7	Distribute and installing radiation treatment machines (6)	108.50	within 2021
<b>Total</b>		<b>2,481.20</b>	

Source: Company's data

(1) The company recognized revenue from construction as at December 31, 2020. Work Completed 100% was 221.23 million Baht.

However, the accounting standards to recognize the revenue of the company specifies that the revenue will be recognized once the project is complete and handed over. Therefore, if the mentioned unfinished project postpones its hand over date or fails to hand over according to schedule, which mostly occurs due to the unreadiness of the hospital or the space where the machine needs to be installed, this will affect the hand over date and the revenue recognition of the company for each accounting term.

## Group of shareholding structure

The company converts into a public company. Register number is 01075 5900 0079 on March 21, 2016 and as of December 31, 2020. The company has the shareholding structure of the group companies as follows



From the shareholding structure, no person with possible conflict of interest holds more than 10% of the shares with voting rights of the company.

## Relations to Business Groups of Key Shareholders

### Related Company

#### Sathorn Sixteen Company Limited

Established Date	July 10, 2014
Head Office Address	92/45 Sathorn Thani 2 Building, 16th Floor, North Sathorn Rd., Silom, Bangrak, Bangkok
Business Operations	Real Estate Rental
Registered Capital	1 million Baht
Paid-up Capital	1 million Baht
Relations	Common directors and common shareholders who are Mr. Sompong Chunekitiyanone Mr. Voravid Silapusid Mr. Noppadol Suntanaphanich

#### Cancer Alliance Company Limited

Established Date	January 12, 2018
Head Office Address	529 Moo 3 Nongkham, Sriracha, Chonburi
Business Operations	To operate specialized hospital for cancer treatment
Registered Capital	200 million Baht
Paid-up Capital	200 million Baht
Relations	The Company's shareholding proportion in the subsidiary Company totally 65.00% and common directors who are Mr. Sompong Chunekitiyanone Mr. Voravid Silapusid Ms. Srirat Chuchottaworn





## Shareholders Structure

The company was registered as a public company limited registration number 01075 5900 0079 on March 21, 2016. As of December 31, 2020, the company has the shareholding structure as follows:

No.	Shareholder Name	No. of Shares	% of shareholding
1	Mr. Sompong Chunekitiyanone	128,470,000	32.12
2	Group Family Silapusid	128,238,000	32.06
	2.1 Mr. Voravid Silapusid	125,250,000	31.31
	2.2 Mrs. Sivika Silapusid	2,988,000	0.75
3	Mr. Noppadol Suntanaphanich	24,000,000	6.00
4	NOMURA PB NOMINEES LTD.	21,645,700	5.41
5	Thai Nvdr Co., Ltd.	7,782,000	1.95
6	Mrs. Sarin Chinudomsap	7,000,000	1.75
7	Mr. Kittisak Chinudomsap	4,793,000	1.20
8	Mr. Sunthorn Danchalermnon	4,191,300	1.05
9	Mr. Phoomphan Phattaranutaphorn	3,421,200	0.85
10	Mr. Chaveng Suwanrat	3,396,000	0.85
	Other Shareholders	67,062,800	16.76
<b>Total of Shares</b>		<b>400,000,000</b>	<b>100.00</b>

Source: Thailand Securities Depository Co., Ltd.

## Dividend Policy

The company has set a policy for the annual dividend to be paid out at a rate of not less than 40 per cent of the net profit after the deduction of all reserves as defined in the Articles of Association and the law, barring the occurrence of other necessitating events, and in the event that dividend payout does not significantly affect the normal operations of the company.

However, these dividends are subject to change depending on operation results, the company's financial situation, liquidity, investment plans as well as factors impacted by the business administration, and other necessitating events or situations which may appropriate a change in the future. Payout shall be made at the discretion of the Board of Directors, as the aforesaid dividends are under their jurisdiction. In any case, the Board of Directors' resolution to approve any payment of dividends must be proposed to the shareholders' meeting for consideration, except in the case of an interim dividend payment. The Board of Directors has the authority to approve an interim dividend payment, providing it is reported at the following shareholders' meeting.

For the subsidiary company, the dividend payment policy has not yet been determined. Which includes the annual dividend and interim dividends or benefits or any return to the shareholders of the subsidiary. As the subsidiary company still has debt from bank loan application for the subsidiary's main objectives.

**Other securities issued :** None



## Risk Management Policy

### Risk Management Policy

The company has setup a systematic risk management policy throughout the organization. The Risk Management Sub-Committee under the Executive Committee. The policy is to set the system and assess the risks, both from the external factors, the management and from working in the organization. Set up the guidelines for risk management at an acceptable level. Communicate to employees to be aware of the importance of risk management. The company's risk management process is as follows.

#### 1) Policy formulation and risk management

Determine policy, objectives, scope of responsibilities, principle and guidelines for risk management in accordance with the strategy, goals, business plan and direction and it will work together with the business plan to be consistent.

#### 2) Risk identification

Identifies risks that may affect the achievement of objectives and goals. Considering the risks external and internal factors such as environment, financial, law, information system, decision-making information system, the satisfaction of investors, investment management, human resource reputation and image of the company. the risk by prioritizing the control system. If it is high and very high, the company will take the risk to analyze it for management.

#### 3) Risk analysis

An analysis to assess the level of remaining risk after the assessment. Existing control systems and prioritization of risk. If the risk remains high or very high. Risk management measures should be set forth immediately by senior management responsible. if the risk is moderate or low assign to management measures at the department level or modify the process.

#### 4) Risk management

It defines how to plan an important risk management. It is classified in the risk analysis process. There are several ways to manage risk, such as risk transfer control, avoiding risk, take advantage of the risks or acceptance risk.

#### 5) Monitoring and Review

It is the process of monitoring the risk management plan including risk assessment. The Risk Management Sub-committee will monitor and report to top management and the Audit Committee.

### Key Risk Factors

The company has the following key risk factors.

#### Business Operations Risks

##### 1) Risks from dependency on the key manufacturer in USA

In distributing radiotherapy medical equipments such as LINAC, treatment planning system and radiotherapy patients database system, the company imports products from Varian Medical Systems Inc. and its group of



companies ("Varian") from USA and the key manufacturer and distributor of radiotherapy medical equipments and software system, as well as proton beam therapy and mineral implant therapy using advanced technology including x-ray tube for medical purposes and linear accelerators for container inspection using high energy x-ray. Varian is regarded as the high quality manufacturer and distributor of radiotherapy equipments and is highly accepted among the radioltherapy industry both domestically and internationally.

The company was appointed as the exclusive importer and distributor of Varian in Thailand since the establishment of the company until now which is more than 20 years. The ratio of the cost of sales and service from Varian in the year 2018-2020 is 289.25 million Baht, 454.47 million Baht and 372.47 million Baht which accounts for 57.72%, 73.72% and 64.89% of sales and service cost respectively.

From the data above, it can be seen that the company has high dependency on Varian for its business operation. Beside from the cost ratio from Varian which shows high dependency from the company for its business operation, the Varian products both LINAC, treatment planning system and radiotherapy patient database system are considered as the main products which generate the main revenue for the company and is key to the company's success in selling other supporting products. Therefore, if the company fails to continue to be the exclusive distributor of Varian or in the case where Varian faces any problems in its business operation and becomes unable to distribute to the company, this will have a dramatic impact on the company that could make the company unable to continue its operation.

#### Guidelines for risk management

The company has been working with Varian for over 20 years since the establishment of the company and the company has been appointed as the exclusive distributor since 2000. Throughout this time, the company has been able to operate its business well and has been an important part in distributing Varian products to Thai clients. Moreover, Varian is the key medical equipments and software system provider for radiotherapy in USA and is registered on the New York Stock Exchange. So, the chance of a problem in Varian's business operation is low and the company strongly believes that it can remain the exclusive distributor in Thailand continuously. We have had strong partnership and there is no reason for Varian to cancel the appointment as the exclusive distributor in Thailand

#### **2) Risk from not able to follow the key conditions as stated in the appointment agreement with Varian**

In the appointment agreement with Varian, it has stated some conditions of being a distributor which could be a risk in the business operations in the future. That is the duration of the current contract which is for a period of 1 years (October 1, 2020 - September 30, 2021). Therefore, should Varian decide not to renew the contract with the company, this poses a risk for the company depending on the stated duration in the agreement

#### Guidelines for risk management

The company does not see any concern in the renewal of the contract based on the past 20 years performance of the company and the continuous renewal of the contract for the past 20 years which shows the trust and dependency between the company and Varian.

#### **3) Risk from the increase of competition**

The medical equipments import business is a fast-growing industry especially the ones with advanced technology such as radiotherapy machine which Thailand cannot manufacture and must be imported from overseas. To do so, the company needs to have registered for a license to manufacture or import the medical equipments according to the law. However, this does not stop new competitors to enter into the industry much.

Therefore, the company has the risk of new competitors and also the risk of Varian to run its own operation in the country against the company. This will not enable the company to continue its operations as the key products of the company are from Varian.

However, the company views that the rising of new competitors or for Varian to run its own operations in the country are highly impossible due to 3 reasons.

Firstly, radiotherapy equipments that are highly- accepted by the medical personnel domestically and internationally only come from 2 key manufacturers. One of them is by Varian Medical Systems Inc. (Varian) from USA which the company is representing. The other is by Elekta AB from Sweden which the company' s competitor is representing. Therefore, the risk in new competitors within the country that will have the same potential as the company is very unlikely as the distribution of medical equipments especially ones related to cancer treatment requires knowledge and expertise in the product. Moreover, the company has its strength in being the solution provider for the clients which includes providing the equipments and supporting equipments, renovating the space to be suitable for installation and after sales maintenance service. And the reputation of the company for over 20 years has build strong credibility to Varian which means that the chance that Varian will change its distributor is highly unlikely as there is a chance that the new distributor might not be able to operate up to the standard of the company which will reflect negatively on Varian itself.

Secondly, Varian has its cost both monetary and time in managing the sales, marketing and after-sales service. To run the mentioned operations in a non-familiar territory to Varian might not be worth it especially when compared with the sales ratio in Thailand. As a result, to appoint a distributor who is familiar with the territory and target clients and understands the culture and environment of its own country is probably better and can create more value to Varian.

Lastly, Varian alone cannot serve the needs of the clients in Thailand which need a full circle solution provider who can take responsibility in all aspects including space preparation to installation like what the company is currently operating. As this makes the clients experience more convenient, faster and less complicated. When comparing with other countries such as Singapore which does not need a distributor who is a solution provider, this allows Varian to be able to operate its own business there where clients will take care of the other aspects themselves. The company sees that as long as the needs of Thai clients still remain this way, it will be impossible for Varian to compete with the company.

#### **Guidelines for risk management**

Though the company has many advantages, it still realizes the risk in business competitions. Therefore, the company has the policy to differentiate itself through better service quality as well as improving the effectiveness of the company' s work process. The company believes that we can maintain and improve the capacity of the company for the distribution of these products in Thailand in the long run.

#### **4) Risk from Revenue Recognition Standard based on Accounting Standards**

The key revenue of the company comes from distributing and installing the medical equipments for radiotherapy patients. Most of the sales revenue comes from high value projects which usually are the ones where the key product is the teletherapy machine which is worth 50-250 million Baht on average per project. The standard for recognizing revenue based on the accounting standards stated that the company may recognize new revenue only when the business has completed its obligations by transferring control of that product to the customer. For large scale projects, this will take approximately 210-360 days (from the signing date) to complete the project and hand over to the clients and recognize the revenue at one time. Therefore, should the company not be able to install or





hand over the project within the scheduled accounting terms or the project was postponed, the company will face the risk of unstable income on each accounting term as the revenue will have to be moved to the following term once it has been handed over.

#### Guidelines for risk management

The company fully realizes the risk from using this standard, and it focuses mainly on the management of the project to ensure that everything will run according to the scheduled time frame. In the past, the company never fails to hand over the project to the clients on time unless the reasons were from the clients' unreadiness for the company to install the machine which caused the postponement in the revenue recognition.

#### **5) Risk from most customers are hospitals affiliated with the government**

In the past, the company's target clients are mainly hospitals affiliated with the government. One key factor that sets the need for these hospitals to order from the company or not is the budget allocated from the supervised department. This means that even if the hospitals would like to purchase from the company but if the budget allocation does not support the purchase, the hospitals may not be able to order. This will have a dramatic impact on the sales revenue of the company and may affect the operation for each accounting term.

Moreover, the annual budget allocation for the governmental departments is done on a seasonal basis which means that it will cover the period from October 1 to September 30 of the following year. In each fiscal year, if the clients are allocated with sufficient budget, the purchase order may begin and contracts will be signed during the 4th quarter (after budget allocation). Then, it will take the company between 210- 360 days from the signing date to complete the project and recognize the revenue which would be around the 3rd or 4th quarter of the following year. Therefore, with the mentioned nature of the annual budget, it can be seen that the company will see higher revenue in the 3rd and 4th quarter of the year while the 1st and 2nd quarter, the company may not see high revenue as there may be no hand over of high value projects.

With the 2 reasons above, the company may face the risk of not receiving the purchase order from public hospitals if they are not allocated with sufficient budget in each fiscal year, together with the nature of the annual budget allocation also mentioned above may cause the company to generate low revenue continuously on each accounting terms. These factors affect the unstable and fluctuated income of the company.

#### Guidelines for risk management

The company still has another revenue from maintenance service which is another continuous revenue following on from the key products of the company and this income is a more stable one for each year. This means that if the company can increase its sales of products, it will gain more revenue from maintenance service which will bring more stability to the company's overall revenue

#### **6) Risk from the niche nature of the business in terms of products and market conditions**

The key products of the company such as LINAC or hardware and software of the treatment planning system are specialized products with advanced technology with high value and low manufacturers. These factors impact the nature of the market condition of this business. In another word, the target clients of the company are in a niche market which is only for public health services. Moreover, the key products of the company especially the LINAC has an average life of 12-15 years until another machine is required to replace the old one. The change in the technology of the LINAC may require a long time to develop and experiment as it is the medical equipments with direct effect to the patients. Therefore, the market condition and demand in the products may be limited

to these clients only and to the limited time frame that take a long time before another replacement machine is needed. If we look at the data of the life of the LINAC by Varian above, it may affect the company's ability to expand its revenue in the long run and the company may face the risk of unstable and fluctuated revenue in the future.

#### Guidelines for risk management

The company realizes this risk in unstable and fluctuated revenue as it is a key factor that will impact the business operations and revenue of the company. The company does not see that being in a niche market will affect the operations of the company as there is not enough radiotherapy machine for cancer patients anyway based on the data from World Health Organization which suggested that the trend of cancer patients in Thailand is likely to rise continuously. This is not enough to serve the patients as each LINAC has the capacity to treat 400-500 patients per machine per year. With this reason, the company feels that the existing target clients will still have the demand to purchase the products continuously and the budget allocation to the target clients (both for public and private hospitals) will become essential and will be the opportunity that the supervised departments must consider to invest in product.

#### **7) Risk in following the related orders, rules and regulations**

In operating the distribution and installation of the radiotherapy machine by importing from the expert company overseas including the maintenance service, the company must follow the orders, announcements, rules, regulations, act and related law such as 2008 Medical Device Act, Ministry of Public Health Announcement, FDA Orders and Announcement, 2008 Responsibility for unsafe products Act by the Office of the Consumer Protection Board, Office of the National Anti- Corruption Commission 2011 Announcement on the criteria and process of accounting showing the P&L of the projects that an individual or a juristic person agrees with governmental agencies. This is to control the business operations of the manufacturers, importers and distributors of medical equipments and to protect the safety and rights of the consumers. Moreover, as the target clients are university hospitals, cancer hospitals under the Ministry of Public Health and other public hospitals which uses electronic bidding or special procurement process, the government has develop the procurement system to be more effective and of high standard.

Therefore, as the business operations under the control of the law, rules and regulations above, the company must follow to them strictly because if the company fails to do so whether by human error or ignorance, it may result in the halt in the company's operation and could incur additional cost to the company. For example, if the company fails to renew its license to import medical equipments in time, the company may not be allowed to import the product which caused the company not to be able to sell the product to the clients which in the end will result in the delay in the hand over of the project and affect the revenue of the company.

#### Guidelines for risk management

To reduce this risk, the company puts the emphasis on the communication to all employees to realize the importance of following orders, announcements, rules, regulations, act and related law and following up on any changes to these rules and regulations from observing government announcement or communicating with the clients on a regular basis. In addition, the company also focuses on monitoring the license and other related documents in distributing the products of the company in every step to ensure that everything is under control and will not cause the delay in the hand over of the project to the clients. Since its establishment, the company has never had an issue related to this that have caused a loss in the business operations.



## Management and Administration Risk

### 1) Risk from Dependency of the key Directors

At present, the key Directors of the company includes Mr. Sompong Chunekitiyanone, Director, Executive Chairman, Chief Executive Director and key shareholder of the company for 32.12% of the paid-up capital as of December 30, 2020 and Mr. Voravid Silapusid, Director, Executive Director, Chief Financial Officer and Human Resources Director and key shareholder of the company for 31.31% of the paid-in capital as of December 30, 2020. Both of them have been in the business for a long time with clear visions and has the direct responsibility to set the policy, directions and business operations of the company.

#### Guidelines for risk management

Therefore, to decentralize and reduce the risk on the dependency of these key directors, the company has set up its organization chart to include honorable directors with long- term experience in management and operations and allow managers of different levels to take part in the decision and setting the directions of the company more. The company also decentralize the management authority and responsibility clearly. However, Mr. Sompong Chunekitiyanone and Mr. Voravid Silapusid will still be the ones who set the main policy of the company. As for the other details, these will be decided by other members of the management team to reduce the risk in dependency on the key Directors.

## Financial Risk

### 1) Risk from the fluctuation in foreign currency exchange

As the medical equipments need to be imported from overseas such as USA, Germany, UK, and Sweden which sets the payment conditions to be paid in foreign currency. In the year 2018-2020, the company imports account for 46.14%, 61.46% and 48.83% of the sales and service cost respectively. Therefore, the company may face a risk in the fluctuation of the foreign currency exchange. If there is an economic situation that softens the Thai Baht when compared to the foreign currency, this could have a negative effect on the overall operation of the company as can be seen that in the year 2018-2020, the company's profits and loss from foreign currency exchange are at 0.98 million Baht, 1.00 million Baht and (16.48) million Baht respectively.

#### Guidelines for risk management

However, to reduce the effects from the fluctuation in the foreign currency exchange, the company has the policy to manage the risk by using currency hedging for foreign currency. The company has no policy in gaining profits from this fluctuation whatsoever. Therefore, the company sets its policy that if the company uses Letter of Credit, the company will do forward contract and use the currency exchange as of the date of the contract. Moreover, the company also monitors and assesses the risk in foreign currency exchange through economic news analysis for its business operations.

## General and other important information

<b>Common Shares Securities Registrar</b>	:	The Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 1 <sup>st</sup> Floor, Tower B (next to Chinese Embassy) 93 Ratchadaphisek Road, Dindaeng Bangkok 10400 Tel : +66 2009 9000 Fax : +66 2009 9991 TSD Call center : +66 2009 9999
<b>Auditor</b>	:	M.R. & Associates Co., Ltd. Ms. Kornthip Wanichwisedkul C.P.A License No. 6947 705-706 Chao Phraya Tower (Shangri-La Hotel) 89 Soi Wat Suan Plu, Charoengkrung Rd., Bangrak, Bangkok 10500 Tel : +66 2630 7500 Fax : +66 2630 7506

**Other important information that may have effect to decision of the investor is significant:** : None

### Legal Disputes

As of December 31, 2020, the company has no legal dispute that may bring negative consequences to the business operations of the company and the company has no legal dispute that may bring negative consequences to the assets of the company which is worth more than 5% of the shareholders.

**Secondary market or fixed financial institution** : None







## Driving Business for Sustainability

### Sustainable Management Policy and Goals

Board of Directors committed to operating the business for stable and sustainable growth, create business growth opportunities to meet and create added value for shareholders and stakeholders in all sectors. By focusing on building business success. The company also takes part in taking care of society. And environment to respond to all groups of stakeholders By adhering to the principles of good governance, corporate governance and business ethics. As well as giving importance to human resource development to have knowledge and virtue Promote knowledge And quality of life human rights respect. The business operation of the organization will be performed in accordance with the vision and mission that **"People to be able to access the modern technology and equality with developed countries and be the center for development in curing patients with the hospitals, doctors and medical personnels especially for cancer"**

## Managing stakeholder impacts in the business value chain

### Stakeholders in the business value chain

Stakeholders	Chanel	Expectation	Key operations
Patients	<ul style="list-style-type: none"> <li>- Participation in activities with hospital customers, especially those related to cancer patients.</li> </ul>	<ul style="list-style-type: none"> <li>- Treated by quality tools</li> <li>- Quick access to treatments and modern technology</li> </ul>	<ul style="list-style-type: none"> <li>- Distribution and installation of quality radiation medical equipment</li> <li>- Establish a specialized hospital for cancer so that patients can have access to good and modern technology.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Top management communicates through middle management And / or various channels to directly convey to employees</li> <li>- Annual performance evaluation</li> <li>- Training/ Seminars to develop the capabilities of employees according to the plan</li> </ul>	<ul style="list-style-type: none"> <li>- Developing potential for advancement and stable in work.</li> <li>- Getting appropriate compensation and benefits</li> <li>- Management of the working environment that takes into account work safety and quality of life of employees</li> <li>- Strict compliance with labor laws</li> </ul>	<ul style="list-style-type: none"> <li>- Compensation management and appropriate and fair welfare</li> <li>- Treating all employees with equality and respect for basic human rights</li> <li>- Providing opportunities and career advancement</li> <li>- Training and developing of employee potential</li> <li>- Arrangement of a working environment that takes into account work safety</li> </ul>

Stakeholders	Chanel	Expectation	Key operations
Shareholders	<ul style="list-style-type: none"> <li>- Shareholder Meeting</li> <li>- Company website</li> <li>- Annual Report</li> <li>- Management Discussion and Analysis (MD&amp;A)</li> </ul>	<ul style="list-style-type: none"> <li>- Good returns</li> <li>- Operations with responsibility towards socail, environment and business operations in accordance with corporate governance principles</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate dividend payment to shareholders</li> <li>- Organization management and development for sustainable growth</li> <li>- Business expansion to accommodate changes and risk of interruption</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Distribution of quality medical equipment</li> <li>- Meeting and visiting customers</li> <li>- Customer satisfaction survey</li> <li>- Training and providing knowledge and skills to clients or participating in activities with clients</li> <li>- Listening to opinions and various complaints</li> </ul>	<ul style="list-style-type: none"> <li>- Delivery of quality medical equipment</li> <li>- Understanding the needs of customers Providing appropriate assistance and support to customer needs</li> <li>- Contact, follow-up, and maintain after-sales service according to the specified period</li> <li>- Equal treatment of customers</li> <li>- Confidentiality</li> <li>- Fair pricing</li> </ul>	<ul style="list-style-type: none"> <li>- Developing and responding to customer needs regularly</li> <li>- Pay attention to and be responsible to customers for both quality and good service</li> <li>- Building confidence, building the image of the company</li> <li>- Customer satisfaction survey</li> <li>- Responding to and handling complaints</li> <li>- Anti-corruption and transparency in work</li> <li>- Code of conduct for keeping information and confidentiality</li> <li>- Attention to fair pricing under the pricing policy</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Discussion meetings and chats prepare a memorandum of understanding</li> <li>- Exchange of ideas and giving feedback suggestions for improvement</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with commercial terms</li> <li>- Compliance with commercial terms</li> <li>- Promotion and support of activities and participation in problem solving</li> <li>- Conduct business within the framework of the law</li> <li>- Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>- Strict adherence to trade terms and conditions</li> <li>- Treat trade partners with fairness and equality</li> <li>- Providing suggestions and directions for joint business development</li> <li>- Communicating and providing accurate trade information</li> <li>- Formulation of policies on procurement</li> <li>- Do not support or buy products that contain copyright infringement. or violate human rights</li> </ul>



Stakeholders	Chanel	Expectation	Key operations
Creditors	<ul style="list-style-type: none"> <li>- Disclosure of accurate, complete, transparent and timely financial information</li> <li>- Communication, discuss and answer questions Listen to opinions and suggestions.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with the terms and conditions</li> <li>- Fair treatment of creditors</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with financial agreements and repayments of loans</li> <li>- Not taking advantage and being responsible for creditors</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>- Participation in activities of related information and new technology about medical devices</li> </ul>	<ul style="list-style-type: none"> <li>- Following good competition rules, according to relevant rules, regulations and laws</li> </ul>	<ul style="list-style-type: none"> <li>- Not destroying the reputation of commercial competitors</li> <li>- Compliance with the Rules of Good Competition</li> <li>- Not to infringe on the copy-right or intellectual property of others.</li> </ul>
Society, Community and Environment	<ul style="list-style-type: none"> <li>- Participation in various activities with communities or society</li> <li>- Listening to suggestions and receiving complaints</li> <li>- Whistleblowing of fraudulent acts or illegal acts</li> </ul>	<ul style="list-style-type: none"> <li>- Promote and support social activities that benefit the community and society.</li> <li>- An emphasis on anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>- Promote and support activities related to society, community and environment</li> <li>- Responding to and handling whistleblowing</li> <li>- Fair fraud investigation (if any)</li> </ul>

In addition, the company provides opportunities for employees and stakeholders. There is a way to contact the company. Any doubts about whether it will be in compliance with ethical standards in business or have complaints or have a suggestion. Employees and stakeholders can ask for their complaints, comments directly through the independent directors or company secretary. To serve as a unit to receive ethical complaints in the business as follows.

#### 1. Postal Mail:

Attention to

Independent Director (Complaint and Suggestion)

Business Alignment Public Company Limited

92/45 Sathorn Thani Building 2, 16th Floor, North Sathorn Rd., Silom, Bangrak, Bangkok 10500

#### 2. E-Mail

biz-cg@bizalignment.com

Complaints and/or proposals will be addressed to all independent directors. To be continue the investigation as well. The company provides a process for dealing with matters that employees or whistleblowers including disclosed guidelines for protecting complainants, whistleblowers, cooperative investigators on the company website [www.bizalignment.com](http://www.bizalignment.com) Investor Relations menu and then Sustainable Development menu

### Sustainability management in the environmental dimension

The company business does not affect the environment directly. However, the importance of environmental conservation and conservation and preservation of natural resources by cultivating awareness among employees by providing knowledge through communication and campaigning for employees to know how to environmental management such as water saving, electricity saving, efficient use of resources, waste and waste separation in order to contribute to environmental responsibility. Including campaigning to promote and support environmental conservation and make the best use of natural resources.

1. Adopt digital technology for meetings to reduce printing and paper consumption.
2. Encouraging data collection by scanning the data in soft file format instead of hard copy document storage. The company has started to store various documents.
3. Encourage communication by email instead of using paper for sending documents within the organization. Including the cost-effective use of paper by printing both sides and recycle.
4. Supporting and using environmentally conscious products, by selecting products and products which friendly with enviromentl or packaging that can be refillable. To reduce the impact that may arise from the production of various packaging, etc.
5. The campaign to save electricity and water use within the organization is closed when not in use.

The company has provided training, knowledge and communication to employees. About this policy and practice in environmental stewardship Allowing new employees through orientation and for employees at all levels to communicate via supervisors, including through the company's internal newsletter of the month Raise awarennessamong all employees to be involved in environmental protection both inside and outside the organization.

### Water saving campaign and electricity saving

The company campaigned for employees at the headquarters. Have awareness of water saving and save electricity. By turning off electricity, lights and appliances during lunch breaks or during periods of inactivity. As well as to save water for consumption, etc.

#### Electricity usage

Year	Electricity consumption (units)
2020	69,851

#### Water consumption data

Year	Water consumption (units)
2020	5,714

หมายเหตุ - The company began collecting electricity and water usage data in 2020 for the first year. Since  
- The company has an office rental building, that is managed by the building department. Water consumption herefore includes the number of units of the drain meter laused by the use of heat from air conditioning as well.

### Efficient use of resources

1. Reduce the amount of waste that may occur such as product selection with large packaging instead of small. Selecting products with the least impact on the environment.
2. Reuse the packaging, put it into various appliances, reuse paper bags or plastic bags. Using paper on both sides, using cloth bags to reduce global warming. Use of clean and reusable food utensils.
3. Promote the recycling of waste (Recycle) by separating and collecting garbage in the office that can be used in the recycle, such as the desk calendar, max filling, etc. to be donated to the departments, tere is a need for further use



### **Management to reduce greenhouse gas problems**

The company gives importance to management to reduce greenhouse gas problems. The activities of the company that may affect the amount of greenhouse gas emissions in terms of energy consumption, such as the use of electricity from air conditioning. However The company is in the early stages of reviewing data collection to define goals, approaches and strategies to reduce future greenhouse gas problems which will reveal the processing time for further notice.

### **Sustainability management in the social dimension**

The Board of Directors' Meeting has approved a Code of Business Conduct manual and Anti-Corruption Policies as guidelines for strict adherence by the company's Board of Directors, Management and all employees, to be enforced in all segments of the business in order to produce a management system that is efficient, transparent and verifiable, and which enhances the trust and confidence of shareholders, investors, stakeholders and all parties involved. These guidelines must be applied in all normal business operations from the procurement process with partners, product education, product research and services that do not affect the environment all the way to creating the awareness as to the roles and duties that constitute a good member of society. This is done by giving priority to engaging and building relationships between the company and society on the basis of accuracy, transparency, fairness and promoting activities that are beneficial to society and the community and the welfare of staff by establishing regulations for operational procedures in all areas that are clear and strictly enforced to ensure the safety and equality in the workplace. Directors, Management and staff must perform their duties with integrity, giving focus and paying close attention to customers as well as providing a quality product at a fair price to the company's customers and consumers, according to the ideals of honesty and integrity.

The company also has a system to maintain efficient corporate governance, preventing conflicts of interest, including corruption, through audits by certified public accountants and internal control system auditors who are licensed by the Office of the Securities and Exchange Commission in order to ensure that the company recognizes the rights of stakeholders, both as defined in the law and through company policy as relating to the treatment of shareholders, employees, customers, suppliers, etc.

### **Human Resource Development**

The company gives importance to people which is the heart of the operation to achieve the goals. The company has a policy of enhancing and developing people to be knowledgeable, expertise and work experience. Have code of conduct and ethics in operating with honesty. Be responsible to oneself and other stakeholders by aiming for employees to apply their skills and knowledge to the development of service excellence. Including the initiative and dare to express opinions constructively. To expand and develop the business to meet and meet the needs of customers. Causing the company to have stable and sustainable growth. Create returns and create added value for stakeholders in the long term. The company provides training and knowledge development (Training) for the executives and employees on a regular basis. For the company have the capability to operate in accordance with the policies and business plans of the organization. One of the mechanisms to drive the organization to be able to operate according to the vision and mission of the organization with efficiency and sustainable success





1. Principles of fairness and equality with a focus on the moral system. Fair treatment of all employees in regard to employment, promotion, work compensation including the prevention of unfair acts at all levels.
2. Integrity give importance to and adhere to the performance of duties of all levels of employees with honesty
3. Principles of respect for the individuality of employees emphasize and accept differences in the ideas, beliefs and lifestyles of employees while considering the rules as well as solutions to problems, it will take into account differences in ideas and beliefs, including treating with dignity and putting the self- esteem of employees as individuals.
4. Focus on quality of life. Including enhancing the quality of life of employees for the better. Due to the realization that quality of life plays an important role in job efficiency and is the motivation of employees. Which means quality of life includes job satisfaction, balance in work and personal life, working stress conditions, diversity in work pieces to reduce monotony including encouraging the assignment of appropriate decision-making power according to the competence of the employees (more empowerment).
5. Establishing good working conditions providing a safe, comfortable and a place to be proud for work.

### Human rights respect

The company realizes the importance of and respects basic human rights in all aspects of all personnel including

- Equitable treatment of all people according to human rights principles without discrimination. Respect for human rights treat each other with respect honor each other. Treat them equally without discriminating against physical and mental differences, race, nationality, country of origin, race, religion, sex, language, age, skin color, education, social status, culture, customs or any other matter.
- Avoid actions that violate human rights. Take precautions in performing duties to prevent risks of human rights violations in business operations, monitor the respect of human rights.
- Do not ignore or ignore any action that violates human rights. They must report them to their supervisors or persons in charge and cooperate in investigating the facts. If you have any questions or concerns, consult with your supervisor or the person in charge through the specified channels.
- Provide fairness and protection to all individuals who report human rights violations. By using measures to protect the complainant or those who cooperate in reporting human rights violations (Whistleblower Protection Policy)
- Provide opportunities for employees and stakeholders in all sectors can express their opinions through the company's recommendation channels.

### Treating workers fairly

The company believes that the most important factor in business which adds value and benefit to the business is its human resources, since the company's operation in various fields requires knowledge, skills and dedication of both strength and resolve in working to achieve the goal. Consequently, the company has determined guidelines for the treatment of employees. Executives must treat employees fairly, manage the business without bias, build potential for the employees' advancement and efficiency in their work including promoting an understanding of appropriate conduct for employees, establishing suitable welfare for them and dealing with them sincerely by rationally hearing out their feedback and suggestions.

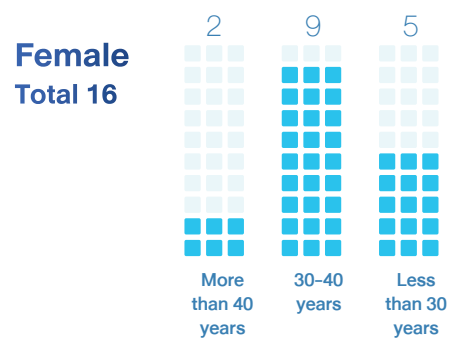
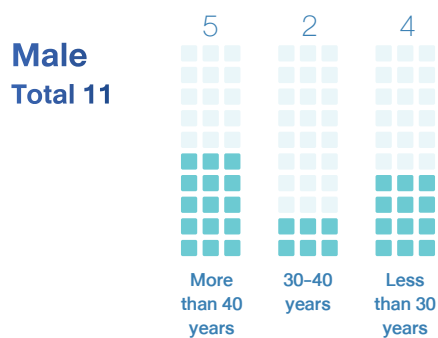
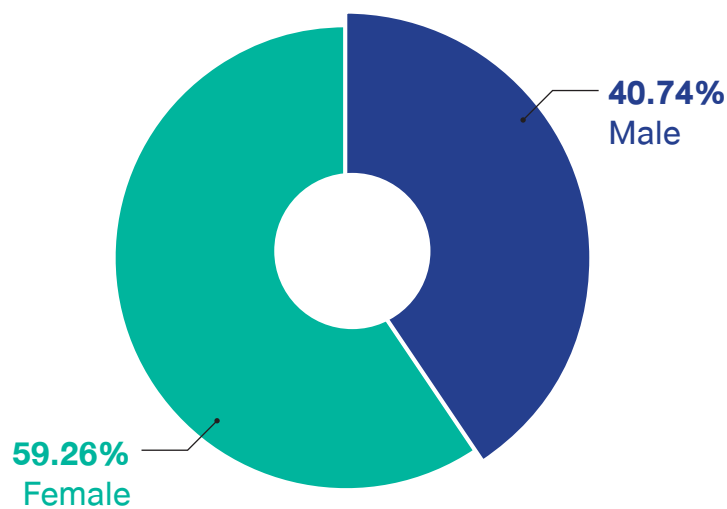
The company has a policy and practice of recognizing safety, healthy and working environment. As part of its success in business. All employees of the company must be secure, good health under working conditions and good environment prevent or accident statistics or strike rate. Employees are the most valuable asset and the key to success. Therefore, the company aims to develop culture and working environment. As well as promoting



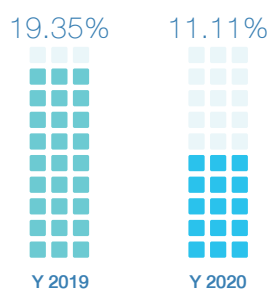
teamwork. Employees are treated with courtesy and respect for individuality employment, appointment, and rotation of employees. It is based on merit and the use of human resources to the maximum benefit to the company. It also has a policy to supervise the management of compensation and welfare in a fair manner. Taking into account the various factors such as qualifications experience, level, position, responsibilities. In addition, the provident fund and annual health check up is provided for management and employees. The company also has strict adherence to the law on labor.

## Employee proportion by gender

(as of 31 December 2020)



## Employee turnover rate



## Average number of training hours per person per year

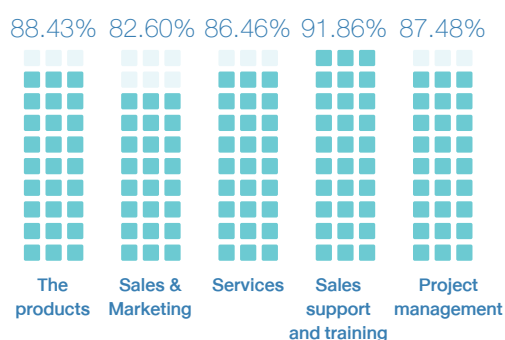
Year	Average number of training hours
2019	22.60 Hours per person per year
2020	50.52 Hours per person per year

## Accident statistics or strike rate

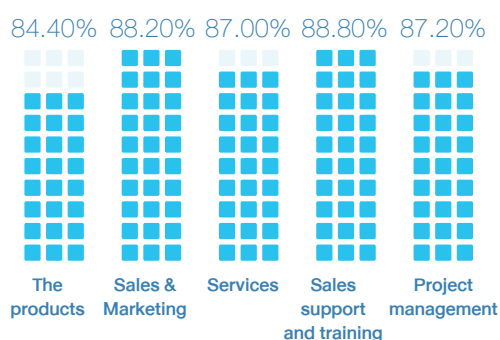
Year	Accident statistics
2019	None
2020	None

## Responsibility to customers

Customers are the most important thing in doing business of all types. Organizations rely on customers Therefore, the organization must understand the needs of the customer. Both now and in the future and must try to perform. To achieve the needs of customers as much as possible. In order to maintain a good relationship with each other. The company has a policy to focus on the needs of customers as agreed. Relationship development And grow with customers as well as being trusted by customers which is the factor that leads to the success of the company's business. By treating customers with sincerity and humility to lead to the development of the highest quality and customer satisfaction.



Year 2019



Year 2020



## Community or social development

With the company operating the distribution and installation of medical equipment for treatment of cancer patients with radiology. The company meets with doctors, medical officer even cancer patients. So, keep in mind that sometimes it will help cancer patients have knowledge in dealing with cancer correctly. To increase the survival rate and increase the quality of life for cancer patients in Thailand.

### Activities in which the company has an opportunity and takes part in supporting that activities

- **Activities related to cancer patients**

Year 2017 The company and co-founder of the ART for CANCER project, an art project and creative work for poorer patients. The founders of the project found themselves cancerous and inspired the project since they were still in cure. By choosing the potential of art and creative work to raise funds to help cancer patients who lack treatment. To Siriraj Hospital, Ramathibodi Hospital and the National Cancer Institute. The project is to help each other. Starting from the main problems of society which related to the company's core products. To develop in the long run.

Year 2018 In co-sponsoring creative activities for society "Power Building Project Turn over the lives of 13,000 cancer patients. " The objective of the project is to help cancer patients have knowledge and understanding in dealing with cancer correctly In order to increase the survival rate and good quality of life for cancer patients in Thailand. This is an encouragement forward that will help patients overcome difficult times. To support the fund for the Survivor Planner, which will be distributed in the Survivor Planner and to provide cancer education, Planning treatment plans and recommending how to use Survivor Planner for patients, relatives, carers for cancer patients.

Year 2019 The company had the opportunity to participate in supporting the work of Siriraj Cancer Oncology, faculty of Medicine Siriraj Hospital Mahidol University which collaborated with Art For Cancer by Ireal by Art of Life Social Enterprise Company Limited at CANCEL CANCER FESTIVAL 2019 to raise funds for "Precise medical fund in cancer" with the objective to promote research and integrated cancer care In accordance with modern knowledge integration guidelines together with personal genetic data analysis which will lead to accurate cancer treatment and suitable for most individuals.

- **Other activities**

- In the year 2019, the company and our staffs get together to share donate things and funds for Rayong Panyanukun School (Rayong Special Education School - for the disabled)
- In the year 2019 and 2020, join the activities of the "maiA Virtual Run for Thai Red Cross Society" project, the distance running project for charity. Organized by the Association of Listed Companies in the Market for Alternative Investment (maiA). All income after deducting expenses goes to the Thai Red Cross Society.

In the year 2020, the company has prepared **a project "Heart Box" for cancer patients**. The goal is to organize such activities in hospitals in both public and private sectors at least 4 radiotherapy departments, by working with Art of Llife Social Enterprise Co., Ltd. "Art for Cancer"

### Project objectives

1. To strengthen encouragement emotional support and/or establishing the right attitude in dealing with cancer.
2. Give a smile and caring to encourage the patient to fight the disease.
3. Encourage employees in the organization to participate in social activities. Which relates to the stakeholders of the organization.

For the year 2020, organized at the King Chulalongkorn Memorial Hospital for the first time, which received attention to participate in activities from cancer patients. Relatives and / or caregivers And medical personnel The hospital as well. However, due to the COVID-19 epidemic situation, the project can hold only one activity at the beginning of the year. However, the company will continue to operate the cancer patient program in the year 2021 at appropriate times, places and groups of participants.



### Business Alignment Public Company Limited joined in “SET Social Impact Gym 2020”

This is a project to develop business potential for social enterprise for social business people to run their business with strength and efficiency with the aim of social businessmen to take part in caring for society, whether in agriculture, vulnerable group in community development, education and environment and ready to expand the results for both business and society sustainably.

In the year 2020, **Business Alignment Public Company Limited** was joined volunteer coach to “**NINE D OMNITECH COMPANY LIMITED**” that social enterprise solves health problem by arrange home stay (capsule) for patient relatives who treat in clean and safe hospital at affordable price. Set up training, knowledge activities in patient treatment to create short-term career for their relatives to earn income while living in the project.





## Key Financial Data

### Summary of financial position and results of operations

#### (1) Statement of Financial Position

Statement of Financial Position	Consolidated Statement as of 31 December 2018		Consolidated Statement as of 31 December 2019		Consolidated Statement as of 31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
Cash and cash equivalents	119.28	12.64	102.41	6.18	206.56	10.16
Trade and other receivables	243.28	25.79	203.55	12.29	187.51	9.22
Construction contract work in progress	76.63	8.12	22.77	1.37	7.19	0.35
Inventories	72.30	7.66	770.83	46.53	1,117.49	54.98
Other current financial assets	1.11	0.12	0.00	0.00	95.44	4.70
Other current assets	0.65	0.07	17.05	1.03	0.00	0.00
<b>Total current assets</b>	<b>573.02</b>	<b>60.74</b>	<b>1,232.03</b>	<b>74.37</b>	<b>1,614.19</b>	<b>79.41</b>
Other long-term investments	30.75	3.26	9.00	0.54	11.99	0.59
Long-term trade receivable	2.79	0.30	0.00	0.00	0.00	0.00
Property, Plant and Equipment – net	141.77	15.03	405.47	24.48	387.84	19.08
Rights of use assets	0.00	0.00	0.00	0.00	6.70	0.33
Intangible assets	0.36	0.04	0.42	0.02	0.54	0.03
Deferred tax assets	6.51	0.69	9.21	0.56	10.42	0.51
Advance for purchase of medical equipment	89.86	9.52	0.00	0.00	0.00	0.00
Other non-current assets	98.36	10.42	0.44	0.03	0.97	0.05
<b>Total non-current assets</b>	<b>370.40</b>	<b>39.26</b>	<b>424.54</b>	<b>25.63</b>	<b>418.46</b>	<b>20.59</b>



## (1) Statement of Financial Position

Statement of Financial Position	Consolidated Statement as of 31 December 2018		Consolidated Statement as of 31 December 2019		Consolidated Statement as of 31 December 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total assets</b>	<b>943.42</b>	<b>100.00</b>	<b>1,656.57</b>	<b>100.00</b>	<b>2,032.65</b>	<b>100</b>
<b>Liabilities and shareholders' equity</b>						
Short-term borrowings from financial institutions	0.00	0.00	256.58	15.49	249.47	12.27
Trade and other payables	103.31	10.95	433.68	26.18	909.33	44.74
Current portion of long-term borrowings	0.00	0.00	11.55	0.70	9.49	0.47
Current portion of finance according to the lease liabilities	0.00	0.00	0.32	0.02	1.57	0.08
Income tax payable	7.58	0.80	14.06	0.85	6.58	0.32
Other current provisions	21.37	2.27	15.76	0.95	10.40	0.51
Other current financial liabilities	11.46	1.21	41.61	2.51	10.47	0.52
Other current liabilities	1.10	0.12	0.00	0.00	0.00	0.00
<b>Total current liabilities</b>	<b>144.82</b>	<b>15.35</b>	<b>773.56</b>	<b>46.70</b>	<b>1,197.31</b>	<b>58.91</b>
Long-term trade payable	3.32	0.35	0.00	0.00	0.00	0.00
Long-term borrowings	0.00	0.00	228.74	13.81	245.03	12.06
Finance lease liabilities	0.00	0.00	1.18	0.07	5.32	0.26
Provisions for employee benefits	6.33	0.67	8.21	0.50	9.39	0.46
Other non-current provisions	1.27	0.13	0.50	0.03	1.10	0.05
Advance from customer	135.04	14.32	0.00	0.00	0.00	0.00
Other non-current financial liabilities	22.96	2.44	0.00	0.00	0.00	0.00
<b>Total non-current liabilities</b>	<b>168.92</b>	<b>17.91</b>	<b>238.63</b>	<b>14.41</b>	<b>260.84</b>	<b>12.83</b>
<b>Total liabilities</b>	<b>313.74</b>	<b>33.26</b>	<b>1,012.19</b>	<b>61.10</b>	<b>1,458.15</b>	<b>71.74</b>
Issued and paid-up share capital	200.00	21.20	200.00	12.07	200.00	9.84
Share premium on ordinary shares	222.33	23.57	222.33	13.42	222.33	10.94
Retained earnings						
Unappropriated	20.00	2.12	20.00	1.21	20.00	0.98
Unappropriated	119.58	12.67	144.93	8.75	89.83	4.42
<b>Equity attributable to owners of the parent</b>	<b>561.91</b>	<b>59.56</b>	<b>587.26</b>	<b>35.45</b>	<b>532.16</b>	<b>26.18</b>
Non-controlling interests	67.77	7.18	57.12	3.45	42.34	2.08
<b>Total liabilities and shareholders' equity</b>	<b>629.68</b>	<b>66.74</b>	<b>644.38</b>	<b>38.90</b>	<b>574.50</b>	<b>28.26</b>
<b>Total liabilities and shareholders' equity</b>	<b>943.42</b>	<b>100.00</b>	<b>1,656.57</b>	<b>100.00</b>	<b>2,032.65</b>	<b>100.00</b>



## (2) Statement of Comprehensive Income

Comprehensive Income	Consolidated Statement of Year 2018		Consolidated Statement of Year 2019		Consolidated Statement of Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of goods	464.73	69.92	520.90	70.97	527.04	68.88
Revenue from rendering of services	129.85	19.54	165.51	22.55	196.50	25.68
Revenue from construction	63.94	9.62	35.82	4.88	0.82	0.11
Revenue from hospital operations	0.00	0.00	2.28	0.31	30.98	4.05
Other income	6.17	0.92	9.49	1.29	9.79	1.28
<b>Total revenues</b>	<b>664.69</b>	<b>100.00</b>	<b>734.00</b>	<b>100.00</b>	<b>765.13</b>	<b>100.00</b>
Cost of sales of goods	335.82	50.52	362.54	49.39	416.07	54.38
Cost of rendering of services	107.20	16.13	138.25	18.84	157.21	20.55
Cost of construction	58.09	8.74	28.93	3.94	0.77	0.10
Cost of hospital operations	0.00	0.00	10.53	1.43	47.85	6.25
<b>Gross profit (excluding other income)</b>	<b>157.41</b>	<b>23.90</b>	<b>184.26</b>	<b>25.43</b>	<b>133.44</b>	<b>17.67</b>
Distribution costs	20.20	3.04	21.89	2.98	14.07	1.84
Administrative expenses	42.85	6.45	55.69	7.59	42.65	5.57
Loss on exchange rate	0.00	0.00	0.00	0.00	16.48	2.16
<b>Total expenses</b>	<b>63.05</b>	<b>9.49</b>	<b>77.58</b>	<b>10.57</b>	<b>73.20</b>	<b>9.57</b>
<b>Profit before financial costs and income tax</b>	<b>100.53</b>	<b>15.12</b>	<b>116.17</b>	<b>15.83</b>	<b>70.03</b>	<b>9.15</b>
Financial costs	1.04	0.16	7.53	1.02	22.45	2.93
<b>Profit before income tax</b>	<b>99.49</b>	<b>14.97</b>	<b>108.64</b>	<b>14.80</b>	<b>47.58</b>	<b>6.22</b>
Tax expense (revenue)	21.12	3.18	27.85	3.79	18.03	2.36
<b>Net income for the period</b>	<b>78.37</b>	<b>11.79</b>	<b>80.79</b>	<b>11.01</b>	<b>29.55</b>	<b>3.86</b>
Other comprehensive income	0.58	0.09	1.73	0.23	0.58	0.08
<b>Total comprehensive income for the year</b>	<b>78.95</b>	<b>11.88</b>	<b>82.52</b>	<b>11.24</b>	<b>30.13</b>	<b>3.94</b>
<b>Total comprehensive income for Majority Shareholders</b>	<b>80.60</b>	<b>12.13</b>	<b>91.46</b>	<b>12.46</b>	<b>44.40</b>	<b>5.80</b>
Total comprehensive income for Minority Shareholders	(2.23)		(10.67)		(14.85)	
Earnings per share (Baht / share) (based on par value of Baht 0.50)	0.202		0.229		0.111	



### (3) Statement of Cash Flows

Cash Flow Statement	Year 2018 Consolidated Statement	Year 2019 Consolidated Statement	Year 2020 Consolidated Statement
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	99.49	108.65	47.58
Adjustments to reconcile profit (loss) to net cash provided by operating activities			
Depreciation and amortisation	2.21	7.89	20.51
Provisions	14.15	5.17	(0.66)
Unrealised loss (gain) on exchange rate	(0.11)	5.28	6.57
Interest expenses	1.04	7.53	22.45
Interest income	(3.48)	(2.53)	(1.72)
Loss on sales of equipment	0.01	0.01	0.01
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>113.31</b>	<b>132.00</b>	<b>94.74</b>
Decrease (increase) in operating assets			
Trade and other receivables	(154.03)	42.60	15.13
Construction contract work in progress	(5.37)	53.85	15.59
Inventories	(63.05)	(541.06)	(344.63)
Other non-current assets	(41.87)	0.02	(0.08)
Increase (decrease) in operating liabilities			
Trade and other payables	47.65	185.46	441.76
Provisions paid	(11.26)	(7.50)	(2.22)
Income tax paid	(16.10)	(23.54)	(26.97)
<b>Net cash provided by (used in) operating activities</b>	<b>(130.72)</b>	<b>(158.17)</b>	<b>193.32</b>
<b>Cash flows from investing activities</b>			
Interest received	3.43	2.46	2.29
(Increase) Decrease in short-term investments	(31.10)	(33.89)	16.98
Investment of non-controlling interests	70.00	-	-
Purchase of property, plant and equipment and intangible assets	(112.72)	(255.26)	(2.79)
Advance from Construction and Equipments	(12.86)	-	-
<b>Net cash flows provided by (used in) investing activities</b>	<b>(83.25)</b>	<b>(286.69)</b>	<b>16.48</b>



### (3) Statement of Cash Flows

Cash Flow Statement	Year 2018 Consolidated Statement	Year 2019 Consolidated Statement	Year 2020 Consolidated Statement
<b>Cash flows from financing activities</b>			
Interest paid	(1.05)	(4.92)	(11.18)
Increase in short-term borrowings from financial institutions (decrease)	-	256.58	(7.11)
Proceeds from long-term borrowings	-	240.28	14.23
Payments of finance lease liabilities	-	(0.02)	(1.53)
Dividend paid	(32.00)	(63.92)	(99.95)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(33.05)</b>	<b>428.00</b>	<b>(105.54)</b>
Effect from foreign exchange in cash and cash equivalents	(0.07)	(0.01)	(0.11)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(247.09)</b>	<b>(16.87)</b>	<b>104.15</b>
Cash and cash equivalents at beginning of year	366.37	119.28	102.41
<b>Cash and cash equivalents at end of year</b>	<b>119.28</b>	<b>102.41</b>	<b>206.56</b>





#### (4) Key Financial Ratios

Financial Ratios	Year 2018 Audited	Year 2019 Audited	Year 2020 Audited
<b>LIQUIDITY RATIO</b>			
Current ratio (times)	3.96	1.59	1.35
Quick ratio (times)	2.75	0.49	0.36
Cash flow (times)	(1.20)	(0.34)	0.20
Accounts receivable turnover ratio (times)	4.74	3.81	5.16
Average collection period (days)	76	94	70
Inventory turnover ratio (times)	12.46	1.28	0.66
Average sale period (days)	29	280	545
Creditors' turnover ratio (times)	9.80	3.26	1.84
Repayment period (days)	37	110	195
CASH CYCLE (days)	68	264	420
<b>PROFITABILITY RATION</b>			
Gross profit margin (%)	23.90	25.43	17.67
Operating margin (%)	14.48	14.86	7.98
Cash to profitability (%)	(137.10)	(146.80)	320.93
Net profit margin (%)	12.13	12.46	5.80
Return on equity (%)	15.00	15.92	7.93
<b>EFFICIENCY RATIO</b>			
Return on assets (%)	9.42	7.04	2.41
Asset turnover (times)	0.78	0.56	0.41
<b>FINANCIAL POLICY RATIO</b>			
Liabilities to shareholders' equity ratio (times)	0.56	1.72	2.74
Interest bearing debt to equity ratio (times)	0.00	0.85	0.95
Interest coverage ratio (times)	(103.31)	(24.96)	20.92
Debt service coverage ratio (Cash Basis) (times)	(0.90)	(0.49)	1.58
Dividend payout ratio (%) <sup>1</sup>	75.53 <sup>2</sup>	82.87 <sup>3</sup>	83.62 <sup>4</sup>

**Remark:** <sup>1</sup> Dividend payout ratio was calculated from dividends paid divided by net profit for the year from separate financial statements.

<sup>2</sup> The Board of Directors' Meeting No. 1/2019 held on February 21, 2019 resolved to approve the dividend payment from the net profit of the year 2018 to the shareholders whose names appear in the shareholder list of the company at April 26, 2019 amounting to 400,000,000 shares at the rate of Baht 0.16 per share, representing a total dividend of 64 million Baht.

<sup>3</sup> The Board of Directors' Meeting No. 2/2020 held on March 30, 2020 resolved to approve the interim dividend payment from the net profit of the year 2019 to the shareholders whose names appear in the shareholder list of the company at March 6, 2020 amounting to 400,000,000 shares at the rate of Baht 0.25 per share, representing a total dividend of 100 million Baht.

<sup>4</sup> The Board of Directors' Meeting No. 1/2021 held on February 4, 2021 resolved to approve the dividend payment from the net profit of the year 2020 to the shareholders whose names appear in the shareholder list of the company at March 10, 2021 amounting to 400,000,000 shares at the rate of Baht 0.15 per share, representing a total dividend of 60 million Baht. (Subject to approval by the Annual General Meeting of Shareholders for the year 2021)



# Management Discussion and Analysis

## Operating Results

Business Alignment Public Co., Ltd. conducts the sales and installation of medical equipment for treating cancer patients with radiotherapy by importing products from the manufacturer with expertise on world-class equipment and technologies for the treatment of cancer, including providing maintenance services for such medical equipment sets. The main groups of customers are hospitals affiliated with medical universities, hospitals in the cancer hospital network of the Department of Medical Services under the Ministry of Public Health, other state hospitals or public health organizations in the country and private hospitals.

A large proportion of the company's revenues come from product sales in the form of projects, acting as an end-to-end Solution Provider who is responsible for everything from structural work to systems such as electrical and cooling systems, and interior design to support the installation of radiation equipment and other ancillary equipment in the radiation room. Afterwards, the company is also responsible for the procurement and installation of various equipment associated with radiation (i.e., radiotherapy equipment, treatment planning system devices and other necessary accessories to facilitate the use of products ordered by customers).

The nature of our business is such that the resulting pattern of revenue recognition from the company's sale is revenue recognition upon delivery of the completed project. As a result, it is necessary for the company to continue construction of a radiation room, purchase and install the equipment and pass inspection by the client's project inspection committee before the revenue of the complete project can be recognized. The period of implementation of each project will be between 210-360 days before revenue can be recognized. This is one factor that makes the company more vulnerable to the instability and inconstancy of revenue should the company fail to deliver its product according to the plan.

## An overview of the past results of operations

For the operating results for the past three years from the year 2018 - 2020, The company and its subsidiary had a main revenue from sales, rendering services, and construction were 658.52 million Baht, 724.51 million Baht and 755.34 million Baht respectively. Revenue from sales were 464.73 million Baht, 520.90 million Baht and 527.04 million Baht respectively. Revenue from rendering of services were 129.85 million Baht, 165.51 million Baht and 196.50 million Baht respectively. Revenue from construction were 63.94 million Baht, 35.82 million Baht and 0.82 million Baht respectively and revenue from hospital operations 0 million Baht, 2.28 million Baht and 30.98 million Baht respectively.

In the year 2018, The company and its subsidiary generated higher revenue, compared to the previous year, since 3 big projects has been delivered during the year. In the year 2019, The company and its subsidiary generated revenue from sales increase was due to the Company has delivered many large projects. Revenue from rendering of services increase was due to the company generate additional revenue from Genetic Diagnosis service of 4.31 million Baht and the product warranty under the purchase contract after the delivery has expired many projects. Therefore, there are many service contracts is increased during this period. Revenue from hospital operations investment in Cancer Alliance Co., Ltd. ("CAH") as subsidiary to operate specialized hospital for cancer treatment. The subsidiary started its operations in 1 October 2019. For the year 2020, the company and its subsidiaries had sales revenues close to the previous year. Service income increases due to the company

recognized revenue from gene testing services of 2.30 million Baht, revenue from special services of 15.16 million baht. Because the company had more maintenance service contracts from the same period of the previous year. Due to the product warranty period according to the purchase contract after the delivery of many clients expires. Therefore, there are more continual maintenance contracts.

The company and its subsidiary had gross profits in the year 2018, 2019 and 2020 were 157.41 million Baht, 184.26 million Baht and 133.44 million Baht or 23.90%, 25.43% and 17.67% gross profit margin. Which is divided into gross profit from sales 128.91 million Baht, 158.36 million Baht and 110.97 million Baht representing the gross profit margin from sales equal to 27.74%, 30.40% and 21.06% respectively, and gross profit from services 22.65 million Baht, 27.26 million Baht and 39.29 million Baht representing a gross margin from services equal to 17.44%, 16.47% and 20.00% respectively.

In the year 2018, The company and its subsidiary had gross profit from sales was 128.91 million Baht, representing 27.74% of gross profit margin which was higher than that of the previous year at 11.54%. It was because the company has been able to improve costing management during the period.

In the year 2019, The company and its subsidiary had a gross profit from sales of 158.36 million Baht or equivalent to gross profit margin of 30.40%, of the same period of previous year at 27.74%.

In the year 2020, The company and its subsidiaries had gross profit from sales of 110.97 million Baht or equivalent to 21.06% of gross profit from sales. This is lower than the same gross profit margin of the previous year which was 30.40% lower gross profit margin due to the delivery of large projects. This is normal gross margin of the project work.

The company and its subsidiary had a net profit for the year 2018, 2019 and 2020 were 80.60 million Baht, 91.46 million Baht and 44.40 million Baht respectively, or a net profit margin of 12.13%, 12.46% and 5.80% respectively. In the year 2019, The company and its subsidiary had a net profit attributable to equity holder of the parent of 91.46 million Baht, or equivalent to net profit margin of 12.46% compared to the previous year, which had the net profit attributable to equity holder of the parent of 80.60 million Baht of the same period of previous year at 12.13%.

In the year 2020, The company and its subsidiaries had total comprehensive income from major shareholders 'equity of 44.40 million baht or 5.80% net profit margin compared to the same period of last year with total comprehensive income from major shareholders' equity. The company's net profit was 91.46 million Baht or 12.46% of the net profit margin. Because the company has a lower gross margin and loss from exchange rate.

The analysis of operating results and financial position for the accounting periods of the year 2018, 2019 and 2020 are summarized below

## **Analysis of Operating Results**

### **Revenue**

The company and its subsidiary had a total revenues in the year 2018, 2019 and 2020 were 664.69 million Baht, 734 million Baht and 765.13 million Baht respectively, with details on the revenue structure as follows:



Year 2018 – 2020 Revenue structures

Type of Revenue	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
1) Revenue from sales of goods	464.73	69.92	520.90	70.97	527.04	68.88
2) Revenue from rendering of services <sup>/1</sup>	129.85	19.53	165.51	22.55	196.50	25.68
3) Revenue from Construction <sup>/2</sup>	63.94	9.62	35.82	4.88	0.82	0.11
4) Revenue from hospital operations <sup>/3</sup>	0.00	0.00	2.28	0.31	30.98	4.05
<b>Revenue from sales, services and construction</b>	<b>658.52</b>	<b>99.07</b>	<b>724.51</b>	<b>98.71</b>	<b>755.34</b>	<b>98.72</b>
Other income <sup>/4</sup>	6.17	0.92	9.49	1.29	9.79	1.28
<b>Total revenues</b>	<b>664.69</b>	<b>100.00</b>	<b>734.00</b>	<b>100.00</b>	<b>765.13</b>	<b>100.00</b>

**Note:** <sup>/1</sup> Revenues include revenues from services, maintenance and repair of radiation equipment and various accessories including revenues from upgrade services for system software related to radiation products.  
<sup>/2</sup> Revenue from construction is the revenue generated from the contract for the establishment of a cancer patient center with proton particles. The company received the project and started construction in the second quarter of 2017. Work completed 100% in Q3' Year 2020  
<sup>/3</sup> Revenue from hospital operations investment in Cancer Alliance Co., Ltd. ("CAH") as subsidiary to operate specialized hospital for cancer treatment. The subsidiary started its operations in 1 October 2019  
<sup>/4</sup> Other income include interest income, gains on currency exchange, gains from employee benefit adjustment and other income.

### Revenues from Sales, Services, Construction and Hospital Operation

Main revenues from sales, services and construction in the year 2018, 2019 and 2020 were 658.52 million Baht, 724.51 million Baht and 755.34 million Baht representing 99.07%, 98.71% and 98.72% of total revenue, respectively. Revenue from sales and services can be divided into 4 categories as follows:

#### 1) Revenue from sales of goods

Most of the company and its subsidiary had sales revenues are from the sale and installation of medical equipment in contracts resulting from project sales. In the year 2018, 2019 revenues are recognized when significant risks and significant rewards of ownership of the significant goods in the contract have passed to the buyer. In the year 2020 is recognized at point in time when a customer obtains control of the goods. The nature of business of the company, as mentioned above, means that the company must carry out the construction of a radiation therapy room (if any), purchase and install various equipment and pass inspection from the client's project inspection committee before the revenue of the completed project can be recognized. Aside from this, the company also had income from merchandising of other medical equipment of which the value is not very high.

In the year 2018, 2019 and 2020, sales revenues were 464.73 million Baht, 520.90 million Baht and 527.04 million Baht or 69.92%, 70.97% and 68.88% of total revenue, respectively. In comparison, sales revenue during the year 2018 - 2020 shows that revenues from sales in the year 2018, revenue from sales of goods was 464.73 million Baht, increasing by 97.12 million Baht or 26.42% from the previous year. This was because the company was able to make 3 high-valued projects delivery during the period. For the year 2019 the Company and its subsidiary generated revenue from sales increase was due to the Company has delivered many large projects. In the year 2020, the company and its subsidiaries had sales revenue of 527.04 million Baht, an increase of 6.14 million Baht or an increase of 1.18%, similar to the same period of the previous year, which was 520.90 million Baht.

## 2) Revenue from rendering of services

Revenue from rendering of services is revenue from providing maintenance service for medical equipment sets, after the customer's insurance contract expires post-project delivery. Such service will allow the equipment to operate efficiently throughout its lifespan. The company has provided customers with annual maintenance agreements of which the average revenue is recognized on a monthly basis at equal monthly rates. In addition, the company also provides maintenance services and supplies various types of equipment not covered under the maintenance agreement for which customers can request service on a case by case basis according to the nature of the problem, such as maintenance of the chiller system, maintenance of the air conditioning and cooling systems, etc. The company also has services revenue from the upgrade of software systems used in radiation equipment in order to progress towards more efficient software systems. These include software system upgrades for the development of treatment plans which allow treatment plans to be developed with greater efficiency and accuracy.

In the year 2018, 2019 and 2020, The company and its subsidiary had services revenues were 129.85 million Baht, 165.51 million Baht and 196.50 million Baht or 19.53%, 22.55% and 25.68% of the total revenues, respectively.

In the year 2018, The company and its subsidiary had revenue from rendering of services of 129.85 million Baht, increasing by 1.57 million Baht or 1.22% from the previous year of 128.28 million Baht. This was because a recognition of revenue from Genetic Test service which has just started in the fourth quarter of this year totally 0.67 million Baht.

In the year 2019, The company and its subsidiary had generated a revenue from rendering of services of 165.51 million Baht, increasing by 35.66 million Baht or 27.46%, when compared to the previous year of 129.85 million Baht. This increase was due to the company generate additional revenue from Genetic Diagnosis service of 4.31 million Baht and the product warranty under the purchase contract after the delivery has expired many projects. Therefore, there are many service contracts is increased during this period

In the year 2020, the company and its subsidiaries had service income of 196.50 million Baht, an increase of 30.99 million Baht or an increase of 18.72% from the previous year, which was 165.51million Baht. Due to the year 2020 the company recognized revenue from Gene testing services in the amount of 2.30 million Baht, revenue from special services of 15.16 million Baht, and because the company has an increasing number of maintenance service contracts from the same period of the previous year. Due to the product warranty period according to the purchase contract after the delivery of many clients expires. Therefore, there are more continual maintenance contracts.

## 3) Revenue from Construction

Revenue from construction is the revenue generated from the contract for the establishment of a cancer patient center with proton particles. The company received the project and started construction in the second quarter of 2017 and will be recognized by the proportion of work completed.

In the year 2018, the company had revenue from construction of 63.94 million Baht, based on percentage of completion (PoC). At this point, the company recognized 83.44% of total revenue from construction.

In the year 2019, the company and its subsidiary recognized revenue from construction of 35.82 million Baht





which the Company recorded cost of construction according to percentage of completion. Therefore, as of 31 December 2019, the Company has recognized revenue from construction of the project of 99.63%.

In the year 2020, the company and its subsidiaries had construction income of 0.82 million Baht, with the company gradually recognizing construction income from the ratio of the cost of the contract work completed compared with the total construction cost estimate as of 31 December 2020 the company recognized revenue from the construction of the said project totaled 100.00%

#### 4) Revenue from hospital operations

Revenue from hospital operations investment in Cancer Alliance Co., Ltd. ("CAH") as subsidiary to operate specialized hospital for cancer treatment. The subsidiary started its operations in 1 October 2019. For the year 2019 and 2020, the company and its subsidiary generated a revenue from hospital operations of 2.28 million Baht and 30.98 million Baht, respectively.

### Costs and Gross Profit Margins

The company's costs of sales, services, construction and Hospital Operation in the year 2018, 2019 and 2020 were 501.11 million Baht, 540.25 million Baht and 621.90 million Baht or 75.39%, 73.60% and 81.28% of total revenues respectively. As a result, the total gross profit of the company was 157.41 million Baht, 184.26 million Baht and 133.44 million Baht or a gross profit margin of 23.90%, 25.43% and 17.67% respectively. The total cost can be divided into the cost of sales of goods, cost of rendering of services, cost of construction and cost of hospital operations. which correspond to the types of revenue. This change can be explained as follows:

Structures of Costs to Total Revenue 2018-2020

Type of cost	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of sales of goods	335.82	50.52	362.54	49.39	416.07	54.38
Costs of rendering of services	107.20	16.13	138.25	18.84	157.21	20.55
Costs of construction	58.09	8.74	28.93	3.94	0.77	0.10
Cost of hospital operations	0.00	0.00	10.53	1.43	47.85	6.25
<b>Costs of sales, services and construction</b>	<b>501.11</b>	<b>75.39</b>	<b>540.25</b>	<b>73.60</b>	<b>621.90</b>	<b>81.28</b>

Cost of Operation and Cost to Revenue Ratio by Type of Operation

Cost of Operation and Cost to Revenue Ratio by Type of Operation	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of sales of goods	335.82	72.26	362.54	69.60	416.07	78.94
Costs of rendering of services	107.20	82.56	138.25	83.53	157.21	80.00
Costs of construction	58.09	90.85	28.93	80.76	0.77	93.91



Cost of Operation and Cost to Revenue Ratio by Type of Operation	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Costs of construction	58.09	90.85	28.93	80.76	0.77	93.91
Cost of hospital operations	0.00	0.00	10.53	460.49	47.85	154.45
<b>Total costs</b>	<b>501.11</b>		<b>540.25</b>		<b>621.90</b>	

Gross (Loss) Profit and Cost to revenue Ratio by type of operation

Gross Profit and Cost to Revenue Ratio by type of operation	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross profit from sales of goods	128.91	27.74	158.36	30.40	110.97	21.06
Gross profit from rendering of services	22.65	17.44	27.26	16.47	39.29	20.00
Gross profit from construction	5.85	9.15	6.89	19.24	0.05	6.09
Gross Loss hospital operations	0.00	0.00	(8.25)	(360.49)	(16.87)	(54.45)
<b>Total gross profit</b>	<b>157.41</b>		<b>184.26</b>		<b>133.44</b>	
<b>Gross profit margin (%)<sup>†</sup></b>	<b>23.90%</b>		<b>25.43%</b>		<b>17.67%</b>	

<sup>†</sup> Gross profit margin is calculated from the total of the gross profit divided by the total of revenue from sales, services, construction and hospital operations.

1) Cost of sales of goods and gross profit margin from sales of goods

The cost of sales of goods is comprised of the costs of merchandise which include medical equipment and other accessories, material, interior decoration to ready the space for installation of radiation equipment, labor, travel, transportation, consultation for the project implementation as well as other costs and provision for contractual guarantees. The cost of merchandise is the largest proportion of the costs at approximately 70-80 percent of the cost of sales. The company purchased such equipment from multiple vendors, both foreign and domestic. As for the labor cost, the company hired subcontractors to carry out structural work such as structural construction, electrical, mechanical and air conditioning systems and interior renovation, by contracting for materials and labor or labor only, in order to reduce the load on personnel management and labor. Hiring subcontractors also allowed for efficient cost management.

The company and its subsidiary had cost of sales in the year 2018, 2019 and 2020 were 335.82 million Baht, 362.54 million Baht and 416.07 million Baht. Gross profit from sales in 2018, 2019 and 2020 were 128.91 million Baht, 158.36 million Baht and 110.97 million Baht, or 27.74%, 30.40% and 21.06% of the gross profit margin of sales to revenues from the sales respectively.

In the year 2018, The company and its subsidiary had gross profit for sales of goods of 128.91 million Baht or 27.74% of gross profit margin, which was higher than that of the previous year of 11.54%. This was due to improved cost management during the period.

In the year 2019, the company and its subsidiary had a gross profit from sales of 158.36 million Baht or equivalent to gross profit margin of 30.40%, of the same period of previous year at 27.74%.



In the year 2020, the company and its subsidiaries had gross profit from sales of 110.97 million Baht or equivalent to 21.06% of gross profit from sales. This is lower than the same gross profit margin of the previous year which was 30.40% lower gross profit margin due to the delivery of large projects. This is normal gross margin of the project work.

2) Cost of rendering of services and gross profit margin from rendering of services

The cost of rendering of services can be classified into the following 3 types:

2.1 The cost of the maintenance agreement and/or software systems upgrades service back-to-back contracts, which the company made with the subcontracting company for the maintenance of the products within the scope of services of the manufacturer. For this type of service, when a customer needs maintenance or has problems with any part of the products, the company can coordinate and arrange for the manufacturing company to provide maintenance or solutions to its clients without any costs to the company.

2.2 The cost of labor and materials for the maintenance of medical equipment for customers, for the maintenance, service and supply of equipment not covered by the back-to-back maintenance contract with the subcontractor. Such costs are incurred when a customer requests for service on a case by case basis, based on the nature of the problem.

2.3 The cost of genetic testing services

In the year 2018, 2019 and 2020 the Company and its subsidiary had cost of services were 107.20 million Baht, 138.25 million Baht and 157.21 million Baht and gross profit from services during such periods were 22.65 million Baht, 27.26 million Baht and 39.19 million Baht representing 17.44%, 16.47% and 20.00% of the gross profit margin from services to revenues from services respectively.

In the year 2018, the company has gross profit from service rendering of 22.65 million Baht or 17.44% of service rendering revenue which was lower than that of the previous year of 25.11%. This was because of delay in process of contract renewal on some cases, leading to an occurrence of maintenance cost over revenue in the period.

In the year 2019, the company and its subsidiary had a gross profit from services of 27.26 million Baht or equivalent to gross profit margin of 16.47%, of the same period of previous year at 17.44%.

In the year of 2020, the company and its subsidiaries had gross profit from services of 39.29 million Baht, with a gross profit margin of 20.00% of service revenue. This is close to the same gross profit margin of the previous year, which was 16.47%.

3) Cost of construction

Construction cost derived from the establishment of project centers treating cancer patients with protons radiotherapy with King Chulalongkorn Memorial Hospital, which commenced in the 2nd quarter of 2017. In the year 2018, the company had cost of construction of 58.09 million Baht with gross profit of 5.85 million Baht or 9.15% of revenue from construction, following the budgeted gross margin of the projects.

In the year 2019, the company and its subsidiary generated gross profit margin from construction of 6.89 million Baht or equivalent to gross profit margin of 19.24%. Because for the Quarter 4 ended 31 December 2019 the construction cost has been decreased classification of construction insurance cost cover to the construction

and machine installation contracts. However, total gross profit margin project of 10.75% according to construction budget.

In the year 2020, the company and its subsidiaries had a gross profit from construction of 0.05 million Baht, with a gross profit margin of 6.09% of the construction revenue. The gross profit margin for the project is in line with the project budget.

### **Distribution costs**

Distribution costs consist mainly of expenses related to salaries and benefits for employees. In addition, expenses in this segment included commissions and other sales costs such as customer training seminars, product exhibits, etc. In 2018, 2019 and 2020, the company's cost of sales were 20.20 million Baht, 21.89 million Baht and 14.07 million Baht, or 3.04%, 2.98% and 1.84% of the total revenues respectively.

In the year 2018, the company had distribution cost of 20.20 million Baht, increasing by 11.43 million Baht or 130.19% from the previous year. The reason behind this was mainly an increase in personnel expense on selling department as well as higher advertising expense on new service (Genetic Test Service).

In the year 2019, the company and its subsidiary had a distribution cost of 21.89 million Baht, increasing by 1.69 million Baht or 8.34% of the same period of previous year at 20.20 million Baht.

In the year 2020, the company and its subsidiaries had selling expenses equal to 14.07 million Baht, a decrease of 7.82 million Baht or 35.71% from the same period of the previous year. The main reason for the decrease was the reduction of travel expenses for the sales representative, advertising and promotion expenses and the cost of exhibiting products.

### **Administrative Expenses**

Significant administrative expenses consist of salaries, bonuses, employee expenses, miscellaneous expenses, depreciation and other charges, etc. The company's administrative expenses were relatively stable, and in the year 2018, 2019 and 2020 were 42.85 million Baht, 55.69 million Baht and 42.65 million Baht representing 6.45%, 7.59% and 5.57% of the total revenues, respectively.

In the year 2018, the company had administrative expenses of 42.85 million Baht, increasing by 11.90 million Baht or 38.43% from the previous year. The increase was mainly due to higher personnel expense, advisory fee and administrative expenses from the subsidiary which was 5.80 million Baht.

In the year 2019, the company and its subsidiary had administrative expenses of 55.69 million Baht, increasing by 12.84 million Baht or 29.98% compared to the previous year. the Company subsidiary had administrative expenses increase was due to human resource expenses and advisory fees which related to business operation and depreciation of fixed asset.

In the year 2020, the company and its subsidiaries have administrative expenses equal to 42.65 million Baht or a decrease of 13.04 million Baht or 23.42% decrease from the previous year. The main reason for the decrease was the separation of administrative expenses and hospital business costs of the subsidiary. Compared with the same period of the previous year, expenses were recognized before the start of the hospital operation as administrative expenses in the whole amount.



### Expenses for researching and developing technology and innovation

Because the company engages in business as an importer distribution and installation of medical devices for cancer patients using radiotherapy. The company does not have the cost of research and development in terms of production or product innovation.

### Financial costs

Financial expenses comprise interest expenses resulting from the use of credit lines from financial institutions and/or other financing sources, such as interest expenses in the use of credit lines, Letters of Credit (L/C), trust receipts and interest on debt agreements and interest expenses for construction hospital and purchase medical equipment, etc. In the year 2018, 2019 and 2020, the company had a financial cost of 1.04 million Baht, 7.53 million Baht and 22.45 million Baht or 0.16%, 1.02% and 2.93% of the total revenue respectively.

### Net Profit and Net Profit Margin

The company's net profit in the year 2018, 2019 and 2020 were 80.60 million Baht, 91.46 million Baht and 44.40 million Baht respectively. In the year 2018, net profit of the company was 80.60 million Baht or increased by 95.89% from the previous year. In the year 2019, net profit of the company was 91.46 million Baht or increased by 13.47% from the previous year. In the year 2020, a net profit of 44.40 million Baht or decreased by 51.45%.

The net profit margins of the company and its subsidiary in the year 2018, 2019 and 2020 were 12.13 %, 12.46% and 5.80%, respectively, which could explain the change in the net profit margin indicated below.

In the year 2018, the company had net profit of 80.60 million Baht with net profit margin of 12.13%, which was higher than that of the previous year of 41.15 million Baht with net profit margin of 6.60%. Higher net profit margin was mainly driven by increased gross profit which lead to lower fixed cost per revenue.

In the year 2019, the company and its subsidiary had a net profit attributable to equity holder of the parent of 91.46 million Baht, or equivalent to net profit margin of 12.46% compared to the previous year, which had the net profit attributable to equity holder of the parent of 80.60 million Baht of the same period of previous year at 12.13%.

In the year 2020, the company and its subsidiaries had total comprehensive income from equity of the major shareholder of the company equal to 44.40 million Baht or 5.80% net profit margin compared to the same period of the previous year with total comprehensive income from shareholders' equity. The company's net profit margin was 91.46 million Baht or 12.46 percent of net profit margin. Because the company has a lower gross margin and loss from exchange rate.

### Return on Equity

The company and its subsidiary had returns on equity for the year 2018, 2019 and 2020 were 15.00%, 15.92% and 7.93%, respectively.

In the year 2018 and 2019, the company had higher Return on Equity as a result from greater net profit in year. In the year 2020, the return on equity is lower than the previous year. Due to decrease in net profit.

## Financial Position of the company

### Total assets

As of 31 December 2018, 2019 and 2020, the company and its subsidiary had total assets of 943.42 million Baht, 1,656.57 million Baht and 2,032.65 million Baht respectively. Significant assets that influenced the changes in the total assets of the company are as follows:

### Current assets

As of 31 December 2018, 2019 and 2020, the company's total current assets were 573.02 million Baht, 1,232.03 million Baht and 1,614.19 million Baht representing 60.74 %, 74.37% and 79.41% of the total assets, respectively. The details of each significant item are as follows:

- **Cash and cash equivalents:** On 31 December 2018, 2019 and 2020, cash and cash equivalents were at 119.28 million Baht, 102.41 million Baht and 206.56 million Baht, or 12.64%, 6.18% and 10.16% of the total assets respectively, which consists of petty cash current deposits and fixed deposits. In the year 2018, the company and its subsidiary had decreased cash and cash equivalents, due to invest 130 million Baht in subsidiary companies and invest in inventories for the project that will be delivered in year 2019. In the year 2019, the company and its subsidiary had cash and cash equivalents of the same period of previous year. In the year 2020, cash and cash equivalents increased. Project work delivered in Q4' Y2020 will be paid from trade accounts receivable by the end of year 2020.
- **Trade accounts and other receivables - net :** As of 31 December 2018, 2019 and 2020, the company and its subsidiary had a net value of trade accounts receivables and other accounts receivables of 243.28 million Baht, 203.55 million Baht and 187.51 million Baht, or 25.79%, 12.29% and 9.22% of the total assets, respectively, which are described below:

(Unit : Million Baht)

	31 Dec 2018	31 Dec 2019	31 Dec 2020
Trade accounts receivables	219.03	161.26	131.36
Less the allowance for doubtful accounts	(0.00)	(0.00)	(0.00)
Trade accounts receivables - net	219.03	161.26	131.36
Other accounts receivables - net	24.25	42.29	56.15
<b>Total trade accounts and other receivables - net</b>	<b>243.28</b>	<b>203.55</b>	<b>187.51</b>

The evaluation of trade accounts receivables as of 31 December 2018, 2019 and 2020 showed that, in the year 2018, main customer of trade account receivables were Maharat Nakhon Ratchasima Hospital and King Chulalongkorn Memorial Hospital. In the year 2019, main customer of trade account receivables were Bhumibol Adulyadej Hospital and Thachalom Hospital. In the year 2020, major trade accounts receivable such as Bangkok Dusit Medical Services Public Company Limited.

The company has an allowance for doubtful accounts in the amount of receivables unexpected to be billed, based on debt collection experience in the past, coupled with the current status of existing receivables. However, due





to customers being mainly medical university hospitals and cancer hospitals affiliated with the Department of Medical Services under the Ministry of Health, the likelihood of collection of receivables is not considered low. Consequently, the company did not set up the allowance for doubtful accounts. In the past, the company has never faced any problem in debt collection from customers, and has not had any bad debt during its operation.

	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Value of Trade accounts Receivables</b>	187.94	85.81	122.97	76.26	50.73	38.62
<b>Overdue</b>						
- Not over 3 months	1.27	0.58	2.07	1.28	1.67	1.27
- Over 3 months	-	-	-	-	0.40	0.30
<b>Total trade accounts receivables</b>	<b>189.21</b>	<b>86.39</b>	<b>125.04</b>	<b>77.54</b>	<b>52.80</b>	<b>40.19</b>
Unbilled trade receivables	27.18	12.41	33.43	20.73	78.56	59.81
Long-term trade accounts receivables Due in 1 year	2.64	1.20	2.79	1.73	0.00	0.00
<b>Trade accounts receivables - net</b>	<b>219.03</b>	<b>100.00</b>	<b>161.26</b>	<b>100.00</b>	<b>131.36</b>	<b>100.00</b>

The company has a policy of providing a credit term with trade receivables for a period not exceeding 90 days. The above table shows the value of receivables sorted by aging which indicates that trade receivables are mainly current receivables that are not yet due for payment, which equals 187.94 million Baht, 122.97 million Baht and 50.73 million Baht or 85.81%, 76.26% and 38.62% of total trade receivables as of 31 December 2018 and 2019, 2020 respectively.

For other receivables such as unbilled trade receivables are receivables that the company already rendered the services but had to wait for billing invoice due to conditions specified in the contract. The accounts receivable arising from the sale of goods that have successfully transferred control over the products to customers but are pending billing from customers. For long-term trade accounts receivables due in one year are receivables from a software upgrade agreement with a client which permits the payment to be made in annual installments.

- **Construction contract work in progress** : As of 31 December 2018, 2019 and 2020, the construction contract work in progress valued 76.63 million Baht, 22.77 million Baht 7.19 million Baht, which was during invoice billing for the project center treating cancers with proton radiotherapy to the King Chulalongkorn Memorial Hospital
- **Inventories - net** : As of 31 December 2018, 2019 and 2020, the company had a net value of inventories of 72.30 million Baht, 770.83 million Baht and 1,117.49 million Baht, or 7.66%, 46.53% and 54.98% of the total assets, respectively.

	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Medical equipment and work in progress	67.56	93.44	766.14	99.39	1,111.48	99.46
Spare parts and supplies	3.60	4.98	3.81	0.49	1.06	0.09
Medicines, supplies and other materials	-	-	0.59	0.08	1.07	0.10
Goods in transit	1.14	1.58	0.29	0.04	3.88	0.35
<b>Inventories – net</b>	<b>72.30</b>	<b>100.00</b>	<b>770.83</b>	<b>100.00</b>	<b>1,117.49</b>	<b>100.00</b>

As of 31 December 2018, 2019 and 2020, the company's Inventories are primarily products that are in the process of being installed for the clients, valued at 67.56 million Baht, 766.14 million Baht and 1,111.48 million Baht, respectively.

In the year 2019, the company and its subsidiary had inventories increase from medical equipment and work in progress of being installed for the Protons radiotherapy of King Chulalongkorn Memorial Hospital and Faculty of Medicine Siriraj Hospital Mahidol University.

In the year 2020 there will be a large increase in inventories. This is because the medical equipment and work in process awaiting installation for customers in accordance with the project contract establishing a cancer treatment center with proton particles. To Chulalongkorn Hospital, The Thai Red Cross Society, Chulabhorn, Faculty of Medicine, Ramathibodi Hospital and Sawan Pracharak Hospital.

- **Other current financial assets** : As of December 31, 2018, 2019 and 2020, the value is 60.88 million Baht, 115.42 million Baht and 95.44 million Baht, or equivalent to 6.46%, 6.97% and 4.70% according to other current financial assets include fixed deposits, which are used as collateral for credit facilities from local banks. In the year 2018, For the year 2019 and 2020, The company and its subsidiaries have more current financial assets. As the company operates many large projects Therefore, it is necessary to deposit money in a fixed deposit account to guarantee the bank's project credit.

#### Non-current assets

As of 31 December 2018, 2019 and 2020, the company's non-current assets were valued at 370.40 million Baht, 424.54 million Baht and 418.46 million Baht, or 39.26%, 25.63% and 20.59% of total assets, respectively, as described in each of the following:

- **Other non-current financial assets** : As of 31 December 2018, 2019 and 2020, the Company's other long-term investments valued 30.75 million Baht, 9.00 million Baht and 11.99 million Baht or 3.26% and 0.54% and 0.59% of total assets. This investment is 12-month fixed deposits as collateral with financial institution for loan of project cancer treating cancers with proton radiotherapy to the King Chulalongkorn Memorial Hospital.
- **Long-term trade receivables** : As of 31 December 2018, 2019 and 2020, the company had long-term trade accounts receivables of 2.79 million Baht, 0.00 million Baht, and 0.00 million Baht or 0.30%, 0.00% and 0.00% of total assets, respectively. The company's Long-term trade accounts receivables were usually from software upgrade agreements with clients, which permits the payment to be made in annual installments.



- **Property, Plant and Equipment - net** : As of 31 December 2018, 2019 and 2020, the company's net value of property, plant and equipment was 141.77 million Baht, 405.47 million Baht, and 387.84 million Baht, or 15.03%, 24.48% and 19.08% of total assets, respectively, consisting of office supplies, office improvements, vehicles, etc. In the year 2018, the company had significantly higher property, plant and equipment due to an investment in land and building of Cancer Center Project in its subsidiary. In the year 2019, the company and its subsidiary had significantly higher property, plant and equipment due to construction hospital completed and purchase medical equipment.
- **Right of use assets** : As 31 December 2020 the Company and its subsidiary had Right of use assets valued 6.70 million Baht or 0.33% of total assets. For the office lease agreement of the company of 5.53 million Baht and the lease medical equipment of the subsidiary 1.17 million Baht.
- **Advance for purchase of medical equipment** : As of 31 December 2018, 2019 and 2020, the company had advance purchase of medical equipment for the overseas supplier valued 89.86 million Baht, 89.86 million Baht and 0.00 million Baht or 11.71%, 9.52% and 0.00% of total assets under the project center treating cancer patients with protons radiotherapy to King Chulalongkorn Memorial Hospital.
- **Other non-current assets** :As of 31 December 2018, 2019 and 2020 the company and its subsidiary had other non-current assets valued 98.36 million Baht, 0.44 million Baht 0.97 million Baht or 10.43%, 0.03% and 0.05% of total assets. In the year 2018 Other non-current assets include fair value of unrecognized firm commitments of 33.76 million Baht, advance payment from radiotherapy project of 48.06 million Baht, deferred charges of 3.19 million Baht, advance payment for construction of Cancer Center Project of 12.86 million Baht and office rental deposit of 0.47 million Baht respectively. In the year 2019, the company and its subsidiary had other non-current assets from office rental deposit of 0.44 million Baht. In the year 2020, the company has other non-current assets, which is the office rental deposit of 0.41 million Baht and the electricity meter security of the subsidiary 0.48 million Baht.

## Sources of Funds

### Debt

#### Total liabilities

As of 31 December 2018, 2019 and 2020, the company had total liabilities of 313.74 million Baht, 1,012.19 million Baht and 1,458.15 million Baht, respectively, or 33.26 %, 61.10% and 71.74% of the liabilities and shareholders' equity, respectively. The liabilities with major changes are as follows:

#### Current liabilities

As of 31 December 2018, 2019 and 2020, the company's current liabilities values were 144.82 million Baht, 773.56 million Baht and 1,197.31 million Baht, respectively, or 15.35%, 46.70% and 58.91% of liabilities and shareholders' equity, respectively. The details of each significant item are as follows:

- **Short-term borrowing from financial institutions**: As of 31 December 2018, 2019 and 2020 were 0.00 million Baht, 256.58 million Baht and 249.47 million Baht, or 0.00%, 15.49% and 12.27% of liabilities and shareholders' equity respectively. In the year 2019 and year 2020, the company and its subsidiary had Shortterm borrowing from financial institutions for promissory note and trust receipts purchase Medical equipment.
- **Trade and other payables** : As of 31 December 2018, 2019 and 2020 were 103.31 million Baht, 433.68 million Baht, and 909.33 million Baht, or 10.95%, 26.18% and 44.74% of liabilities and shareholders' equity respectively, as described in the table below:



(Unit : Million Baht)

	31 Dec 2018	31 Dec 2019	31 Dec 2020
Trade accounts payables	57.50	273.91	400.49
Accrued expenses	13.40	3.39	2.60
Advance Deposits	23.22	144.30	498.56
Other accounts payables	9.19	12.08	7.68
<b>Total trade accounts and other payables</b>	<b>103.31</b>	<b>433.68</b>	909.33

From above information, most payables are trade payables from the orders of various medical equipment from abroad to be used in its ongoing projects. Other payables include some accrued expenses and deposit from customers etc.

- **Other current provisions** : As of 31 December 2018, 2019 and 2020, the company had outstanding liabilities under contractual warranties of 21.37 million Baht, 15.76 million Baht and 10.40 million Baht, or 2.27%, 0.95% and 0.51% of liabilities and shareholders' equity, respectively. The above items are provisions for the contractual product warranties provided after delivery, the costs of which are a part of the business that the company shall be responsible for, as the manufacturer does not provide such warranty provisions. Moreover, provision for training cost was also included.
- **Other current financial liabilities** : As of 31 December 2018, 2019 and 2020, the company and its subsidiary had Other current financial liabilities, which were fair value of forward contracts under the project center treating cancer patients with protons radiotherapy, equaled to 11.46 million Baht, 41.61 million Baht and 10.47 million Baht. Representing the ratio of liabilities and shareholders' equity equal to 1.21%, 2.51% and 0.52% which is the fair value of the forward foreign exchange contract for the contract for the project center treating cancer patients with protons radiotherapy for King Chulalongkorn Memorial Hospital.

#### Non-current liabilities

As of 31 December 2018, 2019 and 2020, the company had non-current liabilities of Baht 168.92 million, 238.63 million Baht and 260.84 million Baht, or 17.91%, 14.41% and 12.83% of liabilities and shareholders' equity respectively, as described below.

- **Long-term trade payable** : As of 31 December 2018, 2019 and 2020, the company's long-term accounts payables were valued at 3.32 million Baht, 0.00 million Baht and 0.00 million Baht, or 0.35%, 0.00% and 0.00% of liabilities and shareholders' equity, respectively. In the year 2018, 2019 and 2020, the company's Long-term trade payables were usually from software upgrade agreements that the company buys from its supplier, to be resold to clients in contracts which permits the payment to be made in annual installments.
- **Long-term borrowings** : As of 31 December 2018, 2019 and 2020, the Company and its subsidiary had Long-term borrowings were valued at 0.00 million Baht, 228.74 million Baht and 245.03 million Baht, or 0.00%, 13.81% and 12.06% of liabilities and shareholders' equity, respectively. In the year 2019 and year 2020, the company and its subsidiary had long-term borrowings for construction hospital and purchase medical equipment due within one year of 11.55 million Baht and 9.49 million Baht, respectively. Due after one year 228.74 million Baht and 245.03 million Baht respectively.



- **Liabilities under lease agreements** : As of December 31, 2018, 2019 and 2020, the company and its subsidiaries had lease liabilities equal to 0.00 million Baht, 1.18 million Baht and 5.32 million Baht, accounting for liabilities and shareholders' equity equal. 0.00%, 0.07% and 0.26%, respectively. In the year 2019, the liabilities under hire-purchase of medical devices under the subsidiary's hire-purchase agreements. Which consisted of liabilities due within one year equal to 0.32 million Baht and repayment of more than one-year amount of 1.18 million Baht. These consist of liabilities due within one year equal to 0.32 million Baht and repayment of more than one year equal to 0.88 million Baht and liabilities under the company's office apartment lease agreement. Which comprises of the liabilities due within one year of 1.25 million Baht and the portion due over one year of 4.44 million Baht.
- **Advance from customer** : As of 31 December 2018, 2019 and 2020, the company's advance from customer was 135.04 million Baht, 0.00 million Baht and 0.00 million Baht or 14.32%, 0.00% and 0.00% of liabilities and shareholders' equity. The advance from customer existed as the Company received an installment under the project center treating cancer patients with protons radiotherapy for King Chulalongkorn Memorial Hospital.
- **Other non-current financial liabilities** : As of 31 December 2018, 2019 and 2020, Other non-current financial liabilities, which were fair value of forward contracts under the project center treating cancer patients with protons radiotherapy, equaled to 22.96 million Baht, 0.000 million Baht and 0.00 million Baht. Representing the ratio of liabilities and shareholders' equity equal to 2.44%, 0.00% and 0.00% which is the fair value of the forward foreign exchange contract for the contract for the project center treating cancer patients with protons radiotherapy for King Chulalongkorn Memorial Hospital.

## Shareholders' Equity

As of 31 December 2018, 2019 and 2020, the shareholders' equity of the company was 561.91 million Baht, 587.26 million Baht and 532.16 million Baht, or liabilities and shareholders' equity 59.56%, 35.45% and 26.18% liabilities and shareholders' equity respectively. The details of each significant item are described in the following list:

- **Premium on ordinary shares** : As at 31 December 2018, 2019 and 2020, the Company had a share premium of 222.33 million Baht, 222.33 million Baht and 222.33 million Baht representing 23.57%, 13.42% and 10.94% of total liabilities and shareholders' equity.
- **Retained earnings** : As of December 31, 2018, 2019 and 2020, the company had unallocated earnings of 119.57 million Baht, 144.93 million Baht, and 89.83 million Baht, representing of total liabilities and shareholders' equity. 12.67%, 8.75% and 4.42% respectively, In the year 2018, annual shareholder meeting of 2018 has resolved to approve dividend payment of 32 million Baht, affecting retained earning as at 31 December 2018 to be 119.58 million Baht. In the year 2019, annual shareholder meeting of 2019 has resolved to approve dividend payment of 64 million Baht, affecting retained earnings as at 31 December 2019 to be 144.93 million Baht. In the year 2020, the Annual General Meeting of Shareholders 2020 approved a dividend payment of 100 million Baht, resulting in as of December 31, 2020, the company had unallocated retained earnings equal to 89.83 million Baht.

## Debt to Equity Ratio

As of 31 December 2018, 2019 and 2020, the company had a ratio of debt to equity of 0.56 times, 1.72 times and 2.74 times respectively and interest-bearing debt to equity ratio of 0.00 times, 0.85 times and 0.95 times respectively.

### Interest Coverage and Debt Service Coverage Ratios

In the year 2018, 2019 and 2020, the company and its subsidiary had an interest coverage ratio of (103.31) times, (24.96) times and 20.92 times respectively. From the above data, it can be observed that the company's interest coverage ratio was volatile each year, depending on whether the company was able to deliver the projects and receive payments within the accounting period or not. In the year 2018, the company had negative interest coverage ratio because lower cash payment from customers even though project tasks has been proceeded, leading to negative cash flow. In the year 2019, the company and its subsidiary had negative interest coverage ratio because purchase medical equipment and work in progress of being installed for the customer, leading to negative cash flow. In the year 2020, the company has delivered work in Q4'2020 and can be billed to customers within the year. Causing the cash flow from operation to increase and resulting in better interest coverage ratio.

In the year 2018, 2019 and 2020, the company and its subsidiary had a ratio of debt service coverage of (0.90) times, (0.49) times and 1.58 times respectively. The reason such ratios fluctuated was partly from fluctuations in cash flow from the operation in each period.

Although in some periods, the ratio of interest coverage and debt service coverage were negative, reflecting a lack of cash flow from operations to repay incurred obligations, the company managed its liquidity by using short-term loans from financial institutions such as L/C or T/R or O/D, etc. It is common for businesses typically to get paid by customers only upon delivery. If payment was not received within the prescribed period, the company managed the lack of liquidity with short-term loans from financial institutions. However, after the Company was listed on the Stock Exchange of Thailand, the funds raised from the Initial Public Offering can be used as an alternative source of working capital.

### Liquidity

As of 31 December 2018, 2019 and 2020, the company and its subsidiary had current assets of 573.02 million Baht, 1,232.03 million Baht and 1,614.19 million Baht, or 60.74%, 74.37% and 79.41% of total assets respectively.

As of 31 December 2018, 2019 and 2020, the Company and its subsidiary had current liabilities of 144.82 million Baht, 773.56 million Baht and 1,197.19 million Baht or equal to 15.35%, 46.70% and 58.91% of the liabilities and shareholders' equity respectively. The changes in such current assets and current liabilities caused the company and its subsidiary liquidity ratio in the year 2018, 2019 and 2020 to be 3.96 times, 1.59 times and 1.35 times respectively, and the quick ratio was 2.75 times, 0.49 times and 0.36 times respectively. In the year 2018, company's liquidity level was dropped as cash has been used in Cancer Center project in its subsidiary. In the year 2019 and year 2020, the company and its subsidiary had liquidity ratio level was dropped as increase short term borrowings from financial institution.

### Cash Cycle

As of 31 December 2018, 2019 and 2020, the company had a cash cycle of 68 days, 264 days, and 420 days respectively. From the above information, it can be observed that the company had a relatively long average cash cycle as the company was engaged primarily in the form of projects, which took a rather long time to complete. As a result, the company's inventories were high, leading to a low inventory turnover ratio and longer than average sale period. The average collection period of the company was prolonged as well, since the company delivered and billed for projects with high values at the end of the year, causing a year-end increase in trade accounts receivable. Consequently, the accounts receivable turnover ratio was lowered. Additionally, the purchases of merchandise from foreign or local manufacturers require a short period of repayment leading to a high creditor turnover ratio.





Also, it can be observed that the cash turnover ratio fluctuated throughout such period due to the unique nature of the business of the company, where revenue will only be recognized when transfer of control over products to customers is complete.

### Cash flow for fiscal year 2020 ended 31 December 2020

#### Net cash provides by (used in) operating activities

The company's cash flows from operating activities was 193.32 million Baht, mainly from decrease in trade accounts receivable and other receivables and an increase in trade payables and other payables.

#### Net cash provides by (used in) investing activities

The company had net cash acquired in investing activities equal to 16.48 million Baht, resulting from a decrease in cash flow from fixed deposit amount of 16.98 million Baht.

#### Net cash provides by (used in) financing activities

The company's cash flows used in financing activities was (105.54) million Baht, due to a significant outflow of cash payment of interest 11.18 million Baht and dividends payment of 99.95 million Baht.

### Factors which may affect the company's future operations

As the company's main business deals with products that are very specific in terms of technology, there are certain aspects that could affect the company's performance:

1. Standard accounting practice states that the company must recognize its revenue only when it has completely transferred the risks concerning the product to the client. For high-value projects, it takes about 210-360 days (from the date of the sale contract) to complete and hand over the project to the client, which is when the revenue can be entirely recognized. Therefore, in the case that the company is unable to hand the project over to the client in the planned quarter, especially regarding high-value projects, the company risks fluctuations in its performance each quarter.
2. Because of the specialty of the company's products which have a lifespan of 12-15 years, in conjunction with the slow pace of technological advancement in the field of radiotherapy, the time for the product's replacement could be relatively long and the company's client base can be considered a niche market, which is limited to the healthcare sector. Therefore, it is possible that these two factors could affect the company's growth in the long term, as there are risks concerning the continuity of future sales.
3. Interest rate risk that may arise from future changes in market interest rates. This may affect the company due to borrowing from financial institutions.

However, the World Health Organization (WHO) predicts a continual growth in the number of cancer patients in Thailand, despite not having enough radiotherapy machines in the country. The company, therefore, believes that there will be a constant demand from the existing clientele, as they continually allocate their budget (both from the state and private sectors) towards buying the company radiotherapy products to fulfill the high demands from patients. The necessity of the radiotherapy machines presents an opportunity for the healthcare sector to consider its investments into these products.



## Impact of the Coronavirus Disease 2019 (COVID-19) Outbreak

From the situation of the outbreak of the Coronavirus Disease 2019 (“COVID-19”). The company would like to inform that the current overall operations of the company were partly affected. The company would like to provide additional information as follows;

1. Project installation plan that requires foreign experts at some stage in the installation process. The impact of restriction of international travel resulting in foreign experts to delay the start of the installation in the relevant steps which causes an impact on the time of delivery
2. Importing medical devices or equipment for installation of certain items that must be imported from abroad. The impact of the international shipping system, change of flight in transportation, flight cancellation resulting in medical devices and/or that equipment has the import deadline delay from the specified period which causes an impact on the time of delivery

However, the effect in items 1 and 2 is a force majeure condition that the company can proceed with requesting an extension of the working period under the contract including the reserve the right to refrain from fines to the parties.

3. Impact on interest expenses as in undertaking large projects in each project, the company will mainly use bank funding. Therefore, when the period of delivery is extended. The company will also be affected by the increased interest payments.
4. Sources of funds and liquidity used in operations, the company was not affected by such factors. Moreover, the company has not suffered from bad debt problems. Due to the majority of the company’s debtors are government agencies.



## Corporate Governance

The company operates its business with responsibility, transparency and fairness within the framework of the code of conduct of the company and on the basis of benefits and happiness in a balanced and sustainable manner. The Board of Directors is a good role model in adhering to the principles of corporate governance and ethics. With the aim of developing the organization to be a model of corporate governance. It is defined in the vision of the company. The belief that corporate governance principles, it will be a management system that will cause fairness, transparency, can generate returns and add long-term value to the shareholders. This includes building confidence to all stakeholders and supporting the competitiveness of the company for sustainable growth.

The Board of Directors is responsible for take care of corporate governance as well. Both policy and practice monitor and supervise the performance of the Board of Directors and management in accordance with the corporate governance policy. As well as review the practices to make them appropriate for business operations and in line with this corporate governance policy practice. Regularly at least once a year as the main agenda in the Board of Directors' meeting.

**The Company's Corporate Governance policy** consists of 5 categories:

### Section I. Rights of Shareholders

The Board of Directors recognizes the importance of respecting the fundamental rights of shareholders by adhering to the principles of fair treatment of shareholders at all times, in strict compliance with the law, such as rights to freely transfer the company's stock, rights to receive their share of profits in the form of dividends, rights to access the company's news and information, rights to attend the shareholders' meeting and vote on various agendas, to appoint a proxy to attend the meeting, to appoint directors and auditors, to express their opinions and query directors at the shareholders' meetings as well as the right to propose an agenda and nominate directors in advance. The company has strictly ensured that shareholders maintain such rights and has not in any way violated or diminished the rights of shareholders.

- 1.1 Organizing the shareholders' meeting
- 1.2 Procedure on the day of the shareholders' meeting
- 1.3 Preparing the minutes and disclosure of the resolutions of the shareholders' meeting

### Section II. Equal Treatment of Shareholders

Building confidence in the shareholders that the company's Board of Directors and Management will control the use of shareholder money appropriately is a critical factor to help foster investors' trust. Therefore, the Board should ensure that all shareholders receive equal treatment and protection of their fundamental rights as follows.

- 2.1 The right to appoint a proxy to attend the General Shareholders' Meeting and vote
- 2.2 The right to propose additions to the agenda
- 2.3 The right to nominate individuals to be appointed as Directors
- 2.4 Preventing the use of insider information

The company has a policy restricting the use of internal information to a specific circle consisting of intermediate to senior executives within the relevant department or within the company. Verified financial

statements will be stored by the Director of Finance and Accounting. Other confidential information will be used for discussion only with individuals in the managerial level and above. The company has predetermined disciplinary measures that will be applied to related persons should any use of insider information occur which incurs a loss or other damage. Moreover, the company has stipulated that Directors and Management must report the company holdings to the SEC.

#### 2.5 Controlling inside trading of securities

The company has a policy not to allow employees, executives and individuals with insider information of the company's performance to trade in the company's securities from the date of receiving the information until the information is made public. The data must not be disclosed to the public in order to increase the value of the company's securities, especially during the 1 month period before the financial statements are released to the public and 24 hours after the public disclosure of financial statements or important information. The Board of Directors and Senior Executives are required to inform the Company Secretary. (As the Board of Directors assign) at least 1 day prior to the sell and buy of the company's securities.

In addition, Directors and Executives of the company must report any changes in the company's securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 of the Securities Exchange Act B.E. 2535 (1992), acknowledge the penalty which will be imposed on violators under the Securities and Exchange Act B.E. 2535 (1992), and include in their report any changes in securities holdings held by spouses and underage children. The Directors and Executives must submit a copy of such reports to the company on the same day of submitting such reports to the SEC, which requires notification within three (3) business days after the change occurs. The Securities of the Board of Directors and Executives were reported to the Board of Directors in each quarter the Board of Directors's meeting.

### Section III. The Role of Stakeholders

The company places high focus on the governance of all stakeholder groups, such as customers, employees, suppliers, shareholders or investors, creditors and communities where the company is located. The stakeholders will be supported by the company according to the rights granted by related laws. The company will not take any action that violates the rights of stakeholders by law or by agreement. The company has instilled initiatives to promote the participation of stakeholders according to their roles and responsibilities in order to enhance the company's performance and ensure optimal results from the business operations, also promoting long-term sustainability to the business and equitable benefits to all parties.

#### 3.1 Patients

#### 3.2 Employees

#### 3.3 Customers

#### 3.4 Supplier

#### 3.5 Creditors

#### 3.6 Competitors

#### 3.7 Society and Environment

### Section IV. Disclosure of Information and Transparency

The company emphasizes the importance of disclosure. The Board will ensure that the company discloses all important information concerning the company, both financial and non-financial, accurately, completely, transparently and in a timely manner. Disclosure will be made through various channels through which those to whom it is relevant can easily access the information. Information shall be disclosed in a fair and credible manner,



through appropriate channels and venues as stipulated by the law. The important information which the company will disclose includes financial reports and non-financial information that may affect the price of the company's securities – in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 4.1 Communication and disclosure channels
- 4.2 Connected transaction and conflict of interest
- 4.3 Reporting of Interests

## Section V. Responsibilities of the Board of Directors

The Board of Directors is comprised of experts with varied knowledge, capabilities and experience which can be used to and develop and define policies that will bring benefits to business operations of the company. The Board is independent in making decisions for the best interest of the company and the shareholders as a whole and has important functions in determining company policies including oversight, tracking and monitoring of the performance of management including the evaluation of the implementation of various plans of operation. The company has a Board of Directors comprised of seven (7) members with three (3) members being directors who are company executives and four (4) members being directors who are not executives. Four directors are independent, which is more than one-third (1 in 3) of the total number of board members, achieving an appropriate balance of power to counter those Directors who also carry the executive titles within the company. The Chairman of the Board of Directors is not the same person as the Chief Executive Officer and there is no blood or business relationship.

However, details of the corporate governance policy of the company can be found at the company's website. [www.bizalignment.com](http://www.bizalignment.com) Investor Relations menu and then Sustainable Development

## The remuneration for Directors and Sub-Committees

Nomination and Remuneration Committee will consider according to the remuneration payment criteria. According to the performance and meeting allowances. Taking into account the same industry practices Company performance and business size and responsibility, knowledge, ability and experience of directors and sub-committees. It must also be approved by the shareholders' meeting.

### 1) Remuneration in Cash

#### A) Remuneration of Directors

Consider the responsibilities, knowledge, abilities and experiences of the directors. Including considering the business plan of the company and according to the remuneration criteria which consist of monthly remuneration, meeting allowance and other compensation as you see fit. The 2020 Annual General Meeting of Shareholders on August 5, 2020 approved the remuneration of the Board of Directors and Sub-Committee for the year 2020 as summarized in the table below.

#### Monthly Remuneration

- |                         |                   |
|-------------------------|-------------------|
| • Chairman of the Board | 20,000 Baht/month |
| • Independent Director  | 15,000 Baht/month |



### Meeting Allowance (per attend the meeting)

#### Board of Directors

- Chairman of the Board 15,000 Baht
- Board of Directors 10,000 Baht
- Independent Director 10,000 Baht

#### Audit Committee

- Chairman of Audit Committee 15,000 Baht
- Audit Committee 10,000 Baht

#### Nomination and Remuneration Committee (NRC)

- Chairman of NRC 15,000 Baht
- Nomination and Remuneration Committee 10,000 Baht

Other benefits: None

## B) Remuneration of Executives

To paying the company's remuneration. The objective is to reward the success of the company's strategy. and return the work that the management has created for the company as assigned. The remuneration will be considered as follows:

- Consider the performance. It is in line with the accomplishment of the company's strategic goals.
- Based on the results of each year's performance assessment.
- Competitive In related business This ensures that the company is able to attract and retain good employees who are skilled to work and continue to work for the company.

The company's remuneration pays its through a salary, other welfare benefits such as provident fund, health insurance plan, the annual health check, phone bills, maintenance fees, commissions and benefits are in line with the labor market practices by the law.

Executive Remuneration	Year 2018		Year 2019		Year 2020	
	Amount (of persons)	Total (million Baht)	Amount (of persons)	Total (million Baht)	Amount (of persons) <sup>2</sup>	Total (million Baht)
Salary	9	9.86	8	10.13	4	6.92
Bonus	9	5.00	8	7.05	4	3.03
Other <sup>1</sup>	9	5.56	8	8.01	4	2.66
<b>Total</b>	<b>9</b>	<b>20.42</b>	<b>8</b>	<b>25.19</b>	<b>4</b>	<b>12.61</b>

**Notes :** <sup>(1)</sup> Other management compensation such as provident fund, group health insurance plan, annual health check-up, telephone charges, car maintenance fees and commission.

<sup>(2)</sup> Due to changes in the management structure

## 2) Other remunerations – none –

## 3) Policy and method of remuneration

Criteria for determining remuneration State in the scope of duties and responsibilities of the Nomination and Remuneration Committee.





## Nomination and Appointment of Directors and Top Executives

In the selection of a person to be appointed as Directors or Executives of the company, an individual who has been appointed as Director and Executive of the company must be a person who possesses all the qualifications prescribed under Section 68 of the Public Company Act B.E. 2535 (1992) and the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, dated 15 December 2009, with the following composition and criteria for the nomination:

### Composition and Nomintion of the Board of Directors

1. The company shall have a Board of Directors to conduct the affairs of the company consisting of at least five (5) Directors. Not less than half of the total number of Directors must be residing in the Kingdom and the Directors of the company must possess the qualifications as prescribed by the law. Directors of the company may or may not be shareholders.
2. The shareholders' meeting shall appoint the Directors according to the rules and procedures below.
  - 2.1 Each shareholder has one (1) share per one (1) vote.
  - 2.2 Each shareholder shall use all his votes under 2.1 and may elect one or more individuals to be Directors. In case the shareholder selects many candidates to be directors, the total number of votes may not be split unequally among the candidates.
  - 2.3 The candidates receiving the highest number of votes respectively are elected to the Board of Directors according to the number of Directors needed to be elected at that time. In case the elected candidates with the lowest rank of the highest number of votes receive the same number of votes and exceed the number of Directors needing to be elected at that time, the Chairman of the meeting shall make a final decision by casting a vote.
3. At every Annual General Meeting of Shareholders, one-third (1/3) of all the Directors at the time shall retire from their positions. If the number of Directors is not divisible by three, then the number nearest to one third (1/3) shall retire. The retiring Directors may be re-elected to the position again. Directors who are to retire in the first and second years following the registration of the company shall retire by drawing lots. In the subsequent years, the Directors who have been in office the longest shall retire from office.
4. Any Director who wishes to resign must submit a letter of resignation to the company. Such resignation shall be effective from the day the letter of resignation arrives at the company.
5. The shareholders' meeting may pass a resolution for any Director to leave office prior to the expiration of his term by a vote of at least three-fourths (3/4) of the number of shareholders present having voting rights and holding aggregate shares amounting to not less than half of the number of shares held by shareholders who attend the meeting and have voting rights.
6. In the case a Director's position becomes vacant due to reasons other than retirement by rotation, the Board shall elect a person who possesses the qualifications and does not possess any characteristics prohibited under the laws on Public Companies or the laws governing securities and exchange to be Director in the following Board meeting, except if the former Director had less than two (2) months remaining in his term, in which case the newly elected Director shall remain in office only for the remaining term of the Director he replaces. And the resolution of the Board of Directors pursuant to the above shall be composed of not less than three-fourths (3/4) of the remaining Directors.
7. The Board shall elect one member as Chairman, and the Board may approve of electing one or several Directors to be Vice-Chairmen. Vice Chairmen have duties pursuant to the operational regulations which will be assigned to him by the Chairman.

### Composition and Nomination of the Audit Committee.

The Audit Committee shall be appointed by the Board of Directors and approved by the shareholders' meeting and designated as Directors of the company with qualifications according to the Securities and Exchange Law, including notifications, regulations and/or rules as regulated by the Stock Exchange of Thailand. There must be at least three (3) persons in the Audit Committee. Out of the three, at least one (1) person must have knowledge of accounting and finance. The Audit Committee shall hold office for a term of three years from the date of the appointment. At the end of the term, if the Board of Directors or shareholders' meeting has not appointed a new Audit Committee, the retiring Audit Committee may continue to hold office until the Board of Directors or shareholders' meeting appoints the new Committee to replace the Audit Committee whose term is set to expire and/or in accordance with the term of office of Directors. Anyone recruited to the Audit Committee must be an Independent Director and possess the qualifications of an Audit Committee member as follows:

### Qualifications of Independent Directors

The company has defined the "Independent Director" in accordance with the requirement set by the SEC and SET, as follows:

1. Holds shares – not exceeding 1% of the total shares with voting rights – of the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company. In this regard, the shares of related persons of the aforesaid Independent Director shall be counted as well.
2. Is not or has never been an Executive Director, employee, staff, advisor with regular salary, or controlling person of the company, parent company, subsidiaries, associates, same-level subsidiaries, major shareholder or controlling person of the company, unless the foregoing status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission. In this regard, such prohibited characteristics shall not include the case that such an Independent Director has been an official or advisor of a government unit which is a major shareholder or controlling party of the company.
3. Is not an individual who has a relationship by blood or legal registration with the status of father, mother, spouse, brother, sister, and child, including spouse of a daughter or son of an Executive, major shareholder, controlling person or person who is in the process of nomination to be Management or controlling person of the company.
4. Does not have nor used to have a business relationship with the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company which may interfere with the independent judgment of said Independent Director, including not being nor has ever been a significant shareholder or controlling person of any party having a business relationship with the company, the parent company, subsidiaries, associates, major shareholders or controlling parties of the company, unless such status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.
5. Is not or has never been the auditor of the company, parent company, subsidiaries, associates, major shareholders or controlling parties of the company, and is not a significant shareholder, controlling person, or partner of the auditing firm employing the external auditor of the company, parent company, subsidiaries, associates, major shareholders or controlling parties of the company, unless such status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.
6. Is not or has never been a professional service provider including, but not limited to, legal service or financial advisor and receiving a service fee exceeding 2 million Baht per year from the company, parent company, subsidiaries, associates, major shareholders or controlling parties and is not a significant shareholder, controlling person, or partner of a firm providing such professional services, unless the foregoing status has ended for not less than two (2) years prior to the date of submitting the application to the Office of the Securities and Exchange Commission.



7. Is not a Director who has been appointed to be the representative of the Directors of the company, the major shareholders, or any other shareholder who is a related person connected to any major shareholder.
8. Does not operate the same or a significantly competitive business with the business of the company or subsidiaries, is not a significant partner in a partnership, neither is an Executive, employee, staff or advisor receiving regular salary, nor holds shares in the amount exceeding 1% of the total shares with voting rights of any other company which operates the same and significantly competitive business with the business of the company.
9. Does not having any characteristics which may hinder the ability to provide an independent opinion about the company's operations.
10. Independent Directors with such qualifications may be assigned by the Board of Directors to make decisions on the business operations of the company, parent company, subsidiaries, associates, same- level subsidiaries, major shareholders or controlling parties in the form of a collective decision.

### **Qualifications of Audit Committee Members**

1. The Committee members must not be Directors who are assigned or authorized by the Board to be able to make decisions concerning the operations of the company, parent company, subsidiaries, associates, same-level subsidiaries or major shareholders.
2. The Committee members must not be Directors of any parent company, subsidiaries or same-level subsidiaries, which are listed companies.
3. The Committee members must possess sufficient knowledge and experience to serve as Audit Committee. At least one member of the Committee must have sufficient knowledge and experience to review the credibility of financial statements.
4. The Committee members perform the same duties as set forth in the Notification of the Stock Exchange of Thailand on the qualifications and scope of operation of the Audit Committee.

### **Composition and Nomination of Executive Committee**

The Executive Committee must be Directors and/or Management of the company and/or employees and/or suitable individuals who are appointed by the Board of Directors, the number of which the Board deems appropriate. Accordingly, the Board of Directors will appoint an Executive Director as Chairman of the Executive Committee.

### **Composition and Nomination of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall be appointed by the Board of Directors. The Committee is composed of at least three (3) persons and should consist mainly of Independent Directors and/or Non-Executive Directors. In this case, one member of the Nomination and Remuneration Committee shall be appointed as Chairman of the Nomination and Remuneration Committee.

### **Composition and Nomination of the Risk Management Sub-Committee**

The Risk Management Sub-Committee must be Directors and/or Executives of the company and/or employees and/or suitable individuals who were appointed by the Board of Directors, the number of which the Board deems appropriate. Accordingly, the Board of Directors shall appoint a member of the Risk Management Sub-Committee to be the Chairman of the Risk Management Sub-Committee.



## Composition and Nomination of the Chief Executive Officer

The Chief Executive Officer shall be nominated by the Executive Committee by selecting among current members of the Executive Committee or recruiting from the qualified person who through preliminary screening from the Nomination and Remuneration Committee as qualification listed in the succession plan in order to present to the Board of Directors in order that the nominated candidate may be appointed as the Chief Executive Officer.

## Self-Assessment of the Board

The Board of Directors will evaluate self-assessment on an annual basis. The Board of Directors should jointly consider the performance and problems for improvement and increase the effectiveness of the performance of the directors.

- 1) Individual Evaluation Form (Self-assessment)
- 2) Evaluation Form for the entire Board
- 3) Evaluation Form for Sub-Committee Performance (Audit Committee and the Nomination and Remuneration Committee)

## Rules and procedures for evaluate of the Board of Directors.

There are 6 main topics: 1 ) Structure and qualifications of the Board. 2 ) Roles and Responsibilities of the Board 3 ) Board Meetings 4 ) Duties of Directors 5) Relationships with Management 6 ) Self-Improvement Director's and Executive Development. The scoring method is 5 levels (0-4). (Should improve) until very agree (excellent) The evaluation process is the company secretary prepare assessment forms for the Board to conduct annual assessments. Then was collected, summary and provide guidance on improving performance. After that report to the Board for acknowledge.

The results of the evaluation in 2020 are in good and excellent level.

- 3 = Agreed or have a good deal on it.
- 4 = Very agreed or have done so well.

Performance Evaluation	Average Result (%)*
Evaluation Form for the entire Board	99.12
Evaluation Form for the Audit Committee	100.00
Evaluation Form for the Nomination and Remuneration Committee	99.88
Individual Evaluation Form	97.05

\*100% rating means the evaluation of the performance of that committee. Have a rating of 4 full (excellent) and all.

Additional opinion/remark from the self-assessment is the level of average percentage scores in all evaluation results were higher than the results of the previous year. Overall average increased by 1.30%.



## Development of Directors and Executives

The Board of Directors requires a new director orientation. To ensure that directors have a good understanding of the company's business and related regulations. In addition, the Board of Directors has the policy to encourage all directors, top executive including company secretary continued training on corporate governance. This is due to internal training and other external institutions such as the Stock Exchange of Thailand, The Office of the Securities and Exchange Commission (SEC) or Thai Institute of Directors (IOD)

In the year 2020, the company has directors and company secretary attend training and develop additional knowledge in the following courses;

Name		Position	Training courses and continuous knowledge development
1.	Mr. Sompong Chuneakityanone	- Director/ - Executive Chairman - Nomination and Remuneration Committee/ - Chairman of Risk management Sub-Committee - Chief Operating Officer (Acting)	<ul style="list-style-type: none"> <li>• Senior Executive in Commerce and Trade, TEPCOT, Class 13</li> </ul>
2.	Mr. Voravid Silapusid	- Director - Executive Committee - Nomination and Remuneration Committee - Risk management Sub-Committee - Chief Financial Officer - Human Resources Manager (Acting)	<ul style="list-style-type: none"> <li>• The New CFO (Crisis Financial Officer)</li> <li>• Financial statement analysis strategies for managers and professional accountants.</li> </ul>
3.	Mr. Noppadol Suntanaphanich	- Director - Executive Committee - Risk management Sub-Committee - Chief Quality Officer	<ul style="list-style-type: none"> <li>• Process Validation for Medical Devices</li> <li>• High Value Brand Ambassador</li> <li>• ISO13485:2016 Internal Audit Training</li> </ul>
4.	Ms. Srisunun Anuchornphan	- Company Secretary	<ul style="list-style-type: none"> <li>• High Value Brand Ambassador</li> <li>• The Future Of HR 2020 &amp; People Transformation</li> <li>• ISO13485:2016 Internal Audit Training</li> <li>• PDPA for Internal Audit Class 4 Association of Political Science, Kasetsart University</li> <li>• PDPA for HR Class 8 Association of Political Science, Kasetsart University</li> </ul>

### **Succession Plan**

The Nomination and Remuneration Committee is responsible for reviewing policies and criteria for selection of top executives and/or specialists. The succession policy in the case of emergency or retirement of top executives and/or specialists has transparent process. It is based on knowledge and ability including experience and ethics. Proposed to the Board of Directors for further appointment.

### **Orientation for the Board**

For Directors, the company provides basic information about the company, including organizational structure and management, main products, rules, regulations and the related laws, including the regulations of the office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, are applicable to new directors. To allow the directors to understand the operation of the company. It also acknowledges the roles and responsibilities of being a director or an independent director. The company will send new directors to attend the training course and receive a certificate of foundation course on corporate governance development guidelines for directors.

### **Meetings between non-executive directors**

The company has convened non-executive directors' meetings and/or with the auditor as appropriate To provide opportunities for non-executive directors to discuss issues that arise in the company and suggestion issues that should be implemented in the company once a year (in the past year, the meeting was held in November)

### **Information Technology Security Policy**

Board of Directors has always been aware of the importance of information technology security and has adopted the security standards of information technology systems within the company and supervising the directors, executives, employees as well as related third parties comply with the rules. This standard sets various guidelines related to information technology systems of the company that meet international standards such as encryption to prevent access to management information, username and password, certification and approving the entry/exit of the network security system, connection security and back up importance information of the company etc. Along with an information security system to safeguard against unauthorised access to information, measures to maintain the integrity of relevant data and ensure availability of critical data.

## **Overseeing Operations of Subsidiaries and Associates**

Board of Directors give priority and provide mechanisms to supervise operations that can control and manage the operations of the subsidiaries and associated companies. In order to safeguard the interests of the company's investments, such as considering sending persons to represent the company to be directors, executives or controlling persons in subsidiaries and associates. At least in proportion to the shareholding. By a person appointed as a director in a subsidiary or associated company who has the duty to perform for the best benefit of that subsidiary or associated company.

In the case of a subsidiary, the company has established an appropriate and concise internal control system Including other mechanisms for overseeing such subsidiaries, such as the mechanism to supervise the disclosure of financial status and results of operations, transactions between subsidiaries and connected persons, acquisition or disposition of assets or other important transactions. To be complete, accurate Including the supervision of data storage and accounting records of subsidiaries for the company to be able to verify and gathered to prepare the consolidated financial statements on time.





### Anti-corruption measures

The company has stipulated guidelines for Directors, Management and staff that they shall neither claim, nor receive money nor benefits nor items which are inappropriate, dishonest or unsuitable from individuals involved in the affairs of the company. They shall neither claim, nor receive money nor benefits nor items from any person or juristic person they do business with, whether directly or indirectly, neither in order to give an advantage in exchange of privileges nor to benefit the business operations of the company. The company has provided training, knowledge and communication to employees. About anti-corruption policies and practices and for new employee orientation and for employees at all levels to access the policy and communicate through supervisors, including through the company's internal newsletter of the month.

The company is a distributor of medical equipment imported from abroad, with emphasis mainly on imports from the United States. The United States Foreign Corrupt Practices Act is an international anti-corruption legislation to incriminate any US firm trading with foreign companies that have engaged in bribery of state authorities. (The U.S. Department of Justice defines "corporate citizenship within the United States" to include those "directors, officers, employees, agents, distributors and shareholders working for the benefit of a company with the corporate citizenship within the United States. ") Thus, the company is very conscientious of anti-corruption in order to maintain good relationships to corporate partners and strengthen the company's business in the long run, and company will not undertake to bribe public officials under any circumstance.

### Code of Conduct

The Board of Directors encourages business ethics for directors, executives and employees. It is a burden and responsibility including also promotes the practice and monitoring of the practice. To the maximum benefit to the stakeholders of the company. It also creates credibility in the business that will make the company grow sustainably. (The detail shown at the company's website [www.bizalignment.com](http://www.bizalignment.com) Investor Relations menu and then Sustainable Development)

### Important Changes and Developments of the policy, practice, and corporate governance system in the past year

In the year 2020, the Board of Directors has reviewed policies, practices, corporate governance systems. Including the Charter of the Board of Directors and sub-committees The topics that have been updated in the past year are summarized as

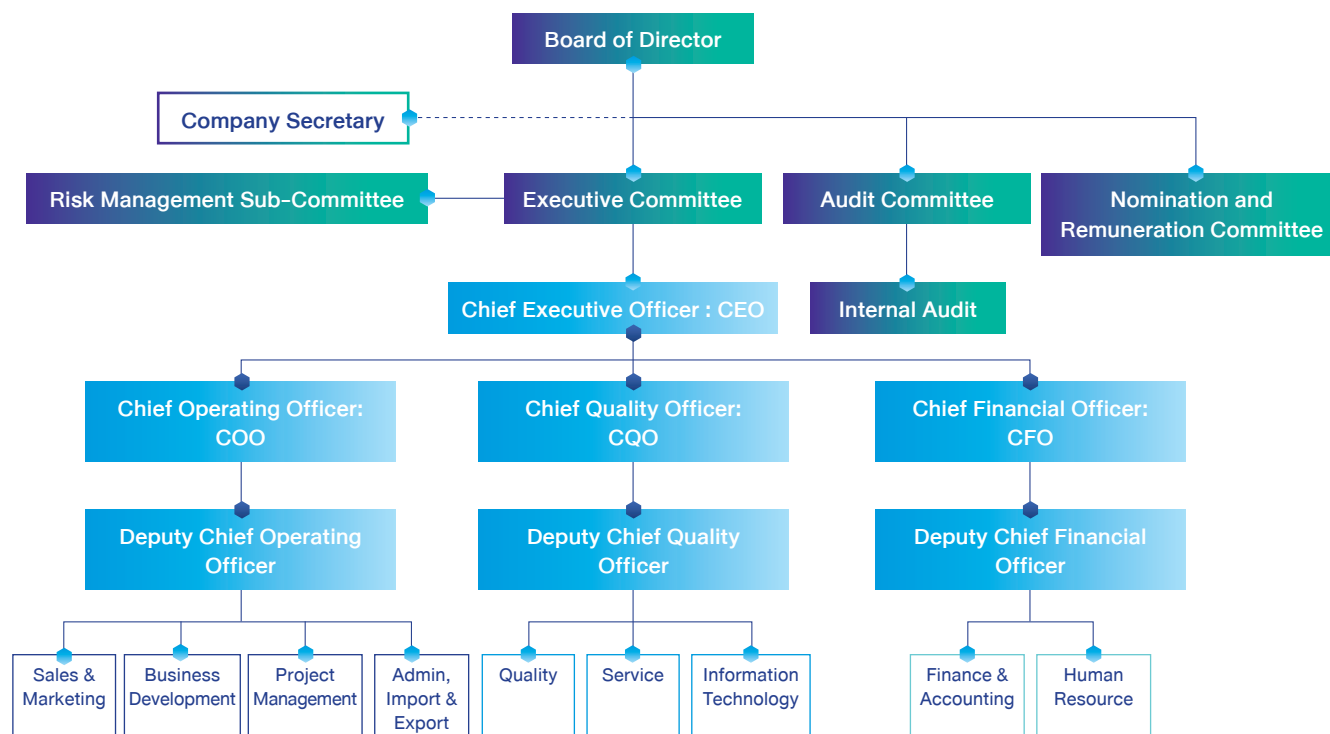
- Increasing communication channels, training, educating and communicating with employees Important policy Including more practices, including new employees and existing employees.
- Set the number of meeting for the Nomination and Remuneration Committee meeting At least twice a year

For the part that has not been done. For example, the Board of Directors has set a policy of limiting the number of years for independent directors to no more than 9 years. The company is confident that all independent directors are knowledgeable and capable experience that is beneficial to the business of the company better. For other point, the company have not established a corporate governance committee. To oversee business operations of the company to be transparent. According to the corporate governance principles. Because of such a duty. The Board of Directors is still closely monitoring and supervising the matter. Therefore, the establishment of such committees is not considered at the present.

The company received the award in compliance with the principles of corporate governance for the year 2020.

1. The company received 99 points from the assessment of the Annual General Meeting of Shareholders in 2020, assessed by the Thai Investors Association.
2. The company received scores in the “Excellent” level of compliance with the corporate governance principles of listed companies. Assessed by the Thai Institute of Directors Association with the support of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, which scores a very good level is scores in the range of 90-100 percent.
3. The company has been selected to be included in the “ESG Emerging List”, which is the listed securities listed on the ESG Emerging Group in terms of environmental, social and governance operations as a sustainable company.

## Corporate governance structure



**NOTE** The internal audit of the company is outsourced by appointing the Honor Audit and Advisory Co., Ltd. to perform the said duties.

From the corporate governance structure as of December 31, 2020, the top executive management position is the position "Chief Executive Officer".

At present, the company has not appointed a corporate governance committee. Since the Board of Directors involve formulating regulatory policies and supervise corporate governance, supervise, review and monitor performance of governance as well.

For executive positions according to the definition of the SEC announcement, 4 persons as follows

- |    |               |                 |                                  |
|----|---------------|-----------------|----------------------------------|
| 1. | Mr. Sompong   | Chunekitiyanone | Chief Operating Officer (Acting) |
| 2. | Mr. Voravid   | Silapusid       | Chief Financial Officer          |
| 3. | Mr. Noppadol  | Suntanaphanich  | Chief Quality Officer            |
| 4. | Ms. Sukanlaya | Khamnuan        | Deputy Chief Financial Officer   |

## Board of Directors

As of December 31, 2020, the company has 7 Board of Directors consisting of 3 members from management, Non-Executive Directors 4 members, with 4 persons having independent qualifications, which is more than 1 in total 3 of the total number of directors. Therefore, it is considered a proper balance of the Executive Directors. The Chairman of the Board of Directors is not the same person as the Chief Executive Officer and there is no blood or business relationship between each other.

Name		Position
1. Mr. Woodtipong	Moleechad	Chairman of the Board/Independent Director
2. Ms. Srirat	Chuchottaworn	Director/ Chairman of the Audit Committee /Independent Director
3. Mr. Vipoota	Trakulhoon	Director/ Audit Committee/Independent Director
4. Mr. Thanawat	Lertwattanak	Director/ Audit Committee/Independent Director
5. Mr. Sompong	Chunekitiyanone	Director
6. Mr. Voravid	Silapusid	Director
7. Mr. Noppadol	Suntanaphanich	Director

Company Secretary:

Ms. Srisunun Anuchornphan

Names of directors who are authorized signatories of the company:

Mr. Sompong Chunekitiyanone, Mr. Voravid Silapusid and Mr. Noppadol Suntanaphanich – Any two signatures of the three directors with company's seal shall bind the company.

### Scope of Duties and Responsibilities of the Board of Directors

1. The Board of Directors must perform its duties with responsibility, carefulness and integrity as well as in compliance with the laws, company objectives, the Articles of Association and resolutions of the shareholders.
2. The Board of Directors may consider for appointment a person who possesses the qualifications and does not possess any characteristics prohibited under the Public Company Act of B.E. 2535 (1992) and the laws governing SEC and SET and any notifications, regulations and/or rules relevant to the position of Director, in case a vacancy is created due to a cause other than retirement by rotation of directors.
3. The Board of Directors may consider and appoint Executive Directors chosen from the directors of the company as well as specify the scope of power, duties and responsibilities of directors.
4. The Board of Directors may consider and appoint Independent Directors and Audit Committee members based on the qualifications and prohibited characteristics under the laws governing SEC and SET, including relevant rules, regulations and/or notifications from the Stock Exchange of Thailand (SET) or they may also propose members of the company to the shareholders' meeting for appointment as Independent Directors or appointment to the Audit Committee.
5. The Board of Directors may consider, specify and amend the list of directors with the power to authorize in the company.



6. The Board of Directors may appoint any person as their proxy to operate the company under the control of the Board or may grant said person with power to act on its behalf and/or during a specific period of time as deemed appropriate by the Board. The Board of Directors may revoke, cancel, change or amend the proxy whenever it deems appropriate.
7. The Board of Directors may approve transactions of acquisition or disposition of assets, unless the aforesaid transactions are required to be subject to approval at a shareholders' meeting. In either case, approval shall be in compliance with the relevant notifications, regulations and/or rules of the SET.
8. The Board of Directors may approve related transactions, unless the aforesaid transactions are required to be subject to approval at a shareholders' meeting. In either case, such approval shall be in compliance with the relevant notifications, regulations and/or rules of the SET.
9. The Board of Directors may approve the payment of interim dividends to shareholders in the event that the company has made sufficient profits to do so. Such payments may be reported at the following shareholders' meeting.
10. The Board of Directors shall determine the company's vision, policy and operational direction, business strategies and annual budget and supervise management to ensure compliance with the policy efficiently and effectively so as to provide maximum economic value for shareholders as well as sustainable growth.
11. The Board of Directors shall be responsible for business profits and performance of the management, with attention and care throughout all of its operations.
12. The Board of Directors must ensure that management employs appropriate and effective risk management systems.
13. The Board of Directors shall establish clear and measurable targets for business operation to be adopted as guidelines in setting the company's performance goals, taking into account their feasibility and reasonability.
14. The Board of Directors shall be consistently accountable to shareholders and operate by protecting the interests of shareholders, disclosing information that is material to investors correctly and completely with adherence to high standards and transparency.
15. The Board of Directors may consider and decide on significant matters such as policies and business plans for large investment projects, with authority to manage the acquisition or disposition of assets and any other items specified by the law.
16. The Board of Directors shall determine the power and level of approval for transactions and various tasks related to the company's operation by any committee or person as appropriate and in compliance with related legal requirements, the policies of which are to be formulated into an operation manual which must be reviewed at least one (1) time per year.
17. The Board of Directors shall provide an accounting system, financial reporting and reliable auditing and must also ensure to provide a procedure for assessing internal controls.
18. The Board of Directors shall approve the proposed appointment of the auditor and consider the yearly audit fee, which shall be presented to shareholders for their approval.
19. The Board of Directors shall report on its responsibilities in preparing the financial statements by presenting the statements together with audit results in the annual report, covering all key issues in accordance with the designated policy guidelines for directors of listed companies in the Stock Exchange of Thailand.
20. The Board of Directors shall supervise the performance of various sub-committees in accordance with any specified charters.
21. The Board of Directors must personally evaluate results of its own operations and also evaluate its overall performance results.



### Scope of Duties and Responsibilities of the Chairman of the Board

1. Chairman of the Board has the duty to call a meeting of the Board of Directors and Shareholders' Meeting. Also has a role in setting the agenda with the Chief Executive Officer.
2. Control the meeting effectively. Provide enough time for the management to present the information. Support and allow the directors to freely ask questions and express their opinions and the resolution of the meeting.
3. As an important role in promoting the Board of Directors. To comply with good corporate governance principles. Ensure that all directors contribute to the company's ethical culture and good corporate governance.
4. Communicate important information to the Board of Directors.
5. Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the company's objectives.
6. Set the board meeting agenda by discussing with the chief executive officer which important matters should be included.
7. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

### Term of Office of the Directors

The Board of Directors is responsible for managing the business operations of the company. The directors' term of office has been appointed in accordance with the regulations of the company, which is that at the Annual General Meeting of Shareholders one-third (1/3) of those who are directors at the time are to retire. If the number of directors at the time is not divisible by three, then the number nearest to one third (1/3) of the directors shall retire from office. Retired directors may be chosen to return to their position again

However, any action taken to grant powers, duties and responsibilities to the Board of Directors shall not result in empowering or granting any power of attorney which may authorize the Board of Directors or a grantee to approve transactions in which s/he or any other person may have a conflict of interest (as defined in SEC and SET notifications) with the company or its subsidiaries.

The Company's sub-committees are as follows:

1. The Audit Committee
2. Nomination and Remuneration Committee
3. Executive Committee
4. The Risk Management Sub-Committee

### Audit Committee

Board of Directors has approved the establishment of the Audit Committee who are three (3) Independent Directors possess all the qualifications as stipulated by the Office of the Securities and Exchange Commission (SEC). as follows:





Name		Position
1. Ms. Srirat	Chuchottaworn	Chairman of Audit Committee / Independent Director
2. Mr. Vipoota	Trakulhoon*	Audit Committee / Independent Director
3. Mr. Thanawat	Lertwattanarak	Audit Committee / Independent Director

**NOTE :** \*Audit Committee member with knowledge and experience in verifying the creditability of the financial statements

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

1. The Audit Committee shall review financial reports to ensure that they are accurate and reliable and provide adequate disclosure by coordinating with the external auditors and the Executive(s) responsible for preparing the quarterly and annual financial reports.
2. The Audit Committee shall review the appropriateness of the company's Internal Controls and Internal Audit policies to ensure that they are suitable and effective. The Committee shall also verify the independence of the Internal Audit as well as approve the appointment, transfer and dismissal of the head of the Internal Audit agency or any other agency responsible for the Internal Audit. The Audit Committee may suggest a review or inspect any items that it deems important or necessary along with providing suggestions on how to improve the essential, mandatory system of internal controls to the Board of Directors by reviewing and comparing notes with the External Auditor and the Internal Systems Audit Manager.
3. The Audit Committee shall verify the implementation Securities and Stock Exchange laws or regulations of the SET, and policies, rules or regulations and other laws relating to the company's business.
4. The Audit Committee shall appoint, reappoint or dismiss/removal by considering the independence of the auditor, knowledge, ability, experience, past audit work and make a proposal for the remuneration of the company auditor to the Board of Directors. In addition, the Audit Committee shall meet with the auditor independently of the company Management at least one time per year.
5. The Audit Committee shall review the Company's internal audit plan according to generally accepted procedures and standards.
6. The Audit Committee shall review related transactions or transactions that may have conflicts of interests to ensure that they are in compliance with the laws and regulations of the SET as well as verify that the correlating disclosure of information is accurate and complete, to ensure that any such transactions are conducted appropriately and in the best interests of the company.
7. The Audit Committee shall verify that the company's risk management systems are appropriate and effective.
8. The Audit Committee shall conduct a self-report on the performance of the Audit Committee to the Board of Directors at least four (4) times a year. (quarterly)
9. The Audit Committee shall prepare a report of the Audit Committee which shall be disclosed in the annual report of the company. The report must be signed by the Chairman of the Audit Committee and must contain the following information at minimum:
  - 9.1 An opinion on the accuracy, completeness and reliability of the financial statements of the company and an opinion on the adequacy of the company's Internal Controls.
  - 9.2 An opinion on the company's compliance with Securities and Exchange laws and SET regulations or laws which relate to the company's business.
  - 9.3 An opinion on the suitability of the auditor.
  - 9.4 An opinion on related transactions or transactions that may have conflicts of interest.
  - 9.5 The number of meetings held by the Audit Committee and attendance records of each member of the Audit Committee.



- 9.6 Opinions or overall observation on the Audit Committee's performance of its duties as stipulated in the committee Charter.
- 9.7 Other matters that shareholders and investors should be informed of which pertain to their scope of duties and responsibilities as assigned by the Board of Directors.
10. The Audit Committee shall contribute their opinion whenever the company evaluates the appointment, dismissal or performance of Internal Audit officials.
11. Within its scope of duties and as part of its performance, the Audit Committee is authorized to invite any related persons from the Management, Executives, or company employees to comment, attend meetings or submit those documents which are deemed relevant or necessary.
12. The Audit Committee is authorized to hire a consultant or a third party, in accordance with company regulations, to comment or offer advice if necessary.
13. The Audit Committee shall evaluate its performance by making a self-assessment and submitting assessment reports – noting any problems and obstacles encountered which could have caused its operation to fall short of the intended objective with which the Audit Committee was established – to the Board of Directors every year.
14. The Audit Committee shall consider, review and update the Charter of the Audit Committee.
15. The Audit Committee shall perform other duties as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

### Term of Office of the Audit Committee

Term of office of the Audit Committee is 3 years from the date of the resolution. At the end of the term, if the Board of Directors or the shareholders' meeting has not yet passed a resolution to appoint a new audit committee. The original audit committee shall continue to perform its duties until the Board of Directors or the shareholders' meeting has appointed the new audit committee in place of the previous one and/or the term of office of the company's director. The new audit committee must be independent directors and qualified as audit committees.

## Nomination and Remuneration Committee

The Board of Directors has approved the appointment of 5 members of the Nomination and Remuneration Committee, consisting of 3 independent directors or 60% of the Nomination and Remuneration Committee. as follows;

Name		Position
1. Mr. Vipoota	Trakulhoon	Chairman of the Nomination and Remuneration Committee/ Independent Director
2. Ms. Srirat	Chuchottaworn	Nomination and Remuneration Committee/Independent Director
3. Mr. Thanawat	Lertwattanak	Nomination and Remuneration Committee/Independent Director
4. Mr. Sompong	Chunekitiyanone	Nomination and Remuneration Committee
5. Mr. Voravid	Silapusid	Nomination and Remuneration Committee



## Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

### Recruitment

1. The Nomination and Remuneration Committee shall determine the method of recruitment for Directors who are suitable to the company's line of business and organizational operations by specifying the Directors' required characteristics and desired areas of expertise. It also takes into accountability of Board Diversity and Board Skills Matrix for consideration.
2. The Nomination and Remuneration Committee shall recruit Directors on the occasion when Directors must be nominated for consideration by the Board. The selection may also come from Directors who are already holding the position to continue to do so, individuals nominated by shareholders, recruitment by an outside company, individuals from a directory of professional directors or allowing each Director to nominate a suitable individual, for example.
3. The Nomination and Remuneration Committee shall review the list of individuals who have been nominated and select the qualified person in accordance with the qualifications specified.
4. The Nomination and Remuneration Committee shall ensure that the person to be nominated is qualified according to the laws and regulations of the relevant authorities.
5. The Nomination and Remuneration Committee shall approach individuals who are qualified in accordance with the criteria defined in order to ensure that such individuals are willing to accept the position of Director of the company if appointed by shareholders.
6. The Nomination and Remuneration Committee shall nominate individuals for consideration by the Board and include their names in the written invitation to the shareholders' meeting for the approval of the shareholders' meeting.
7. The Nomination and Remuneration Committee shall approve the appointment of Senior Management at the Executive Vice President level and above as assigned by the Board of Directors.
8. Review the succession plan of the Chief Executive Officer. Then will also recruit qualified candidates for recruitment and propose to the Board of Directors for appointment in case vacant position.

### Remuneration

1. The Committee must consider the suitable criteria for determining the remuneration of Directors and Sub-Committee by evaluating the appropriateness of the criteria currently in use, and compare it with the remuneration used by other companies in the same industry as the company. The Nomination and Remuneration Committee shall establish suitable criteria to contribute to the expected performance which are fair and properly compensate the individuals who help the company's operation to succeed.
2. The Committee must review all forms of remuneration, such as the fixed remuneration, performance-based remuneration and attendance fees, by taking into account the practices used in the industry, business profits and the size of the company's business as well as the responsibilities, knowledge, skills and experience of the Directors and Sub-Committee as desired by the company.
3. The Committee must consider the criteria for appraising the performance of top executive management as delegated by the Board of Directors.
4. The Committee must determine the annual remuneration of Directors and Sub-Committee according to proposed guidelines of remuneration and present it to the Board of Directors to approve the remuneration of the Directors, the Chief Executive Officer, the Group Executive Directors and Senior Management. As for the remuneration of Directors, the Board of Directors shall propose it to the shareholders' meeting for approval.
5. The Committee must consider the appropriateness and give approval in the event of a new employee stock option plan for Directors and employees, while adhering to principles that are fair to the shareholders and

motivating to Directors, executive and employees in their performance, resulting in greater value for shareholders in the long term and positively maintaining qualified personnel.

Apart from the composition of the board, The Nomination and Remuneration Committee may also consider the Board Diversity, such as directors from various stakeholder groups, education, experience, age, sex etc. However, if the company has a new business strategy in addition to the existing business. The Nomination and Remuneration Committee may add additional qualifications and experience to the new business that the company will expand.

## Executive Committee

Board of Directors appointed Executive Committee consisted of four (4) members as follows:

Name		Position
1. Mr. Sompong	Chunekitayanone	Executive Chairman
2. Mr. Voravid	Silapusid	Executive Committee
3. Mr. Noppadol	Suntanaphanich	Executive Committee
4. Ms. Sukanlaya	Khamnuan	Executive Committee

### Scope of Duties and Responsibilities of the Executive Committee

1. The Executive Committee shall provide oversight on the management of the company to ensure that it adheres to policies set by the Board of Directors and must report business operation results to the Board of Directors.
2. The Executive Committee shall define the scope of power and level of authorization for each individual, and provide for the separation of duties that when combined could easily lend themselves to fraud, and define the appropriate steps and any due process that must be observed when performing business transactions with major shareholders, Directors, Executives or other related persons in order to prevent any inappropriate transference of benefits. These rules and requirements must be presented to the Board of Directors for approval. The Executive Committee must also ensure that all ensuing actions and practices are in compliance with those rules and requirements which have already been approved.
3. The Executive Committee shall evaluate the annual budget and budget spending process and present their conclusions to the Board of Directors. It shall also provide oversight to the company's spendings to ensure compliance with budgets that have already been approved by the Board of Directors.
4. The Executive Committee shall evaluate and improve the company's business plan as is suitable for the benefit of the company.
5. The Executive Committee shall evaluate and approve investments and set investment budgets according to its authority as prescribed in the operations manual.
6. The Executive Committee shall evaluate contracts that are binding on the company according to its authority as prescribed in the operations manual
7. The Executive Committee shall be responsible to adequately provide significant information pertaining to the company in order to facilitate informed decisions by the Board of Directors and shareholders, including the preparation of reliable financial reporting according to good and transparent standards.
8. The Executive Committee shall evaluate the profits and losses of the company and propose the year's annual dividend payments to the Board of Directors.



9. The Executive Committee shall evaluate new business operations or the closing of a business operation in order to present its conclusions to the Board of Directors.
10. The Executive Committee shall supervise the provision of procedures for workers to report any incidents, misconduct or wrongdoing promptly to the Executive Committee. In the case that such incidents have significant repercussions, the Board of Directors must be informed in order that the matter may be corrected in the most timely manner.
11. The Executive Committee shall take any action to support the implementation of the above or the opinion of the Board of Directors or as authorized by the Board of Directors.
12. Any action proposed to the Executive Committee on any matter which has been voted on and/or approved by the Executive Committee shall be reported significant information to the Board of Directors for acknowledgement at the following meeting of the Board of Directors

However, the assignment of powers, duties and responsibilities to the Executive Committee as stated above does not which does not include granting power and/or sub-granting power to a grantee to approve transactions in which the Executive or the grantee or any person who may have conflicts of interest (as defined in the Notification of the Capital Market Supervisory Board), may be stakeholders, have a vested interest, or receive benefits in conflict with the interests of the company. The approval of such transactions must be submitted to the Board of Directors and/or the shareholders' meeting (depending on the situation) for approval in accordance with the Articles of Association or related laws.

## The Risk Management Sub-Committee

As of December 31, 2020, the company's Risk Management Sub-Committee consisted of eight (8) members as follows:

	Name	Position
1. Mr. Sompong	Chunekitiyanone	Chairman of Risk Management Sub-Committee
2. Mr. Voravid	Silapusid	Risk Management Sub-Committee
3. Mr. Noppadol	Suntanaphanich	Risk Management Sub-Committee
4. Ms. Sukanlaya	Khamnuan	Risk Management Sub-Committee
5. Mr. Wutthichai	Boonrat	Risk Management Sub-Committee
6. Ms. Siwaporn	Imsamran	Risk Management Sub-Committee
7. Ms. Anchasa	Sangsrichan	Risk Management Sub-Committee
8. Ms. Srisunun	Anuchornphan	Risk Management Sub-Committee/Secretary

## Scope of Duties and Responsibilities of the Risk Management Sub-Committee

1. The Risk Management Sub-Committee shall determine the policy and structure of the company's risk management system to be presented to the Board of Directors in compliance with the guidelines for risk management from the Stock Exchange of Thailand and the Institute of Internal Auditors of Thailand.
2. The Risk Management Sub-Committee shall set up strategies in accordance with the risk management policy in order to evaluate, monitor and control each type of risk to remain within acceptable risk parameters for the firm, through involving various agencies in risk management and risk control.

3. The Risk Management Sub-Committee shall assess risks at the organizational level and determine how to manage those risks to remain within acceptable risk parameters for the firm, as well as supervise the management of risk through methods as prescribed.
4. The Risk Management Sub-Committee shall review the current policy of risk management and improve its efficiency and effectiveness in order to provide adequate risk control.
5. The Risk Management Sub-Committee shall have the authority to call any related persons to clarify or to appoint and define the role of staff at every level to be responsible for risk management as appropriate and to report to the Risk Management Sub-Committee for risk management purposes.
6. The Risk Management Sub-Committee shall report the risk management outcome to the Executive Committee and Audit Committee for presentation to the Board of Directors on at least twice a year.
7. The Risk Management Sub-Committee shall prepare a risk management manual.
8. The Risk Management Sub-Committee shall identify risk areas and to analyze and evaluate the risk potential, including trends which affect the company.
9. The Risk Management Sub-Committee shall set up a plan to prevent or reduce risk.
10. The Risk Management Sub-Committee shall evaluate and produce a risk management report.
11. The Risk Management Sub-Committee shall set up an integrated risk management system by linking it with existing information systems.
12. The Risk Management Sub-Committee shall perform other duties as the Board deems appropriate

## Management information

### Management information

As of December 31, 2020, the company has 4 executives as follows:

Name		Position
1. Mr. Sompong	Chunekitiyanone	Chief Executive Officer Chief Operating Officer (Acting)
2.Mr. Voravid	Silapusid	Chief Financial Officer Human Resource Manager (Acting)
3. Mr. Noppadol	Suntanaphanich	Chief Quality Officer
4. Ms. Sukanlaya	Khamnuan	Deputy Chief Financial Officer

### Scope of Duties and Responsibilities of the Chief Executive Officer

1. To control the business operations, determine strategic operational planning, and manage the daily administration of the company.
2. To decide on important matters of the company, determine company mission, objectives and company policies as well as control the administration in various lines of operation
3. To have the authority to direct, contact, command as well as sign contracts, written executive orders and notices as specified in the operation manual
4. To have the authority to hire, appoint and transfer personnel as appropriate as well as determine the scope of authority, responsibility and reasonable remuneration for said personnel, and to have the authority to dismiss and lay off the staff at various levels as appropriate, as specified in the operation manual.





5. To have the authority to determine the terms of trade for the benefit of the company.
6. To consider investments in new businesses or termination of businesses in order to present to the Executive Committee and/or Directors.
7. To approve and appoint consultants for various aspects as necessary for company operations.
8. To perform any duties as assigned by the Executive Committee and/or Directors.

However, along with the assignment of power, duties and responsibilities of the Chief Executive Officer as stated above, the CEO must comply with the requirements and agenda that has been approved by the Board of Directors which does not include granting power and/or sub-granting power to a grantee to approve transactions in which the CEO or the grantee or any person who may have conflicts of interest (as defined in the Notification of the Capital Market Supervisory Board), may be stakeholders, have a vested interest, or receive benefits in conflict with the interests of the company. The approval of such transactions must be submitted to the Board of Directors and/or the shareholders' meeting (dependant to circumstance) for approval in accordance with the Articles of Association or related laws.

### Information about employees

#### Number of employees (excluding Executives)

As of December 31, in each year, the company had the following number of employees:

Number of Employees	Year 2018	Year 2019	Year 2020
Finance and Accounting	3	3	3
Sales and Marketing	7	4	6
Service and Information Technology	3	4	5
Business Development	1	1	1
General Administration	1	2	3
Project Management and Warehouse	2	2	4
Company Secretary	1	1	1
<b>Total (person)</b>	<b>18</b>	<b>17</b>	<b>23</b>

### Total Compensation of Staff, Company Employees and Types of Compensation

(Unit : Million Baht)

Type of Compensation	Year 2018	Year 2019	Year 2020
Compensation of employees in the form of salary, bonus, overtime, commission, social security, provident funds, welfare etc.	12.06	18.51	21.49



## Other important information

**Accounting Controller :** (Ms. Sukanlaya Khumnuan ) Effective date December 23, 2015

The person assigned to take direct responsibility for accounting supervision. To have accounting Financial reports are accurate, complete, legal and truthful and have quality reports and delivered to the relevant departments as schedule. There is also a training course to develop knowledge in accounting in accordance with the criteria specified in the announcement of the Department of Business Development. (Details appear in the attachment)

**Company Secretary :** (Ms. Srisunun Anuchornphan) Effective date January 1, 2017

As per the provisions of Article 89/15 The Securities and Exchange Act (No. 4) BE 2551, the Board of Directors must provide a Company Secretary who shall assume responsibilities on behalf of the Company or its Board of Directors. The Board of Directors' Meeting on December 23, 2016 has appointed Ms. Srisunun Anuchornphan as the Company Secretary, effective January 1, 2017, with the following roles, duties and responsibilities being applicable to the Company Secretary.

1. To prepare and maintain the following documents:
  - 1.1 The Register of Directors
  - 1.2 Notice of the Board of Director's Meeting, minutes of the Board of Director's Meeting, and the Company Annual Report;
  - 1.3 Notice of the Shareholders' Meeting and minutes of the Shareholders' Meeting.
2. To maintain reports on stake holding submitted by the Directors or Management and send a copy of the report to the Chairman of the Board and Chairman of the Audit Committee within seven business days from the date the company received the report.
3. To prepare a system for the preservation of documents and evidence related to the disclosure of below information as well as to ensure the complete and verifiable preservation of such documents or evidence for a period of not less than five (5) years from the date the documents or information were created. The preservation of such documents and evidence of the above shall include storage in a computer system or any other system that allows them to be retrieved and viewed without modification of the content.
  - 3.1 Information pertaining to the resolutions of the Shareholder's Meeting.
  - 3.2 Financial statements and reports on the financial position and operating results of the company or any other reports required to be disclosed according to Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act.
  - 3.3 The opinion of the company towards offers tendered for the shares of the company by the general shareholders.
  - 3.4 Information provided or reports regarding any other business that the company has prepared for distribution to the shareholders or the general public as stipulated by the Capital Market Supervisory Board.
4. To perform other duties as prescribed further by the Capital Market Supervisory Board.
5. The Company Secretary must perform duties with responsibility, care and integrity and conduct the company's business in compliance with the laws, company objectives, Articles of Association, and resolutions of the Board of Directors as well as resolutions of the shareholders and not commit any act which is contrary to or significantly inconsistent with the interests of the company.
6. The Company Secretary must act with responsibility and prudence as an intelligent individual in business would under the same circumstances by adhering to the following:
  - 6.1 Decisions and actions taken in good faith and integrity, with intention for and in accordance with what will bring the greatest benefit to the company;



- 6.2 Decisions and actions taken based on a foundation of knowledge that is believed in good faith to be sufficient;
- 6.3 Decisions and actions taken without a vested personal interest, whether directly or indirectly, in the decision or its outcome.

In case the Company Secretary retires or is unable to perform his or her duties, the Board of Directors shall appoint the new Company Secretary within 90 days from the date which the Company Secretary retired or was unable to perform his or her duties.

**Head of Internal Audit :** (Ms. Piyamas Ruangsangroop) Effective Date April 16, 2015

The company has no internal audit department within the company. However, it has appointed Honor Audit and Advisory Co., Ltd., outsourcing its audit office to the said party to assess the internal controls of company and the adequacy of the internal control system. The Internal Auditor will report the results of the internal audit to the meeting of the Audit Committee. The person has direct contact with the internal auditor is the Chief Financial Officer. As well as prepare an annual internal audit plan to present to the Audit Committee for approval of the plan in order to track and monitor the integrity of the operations to be in line with the company policy. The company has continually updated and improved the quality of its internal controls. Ms. Piyamas Ruangsangroop, Executive Director is the main responsible person for performing the duties of the company's internal auditors. To audit and assess the sufficiency of the internal control system and report the audit results to the Audit Committee regularly every quarter.

In addition, the company has set up a system to supervise the company's business in accordance with the laws, rules, regulations, policies and requirements of relevant government agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand, etc., and establish corporate governance policies. Balance To determine the Board of Directors, Audit Committee, Top management, Department and Employees must comply with the law. Including communicate with employees to realize that every employee has a duty and accountability to study and understand the laws and regulations involved in the job responsible and perform them correctly and completely Strictly adhere to the rules (Details appear in the attachment)

## **Investor Relations**

The company provides a responsible person. Coordinate in communication between shareholders, institutional investors, investors, analysts to disclose important information. Investors can contact Ms. Srisunun Anuchornphan Company Secretary/Investor Relations as at Email: [ir@bizalignment.com](mailto:ir@bizalignment.com) or Tel: +66 2636 6828-9 ext 25

## **Investor Relations Activities**

The company also focuses on disclosure information through investor relations activities. Executives are involved in providing information and meeting investors, analysts to gain a better understanding of the operating of the company and to strengthen the relationship. It also promotes continuous exchange of information such as,

- Participation in the Opportunity Days organized by the SET on a quarterly basis.
- Arrange management activities to meet analysts (Analyst Meeting)
- Press releases are made on a regular basis.



### Auditor Remuneration

The company paid audit fees for the review of the year 2018-2020 financial statements to M.R. & Associates Company Limited.

- Ms. Kornthip Wanichwisedkul, Certified Public Accountant No. 6947, was the Auditor of the company for the year 2018
- Ms. Kornthip Wanichwisedkul, Certified Public Accountant No. 6947, was the Auditor of the company for the year 2019
- Ms. Kornthip Wanichwisedkul, Certified Public Accountant No. 6947, was the Auditor of the company for the year 2020

The details of the audit fees are as follows:

#### 1. Remuneration of Auditor (Audit Fee)

(Unit : Baht)

Audit Fees	Year 2018	Year 2019	Year 2020
1. Annual audit fee	800,000	800,000	900,000
2. Audit fee for quarterly financial statements	800,000	800,000	900,000
<b>Total</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,800,000</b>

#### 2. Other charges (Non-Audit Fee) - none-



## Corporate Governance Report

The Board of Directors has reviewed this corporate governance policy at least once a year, which the Board of Directors has found that the company has adopted most of the practices. In the latest review (February 20, 2020), the Board of Directors had been informed of the current activities of the company and has an additional improvement from the previous year. The Board of Directors has agreed to cover and keep up with the evolving corporate governance developments. In accordance with good corporate governance principles.

### Following up on policies and practices in corporate governance

In the year 2020, from monitoring the performance of various corporate governance activities such as the prevention of conflicts of interest. Using inside information for profit Anti-corruption, whistleblowing. No flaws were found in violation of or misconduct of any code of conduct.

### Meeting Attendance of the Board of Directors and Sub-Committee in the year 2020

Board of Directors and Sub-committees will acknowledge the schedule in advance throughout the year. The Board can allocate time to attend the meeting. The company secretary sends the meeting invitation letter confirming the date, time, venue, agenda and content of each meeting at least 7 days before the meeting date.

Name	Year 2019			Year 2020		
	Baord Meeting	Audit Committee Meeting	NRC Meeting	Baord Meeting	Audit Committee Meeting	NRC Meeting
1. Mr. Woodtipong Moleechad	[5]/[5]	-	-	[9]/[9]	-	-
2. Ms. Srirat Chuchottaworn	[5]/[5]	[4]/[4]	[1]/[1]	[9]/[9]	[4]/[4]	[2]/[2]
3. Mr. Vipoota Trakulhoon	[5]/[5]	[4]/[4]	[1]/[1]	[9]/[9]	[4]/[4]	[2]/[2]
4. Mr. Thanawat Lertwattanak	[5]/[5]	[4]/[4]	[1]/[1]	[9]/[9]	[4]/[4]	[2]/[2]
5. Mr. Sompong Chunekitiyanone	[5]/[5]	-	[1]/[1]	[9]/[9]	-	[2]/[2]
6. Mr. Voravid Silapusid	[5]/[5]	-	[1]/[1]	[9]/[9]	-	[2]/[2]
7. Mr. Noppadol Suntanaphanich	[5]/[5]	-	-	[9]/[9]	-	-

Remark : [Total Meeting] / [Meeting/Attendance]



## Summary of the Remuneration of Directors in the year 2018–2020

Name		Year 2018 (Baht)	Year 2019 (Baht)	Year 2020 (Baht)
1. Mr. Woodtipong	Moleechad	360,000	330,000	390,000
2. Ms. Srirat	Chuchottaworn	330,000	310,000	360,000
3. Mr. Vipoota	Trakulhoon	315,000	295,000	350,000
4. Mr. Thanawat	Lertwattanak	300,000	290,000	340,000
5. Mr. Sompong	Chunekitayanone	70,000	60,000	110,000
6. Mr. Voravid	Silapusid	70,000	60,000	110,000
7. Mr. Noppadol	Suntanaphanich	50,000	50,000	90,000
<b>Total</b>		<b>1,495,000</b>	<b>1,395,000</b>	<b>1,750,000</b>

**Note :**

- Directors' remunerations included monthly remuneration and meeting allowance for each attendance. For Mr. Sompong Chunekitayanone, Mr. Voravid Silapusid and Mr. Noppadol Suntanaphanich Executive Director, there will be no monthly remuneration as director.
- Directors' remuneration, the remaining amount from the amount of 2 million Baht, the average calculation for all independent directors.
- Directors do not receive any remuneration for their directorship in subsidiaries.

**Other benefits** - None

## Performance of the duties of the Audit Committee in the past year

- In addition to reporting the performance of duties as specified in the Audit Committee Report. The Audit Committee also provided valuable advice on management and supervision of subsidiaries
- Providing advice and guidelines for internal audit of the company, to have more perspectives in different dimensions to give shareholders and investors confidence that the Audit Committee gives importance to inquiring about the adequacy and appropriateness of the company's internal control system.

## Performance of the duties of the Nomination and Remuneration Committee in the past year

- In addition to reporting the performance of duties as specified in the Nomination and Remuneration Committee Report. It also provides additional guidance for reviewing succession policies. To be more current, for the benefit of management and recruiting suitable people to take the position of top management.





## Internal Control

At the Board of Directors' Meeting has assessed the adequacy of the internal control system of the company based on five components which are the organization and environment, risk management, operational control of the Management, the information and data communication systems and the monitoring system.

For the implementation of the internal control system, the Audit Committee of the company reviewed the internal control system and the business operations of the company by cooperating with the Auditor, the internal auditor and Management on the review of the financial reports for the adequate and reliable disclosure of information in order for the operations of the company to comply with the law on Securities and Exchange, regulations of the Stock Exchange of Thailand, as well as any rules, notifications and laws related to the business of the company.

In the Board of Directors Meeting No. 1/2021 on February 24, 2021, the Audit Committee reported to the Board of Directors. With the opinion that The Audit Committee has evaluated and gave opinions on the sufficiency assessment form of the Company's internal control system for the year 2020, which presented by the internal audit team (Honor Audit and Advisory Company Limited) is sufficient and appropriate. By using the sufficiency assessment form of the Company's internal control system in various areas, 17 key items according to the SEC's internal control system adequacy assessment form, which considered that the company had adequate and appropriate internal control With the business operation of the company In this regard, a performance report of the Audit Committee has been prepared which covers topics on the internal control system. The report is signed by the Chairman of the Audit Committee.

### Deficiencies in internal control

As for the past deficiencies in the internal control system, it was found that the issues reported by the internal audit team to the Audit Committee each quarter. It is mostly about human error which may arise from insufficient understanding of the work process or negligence in practice. This is not a major flaw that may cause the internal control system to be inefficient in any way.

### Opinion of the Audit Committee on appointment of the Head of Internal Audit

The Audit Committee has considered the qualifications of Honor Audit and Advisory Co., Ltd. and Ms. Piyamas Rueangsaengrob are suitable enough to perform the Company's internal audit duties. Because they are independent and have experience in performing internal auditing. There is ongoing training and development in courses related to the performance of internal auditing. In this regard, the consideration and approval for the appointment and removal of the person holding the position of the internal audit supervisor will be approved by the audit committee.



## Connected Transactions

### Description of Transactions

The Company had transactions with persons who may have conflicts of interest which were connected transactions that occurred between Directors and/or Management and/or major shareholders and related companies, of which the persons who have conflicts of interest are Directors and/or Management and/or major shareholders of the company, occurring in fiscal year 2018-2020, respectively, as follows:

Companies/Persons who may have a conflict	Description of Connected Transactions	Connected transaction		
		Fiscal Year 2018 As of December 31, 2018	Fiscal Year 2018 As of December 31, 2019	Fiscal Year 2018 As of December 31, 2020
1. Mr.Sompong Chuneakityanone	<ul style="list-style-type: none"> <li>- Director, Chairman of Executive Committee, Chief Executive Officer, Chairman of Risk Management Sub- Committee, Nomination and Remuneration Committee member, Executive Chairman and Chief Operating Officer (Acting) of the company.</li> <li>- The company's major shareholder, holding 32.12 percent of the paid-up capital of the company as of December 31, 2020</li> </ul>	✓	✓	✓
2. Mr.Voravid Silapusid	<ul style="list-style-type: none"> <li>- Director, Executive Committee, Chief Finance Officer, Risk Management Sub-Committee member, Nomination and Remuneration Committee, Human Resources Manager (Acting) of the company.</li> <li>- The company's major shareholder, holding 31.31 percent of the paid-up capital of the company as of December 31, 2020</li> </ul>	✓	✓	✓



## Details of Connected Transactions

Details of connected transactions between the company and persons who may have conflicts of interest, which occurred in fiscal year 2018-2020 as of December 31, 2018– 2020 are as follows.

Persons who may have a conflict	Description of Connected Transactions	Value of the transaction (million Baht)			Necessity and Rationale
		As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	
1. Mr. Sompong Chunekitiyanone	<p><u>Guaranteeing the collateral for credit line and short-term loans to financial institutions for the company</u></p> <p>Mr. Sompong Chunekitiyanone made collateral guarantees for the company</p> <ul style="list-style-type: none"> <li>in the amount of 105.83 million Baht for the year 2018</li> <li>the amount of 115 million Baht for the year 2019</li> <li>the amount of 115 million Baht for the year 2020 without having charged any fee for making the guarantee and currently there are still outstanding amounts from the letter of guarantee of the aforesaid transaction.</li> </ul>	<p>Outstanding balance</p> <p>38.69</p>	<p>Outstanding balance</p> <p>16.22</p>	<p>Outstanding balance</p> <p>8.04</p>	<p>The company is required to have a guarantee for a credit line and short-term loan from domestic financial institutions to be used as working capital for the company's liquidity in operations. For this type of guarantee for the loan, there will be no charges or fees for the guarantee whatsoever.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has evaluated and commented that such transaction is reasonable and occurred because there is a need to bring benefits to the company in requesting credit line guarantees and short-term loans from financial institutions in order to carry out its business.</p>



Persons who may have a conflict	Description of Connected Transactions	Value of the transaction (million Baht)			Necessity and Rationale
		As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	
2. Mr. Voravid Silapusid	<p><u>Guaranteeing the collateral for credit line and short-term loans to financial institutions for the company</u></p> <p>Mr. Voravid Silapusid made collateral guarantees for the company</p> <ul style="list-style-type: none"> <li>in the amount of 105.83 million Baht for the year 2018</li> <li>in the amount of 115.00 million Baht for the year 2019 in the amount of 115 million Baht for the year 2020 without having charged any fee for making the guarantee and currently there are still outstanding amounts from the letter of guarantee of the aforesaid transaction.</li> </ul>	<p>Outstanding balance</p> <p>38.69</p>	<p>Outstanding balance</p> <p>16.22</p>	<p>Outstanding balance</p> <p>8.04</p>	<p>The company is required to have a guarantee for a credit line and short-term loan from domestic financial institutions to be used as working capital for the company's liquidity in operations. For this type of guarantee for the loan, there will be no charges or fees for the guarantee whatsoever.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has evaluated and commented that such transaction is reasonable and occurred because there is a need to bring benefits to the company in requesting credit line guarantees and short-term loans from financial institutions in order to carry out its business.</p>



Persons who may have a conflict	Description of Connected Transactions	Value of the transaction (million Baht)			Necessity and Rationale
		As of December 31, 2018	As of December 31, 2019	As of December 31, 2020	
3. Sathorn Sixteen Company Limited	<u>The expenses of the rent office space.</u>				The company rents office space which the company's proprietary of Sathorn Sixteen Company Limited space leased 227 square meters for use the office for 60 months, start from 1 January 2020 to 31 December 2024 total 600 Baht per square meter per month totaling 136,200 Baht per month. The rental rates are rate similar to the rate in Sathorn Thani Building, which is equal to 600 Baht per square meter per month. In addition, the contract provides the company is responsible for payment of utilities and other services to the juristic person Sathorn Thani and MEA directly. If the company would like to renew the contract. The company must be informing by letter in advance in writing within 90 days before the expiration of this contract. Both sides have agreed to the new rates.
	- The company rents office space from Sathorn Sixteen Company Limited.	The rents 1.62	The rents 1.63	The rents 1.63	
	<u>Current Assets</u>	Deposits	Deposits	Deposits	
	- Deposits office space	0.41	0.41	0.41	
	<u>Accounts payable and other payables</u>	House and building tax	House and building tax	House and building tax	
	- Accrued expenses	0.23	0.06	0.06	
					<u>Opinion of the Audit Committee.</u> The Audit Committee considered and commented that the transaction is reasonable and to the benefit of the business. In addition, rental rates and contract terms are reasonable and according to the nature of its business.

## Measures or Procedures in Approving Related Transactions

Board of Directors has approved principles pertaining to trade agreements with under general terms of trade in transactions between the company and related companies or persons, persons who may have a conflict of interest and persons who are stakeholders or may potentially have a conflict of interest in the future. The approved principles allow the Management to approve such transactions if the transaction is performed under a trade agreement such as would be made between a reasonable individual and the other contract party in the same circumstances, through the use of trade negotiation power that is free from the influence of their status as Directors, Executives or related persons. Moreover, its priced according to fair and at arms' length principle. In this case, the Management of the company can operate Measures or Procedures in Approving Related Transactions normally under the principles that the Board of Directors has approved and summarize a report of any such transactions that occurred during the previous period in order to report to the meeting of the Audit Committee on a quarterly basis or upon the request of the Board of Directors.

In the event the transaction is not a normal commercial transaction, the company will provide an opinion by the Audit Committee about the necessity and appropriateness of the transaction. If the Audit Committee does not have the expertise to evaluate a potential transaction, the company will consider allowing an independent appraiser, independent specialist or an auditor to comment on the related transaction to the Audit Committee with an evaluation that the Committee may use to form its decision and comment to the Board of Directors or shareholders, according to circumstance, for approval before such a transaction is made. In this case, the company will disclose the related transaction in the accompanying notes to the financial statements which have been audited by the auditor of the company and if the company's ordinary shares are listed on the Market for Alternative Investment (mai) the company will disclose such transactions in the Annual Registration Statement (Form 56-1) and the company's Annual Report (Form 56-2) and 56-1 One Report in accordance with the regulations and laws of the Securities and Exchange Commission. In this event, the approval of such related transactions shall be treated in accordance with the laws of the Securities and Exchange Commission and the regulations, notifications, orders or provisions of the Stock Exchange of Thailand. Persons who may have conflicts or interests in related transactions will not be entitled to vote on such related transactions.

## Policy and Trends of Future Related Transactions

The Board of Directors' Meeting has specified a policy on entering into related transactions that in the future, if it is necessary to have related transactions with persons who may have conflicts of interest with the company, the company will determine the conditions according to the nature of its normal trade practices and market prices which can be compared with reference prices or conditions that would occur in with companies running the same or similar business which the company has dealt with externally. In such a situation, the company will allow the Audit Committee to comment on the price, remuneration, as well as the necessity and appropriateness of such transactions. If the Audit Committee does not have the expertise to consider the transaction, the company will select an independent appraiser, independent specialist, or the auditor of the company, to comment on the aforesaid transaction to provide the Audit Committee with sufficient background to formulate its decision and comment to the Board of Directors or shareholders, according to the circumstance. The company will disclose the related transaction in the accompanying notes to the financial statements which have been audited by the auditor of the company. And if the company's ordinary shares are listed on the Market for Alternative Investment (mai), the company will disclose such transactions in the Annual Registration Statement (Form 56-1)





and the company's Annual Report (Form 56-2) and 56-1 One Report in accordance with the regulations and laws of the Securities and Exchange Commission. In this event, the approval of such related transactions shall be treated in accordance with the laws of the Securities and Exchange Commission and the regulations, notifications, orders or terms of the Stock Exchange of Thailand.

For related transactions that may occur in the future, Directors must comply to prescribed rules and must not approve any transaction which the Directors themselves or other persons may have conflicts of interest with the company. They must also disclose such transactions to the Board of Directors for consideration. The company must comply with the laws of the Securities and Exchange Commission and regulations, notifications, orders or terms of the Stock Exchange of Thailand and with requirements relating to the disclosure of related transactions and the acquisition or disposition of the company's assets, and maintain strict compliance with the accounting standards set by the Association of Policy and Trends of Future Related Transactions Accountants. In addition, the company will not carry out any related transaction with related companies which do not occur within the normal business operations of the company.

In any case, for related transactions that are short-term loans from the Directors of the company, the company's policy is not to rely any longer on loans from Directors as the company plans to find its own alternative sources of funding.

However, the related transaction that may occur in the future is the rent of the company's office space from Sathorn Sixteen Co., Ltd. under conditions and rates that are appropriate and adhere to general business practices. However, if, in the future, the company changes the conditions, price or any detail of the company's office space rental from Sathorn Sixteen Co., Ltd., the company will comply with the regulations that have been set up and disclose such transactions to the Audit Committee and the Board of Directors for assessment and/or consideration before proceeding with the said transaction.

## Investor Protection Measures

In the future, in order to protect investors, if there are related transactions of the company with persons who may have a conflict of interest, are stakeholders or may potentially show a conflict of interest in the future, the company will present such transactions at meetings of the Board with the Audit Committee members attending the meeting (excluding related transactions performed between contract parties under a trade agreement with general terms of trade) in order to ensure that the related transactions are carried out fairly and with reasonable pricing policies). The Board of Directors must perform their duties in strict compliance with the laws of the Securities and Exchange Commission and regulations, notifications, and terms of the Stock Exchange of Thailand as well as in strict compliance with those requirements relating to the disclosure of related transactions and the acquisition or disposition of any significant assets by listed companies.



## Certification of the Correctness of Information

The company has reviewed the information in this 56-1 One Report with guardedness. The company hereby certifies that such information is correct, complete, not false, and does not mislead others or lack of information that should be disclosed in material matters.

- (1) Financial statements and financial information summarized in 56-1 One Report. Has shown accurate and complete information about the financial position. Performance And cash flow of the company and its subsidiaries already.
- (2) The company has set up a good disclosure system. This is to ensure that the company has disclosed all material information of the company and its subsidiaries correctly and completely. Including supervising the implementation of the system
- (3) The company has set up a good internal control system and supervise the implementation of the said system. The company has informed the internal control system assessment as of December 31, 2020 to the auditor and the audit committee of the company. This covers deficiencies and significant changes to the internal control system. Including any wrong action that may affect the financial reporting of the company and its subsidiaries.

## Detail of Directors, Audit Committee, Executive Committee, Accounting Controller, Company Secretary and Internal Audit



**Name – Surname**  
**Present Position**

**Mr. Woodtipong Moleechad**

- **Chairman of the Board**
- **Independent Director**

**Age**

**72**

**Shareholding Percentage as of**  
0.00%

**Changes in number of Shares during the year**  
none

**Relationship between the Executive**  
none

**The indirect shareholding of spouse and immature children**  
none

**Appointment Date**  
16 December 2015 (5 years)

**Education**  
Bachelor of Economics Program, Thammasat University

**Seminar and Training**  
**Thailand Institute of Directors: IOD**

- Anti-Corruption for Executive Program Class 15/2015
- Director Certification Program Update Class 3/2015 (DCP)
- Director Certification Program Class 130/20103 (DCP)

**5 Years' Work Experience**

**Positions in other public companies**

2017 - Present • Vice Chairman of the Board Triple I Logistic Public Co., Ltd.  
• Chairman of Audit Committee  
• Independent Director

2012 - Present • Consultant

MFC Asset Management Public Co., Ltd.

2009 - Present • Chairman of the Board  
• Independent Director  
• Chairman of Nomination and Corporate Governance Committee  
• Audit Committee Member  
• Compensation Committee Member  
• Chairman of the Board  
• Independent Director

Symphony Communication Public Co., Ltd.

2012 - 2018 • Chairman of the Board  
• Independent Director

International Research Corporation Public Co., Ltd

**Positions in other companies**

2012–2015 • Director

Alsolar 1 Co., Ltd.

2009 - 2015 • Member of the Council of Experts

King Mongkut's Institute of Technology Lat Krabang

2008 – 2014 • Director

Department of issuing, Bank of Thailand

2010 - 2013 • Director  
• Audit Committee  
• Member of Corporate Affairs

Sukhumvit Asset Management Co., Ltd.



**Name – Surname**  
**Present Position**

**MS. SRIRAT CHUCHOTTAWORN**

- Independent Director
- Chairman of Audit Committee
- Nomination and Remuneration Committee

**Age**

**52**

**Shareholding Percentage as of**  
0.00%

**Changes in number of Shares during the year**  
none

**Relationship between the Executive**  
none

**The indirect shareholding of spouse and immature children**  
none

**Appointment Date**  
16 December 2015 (5 years)

#### Education

- Bachelor of Science, Faculty of IT in Business, Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Advisory permission from SAP in financial accounting and management accounting. (Certified SAP consultant in FI/CO)

#### Seminar and Training

##### Thailand Institute of Directors: IOD

- Director Certification Program (DCP) class 219/2016
- Advanced Audit Committee Program (AAP) class 24/2016

#### 5 Years' Work Experience

##### Positions in other public companies

none

2019 - Present	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairman of Nomination and Remuneration Committee</li> </ul>	T.R.V. Rubber Products Co., Ltd.
2018 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Cancer Alliance Co., Ltd.
2017 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Mix Easy (Thailand) Co.,Ltd.
2016 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Info Fabrica (Thailand) Co., Ltd.
2013 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	Baseline Technology Consultants Co., Ltd.
2012 - Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Director</li> </ul>	ITLS (Thailand) Co., Ltd. I H R Consulting Co.,Ltd.
2011 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	I Coach Co., Ltd. Code IT Consulting Co.,Ltd.
2010 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	ITS Trade Ship Co., Ltd.
2006 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	ECM Consulting Co., Ltd.
2004 - Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	I AM Consulting Co., Ltd.



**Name – Surname**  
**Present Position**

**MR. VIPOOTA TRAKULHOON**

- **Independent Director**
- **Audit Committee**
- **Chairman of Nomination and Remuneration Committee**

**Age**

**54**

**Shareholding Percentage as of**  
0.00%

**Changes in number of Shares during the year**  
none

**Relationship between the Executive**  
none

**The indirect shareholding of spouse and immature children**  
none

**Appointment Date**  
16 December 2015 (5 years)

- Education**
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
  - Bachelor of Business Administration, Major of Banking and Finance, Chulalongkorn University

**Seminar and Training**  
**Thailand Institute of Directors: IOD**  
Director Accreditation Program (DAP) Class 117/2015

**5 Years' Work Experience**

**Positions in other public companies**

- |                |                                   |                                    |
|----------------|-----------------------------------|------------------------------------|
| 2017 - Present | • Audit Committee                 | Triple I Logistic Public Co., Ltd. |
|                | • Independent Director            |                                    |
| 2014 - Present | • Executive Committee             | Millcon Steel Public Co, Ltd.      |
| 2011 - 2013    | • Executive Vice President        | Krungthai Bank Public Co., Ltd.    |
|                | • Head of Corporate Banking Group |                                    |

**Positions in other companies**

- |                |                         |                                  |
|----------------|-------------------------|----------------------------------|
| 2014 - Present | • Director              | Creative Power Co., Ltd.         |
| 2013           | • Chairman of the Board | Krung Thai IBJ Leasing Co., Ltd. |



**Name – Surname**  
**Present Position**

**MR. THANAWAT LERTWATTANARAK**

- Independent Director
- Audit Committee
- Nomination and Remuneration Committee

**Age**

**50**

**Shareholding Percentage as of**  
0.00%

**Changes in number of Shares during the year**  
none

**Relationship between the Executive**  
none

**The indirect shareholding of spouse and immature children**  
none

**Appointment Date**  
16 December 2015 (5 years)

#### Education

- Mater of Industrial Engineering (Manufacturing) University of Tennessee, Knoxville, USA)
- Bachelor of industrial engineering from University of Tennessee, Knoxville, USA)
- Bachelor of Science, Major of Computer Science King Mongkut's Institute of Technology Lat Krabang

#### Seminar and Training

##### Thailand Institute of Directors: IOD

- Director Certification Program (DCP) Class 219/2016
- Advanced Audit Committee Program (AACP) class 24/2016

#### 5 Years' Work Experience

##### Positions in other public companies

None

#### Positions in other companies

2019 – Present	• Director	DeepSparks Co., Ltd.
2017 – Present	• Director	J Venture Co., Ltd.
	• Director	PAC Corporation (Thailand) Co., Ltd.
2016 – Present	• Director	Info Fabrica (Thailand) Co., Ltd.
2013 – Present	• Director	Baseline Technology Consultants Co., Ltd.
	• Director	Any I Corporation Co., Ltd.
	• Director	ITS Trade Ship Co., Ltd.
2012 – Present	• Director	ITLS (Thailand) Co., Ltd.
	• Director	I am consulting Co., Ltd.
	• Director	I H R Consulting Co., Ltd.
2011 – Present	• Director	I Coach Co., Ltd.
2006 – Present	• Director	Code IT Consulting Co., Ltd.
2006 – Present	• Director	ECM Consulting Co., Ltd.
	Consultant	





(Authorized Directors)

**Name – Surname**  
**Present Position**

**MR. SOMPONG CHUNEKITIYANONE**

- **Director**
- **Executive Chairman**
- **Chairman of Risk Management Sub-Committee**
- **Nomination and Remuneration Committee**
- **Chief Executive Officer**
- **Chief Operating Officer (Acting)**

**Age**

**58**

**Shareholding Percentage as of**

32.12%

**Changes in number of Shares during the year**

none

**Relationship between the Executive**

none

**The indirect shareholding of spouse and immature children**

none

**Appointment Date**

12 May 2000 (20 years)

**Education**

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Master of Science, Department of Forensic Science, Mahidol University
- Bachelor of Science, Department of Radiological Technology, Mahidol University

**Seminar and Training**

**Thailand Institute of Directors: IOD**

- Capital Market Leader Program, Capital Market Academy Class 26/2018
- Director Certification Program (DCP) Class 204/2015

**Other courses**

- Top Executive Program in Commerce and Trade, TEPCOT Class 13/2020, University of the Thai Chamber of Commerce
- Advanced Master of Management Program (AMM) Class 2, National Institute of Development Administration (NIDA)
- Joint discussion on the implementation of the Anti-Corruption Action Plan of the Thai Private Sector 2017
- Thailand's Big Strategic Move Conference 2017 by SET
- SET Social Impact Day 2017: Partnership for the Goals "Combine the power for sustainability."

**5 Years' Work Experience**

**Positions in other public companies**

None

**Positions in other companies**

2018-Present	• Chairman of the Board	Cancer Alliance Co., Ltd.
2014-Present	• Director	Sathorn Sixteen Co., Ltd.





(Authorized Directors)

**Name – Surname**  
**Present Position**

**MR. VORAVID SILAPUSID**

- Director
- Executive Committee
- Risk Management Sub-Committee
- Nomination and Remuneration Committee
- Chief Financial Officer
- Human Resource Manager (Acting)

**Age**

**55**

#### Shareholding Percentage as of

31.31%

#### Changes in number of Shares during the year

none

#### Relationship between the Executive

none

#### The indirect shareholding of spouse and immature children

0.75%

#### Appointment Date

12 May 2000 (20 years)

#### Education

- Master of Development Economics Major of Financial Economics, National Institute of Development Administration (NIDA)
- Master of Engineering, Major of Engineering Industrial and Manufacturing, Asian Institute of Technology
- Bachelor of Engineering, Major of Electronic, King Mongkut's Institute of Technology Lat Krabang

#### Seminar and Training

##### Thailand Institute of Directors: IOD

- Director Certification Program (DCP) Class 205/2016

##### Other courses

- The New CFO (Crisis Financial Officer) Year 2020
- 2020 Financial Statement Analysis Strategy for Executives and Accountants
- TFRS 16 Leases and Recognition of Financial Standards in 2019

#### 5 Years' Work Experience

##### Positions in other public companies

None

##### Positions in other companies

2018-Present	• Director	Cancer Alliance Co., Ltd.
2014-Present	• Director	Sathorn Sixteen Co., Ltd.



(Authorized Directors)

**Name – Surname**  
**Present Promotion**

**MR. NOPPADOL SUNTANAPHANICH**

- **Director**
- **Executive Committee**
- **Risk Management Sub-Committee**
- **Chief Quality Officer**

**Age**

**49**

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**Shareholding Percentage as of 30/12/2020**

6.00%

**Changes in number of Shares during the year**

none

**Relationship between the Executive**

none

**The indirect shareholding of spouse and immature children**

none

**Appointment Date**

3 April 2015 (5 years)

**Education**

- Master of Business Administration, Major of Management, Ramkhamhaeng University
- Bachelor of Industrial Technology (Faculty of Engineering), Mahanakorn University of Technology

**Seminar and Training**

**Thailand Institute of Directors: IOD**

- IT Governance and Cyber Resilience Program (ITG) Class 8/2018
- Directors Accreditation Program (DAP) Class 123/2016

**Other courses**

- ISO13485:2016 Process Validation for Medical Devices Year 2020
- ISO13485:2016 Internal Audit Training Year 2020
- High Value Brand Ambassador Year 2019
- Training course ISO13485:2016 Distribution/Service and Maintenance of Medical Device Year 2019

**5 Years' Work Experience**

**Positions in other public companies**

None

**Positions in other companies**

2014 - Present • Director Sathorn Sixteen Co., Ltd.

## Accounting Controller



**Name – Surname**  
**Present Position**

**MS. SUKANLAYA KHAMNUAN**

- Executive Committee
- Risk Management Sub-Committee
- Deputy Chief Financial Officer
- Accounting Controller

**Age**

**36**

### Shareholding Percentage as of 30/12/2020

0.00%

### Changes in number of Shares during the year

none

### Relationship between the Executive

none

### The indirect shareholding of spouse and immature children

none

### Appointment Date

23 December 2015 (5 years)

### Education

- Master of Business Administration, Major of Finance and Banking, Ramkhamhaeng University
- Bachelor of Business Administration, Major of Accounting, Ramkhamhaeng University

### Seminar and Training

#### Thailand Institute of Directors: IOD

- Directors Accreditation Program (DAP) Class 136/2017

### Other courses

- The New CFO (Crisis Financial Officer) Year 2020
- Financial Management Strategy To revive the organization and create growth in the New Normal era
- The employer is responsible for remittance according to the Education Loan Fund Act B.E. 2560, what to do?
- Guidelines for preparing financial reports of companies affected by the COVID-19 event
- TFRS9 workshop for accounting, protection/ Direction, financial reporting standards (PAEs and NPAs) year 2019
- Training course ISO13485:2016 Distribution/Service and Maintenance of Medical Device o Scholarship Program "Prepare for the adoption of the Financial Reporting Standard" Year 2017
- Communication on Strengths by ADDIE the Change Consulting Co., Ltd. Year 2017
- Foreign exchange risk management 2017

### 5 Years' Work Experience

#### Positions in other public companies

None

#### Positions in other companies

2018-Present • Director Cancer Alliance Co., Ltd.

## Company Secretary



**Name-Surname**  
**Present Position**

**MS. SRISUNUN ANUCHORNPHAN**

- **Company Secretary**
- **Secretary of Audit Committee**
- **Secretary of Nomination and Remuneration Committee**
- **Secretary of Executive Committee**
- **Secretary of Risk Management Sub-Committee**

**Age**

**43**

**Shareholding Percentage as of 30/12/2020**  
0.00%

**Changes in number of Shares during the year**  
none

**Relationship between the Executive**  
none

**The indirect shareholding of spouse and immature children**  
none

**Appointment Date**  
1 January 2017

### Education

- Master of Business Administration for Executive, Major of Management, Rangsit University
- Bachelor of Business Administration Major Personnel Management Faculty of Humanities and Social Sciences, Burapha University

### Seminar and Training

#### Thailand Institute of Directors: IOD

- How to develop a risk management plan (HRP) Class 24/2019
- Board Reporting Program (BRP) Class 23/2017
- Company Reporting Program (CRP) Class 13/2015
- Company Secretary Program (CSP) Class 46/2012

### Other courses

- ISO13485:2016 Internal Audit Training (Qtime Consultant)
- PDPA for Internal Audit Class 4 Association of Political Science, Kasetsart University
- PDPA for HR Class 8 Association of Political Science, Kasetsart University
- IR Fundamental Course 2018 (Thailand Securities Institute: TSI)
- Training course ISO13485:2016 Distribution/Service and Maintenance of Medical Device
- Criminal Liability of Directors and Juristic Persons 2017 (SET)
- How to create a HR plan for a corporate strategy class 7/2017
- Basic Finance for IR 2017 (SET)
- Communication on Strengths by ADDIE the Change Consulting Co., Ltd. 2017
- Enhancing Good Corporate Governance based on CGR Scorecard
- Smart Disclosure Program Project (SDP) 2017
- Corporate Secretary Development Program (Faculty of Commerce and Accountancy, Chulalongkorn University) Class 12/2005

### 5 Years' Work Experience

#### Positions in other public companies

1999 - 2016	• Company Secretary and Admin Manager	Business Online Public Co., Ltd.
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#### Positions in other companies

None

## List of Directors and Controlling Persons in the company and subsidiary

No.	Name of Directors	บริษัท (บมจ.บิสซิเนส อะไลमेंท์)	Business Alignment	Cancer Alliance
1	Mr. Woodtipong Moleechad	★		
2	Ms. Srirat Chuchottaworn	●	●	
3	Mr. Vipoota Trakulhoon	●		
4	Mr. Thanawat Lertwattanak	●		
5	Mr. Sompong Chunekitiyanone	● / ■	★	●
6	Mr. Voravid Silapusid	● / ■	●	●
7	Mr. Noppadol Suntanaphanich	● / ■		●
8	Ms. Sukanlaya Khamnuan	■	●	

**Remark**      ★ Chairman      ● Director      ■ Executive Committee

## Head of Internal Audit

The company hired Honor Auditor and Advisory Company Limited to act as internal auditors of the company. Ms. Piyamas Ruangsangroop, Executive Director is the main responsible person for performing the duties of the company's internal auditors. To audit and assess the sufficiency of the internal control system and report the audit results to the Audit Committee regularly every quarter. The Audit Committee has considered the qualifications of Honor Audit and Advisory Co., Ltd. and Ms. Piyamas Ruangsangroop, and sees that it is appropriate and sufficient for the performance of such duties as it is independent and has experience in performing internal auditing.

In addition, the company has set up a system to supervise the company's business in accordance with the laws, rules, regulations, policies and requirements of relevant government agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand, etc., and establish corporate governance policies. Balance To determine the Board of Directors, Audit Committee or department and employees must comply with the law. Including communicating with employees to realize that every employee has a duty and accountability to study and understand the laws and regulations involved in the job responsible and perform them correctly and completely strictly adhere to the rules.

<b>Name - Surname</b>	MS. Piyamas Ruangsaengrob
<b>Present Position</b>	<ul style="list-style-type: none"> <li>• Head of Internal Audit Team (Outsourcing: Honor Audit and Advisory Co., Ltd.)</li> <li>• C.P.A. Registration No. 7133</li> </ul>
<b>Age</b>	42 years
<b>Shareholding Percentage as of 30/12/2020</b>	0.00%
<b>Changes in number of Shares during the year</b>	none
<b>Relationship between the Executive</b>	none
<b>The indirect shareholding of spouse and immature children</b>	none
<b>Appointment Date</b>	16 April 2015





### Education

- Master of Financial Accounting and Assurance, Thammasat University
- Certificate of Audit Factor, Chulalongkorn University
- Bachelor of Business Administration, faculty of Accounting, Rajamangala University of Technology Rattanakosin (RMUTR) Bophit Phimuk Chakkrawat Campus
- Bachelor of Arts, faculty of Mass Communication, Ramkhamhaeng university
- Internal Audit Certificate, Class 7, Federation of Accounting Professions
- Certificate of Tax Law Thammasat University, Customs Tax Course, Excise tax and stamp duty VAT Specific business, tax Corporate, Income Tax, Personal income tax and international taxation
- Certificate of "Capital Market Auditor Development", Securities and Exchange Commission and the Federation of Accounting Professions
- Certificate of the Federation of "Accounting Professions Audit Office For quality certification under the ISQC1 standard" Class 3
- Certificate of the Association of Investors Club, course "Practices after receiving investment promotion"

### Seminar and Training

- Protection against offenses under the law of corruption and money laundering (2019)
- Management and sustainability report preparation and social compensation measures (2019)
- Taxes of land and buildings Planning and preparation before enforcement by 2020 (2019)
- Fraud related to basic information technology (2019)
- Making paper for anti-corruption measures in the organization (2018)
- TFRS 2018
- Risk and supervision of information technology (2017)
- Cyber Security for auditors and accountants in the 4.0 era (2017)
- Digital era business and legal risks (2016)
- Internal control guidelines for companies preparing to be listed on the stock market (2016)
- Data Analytics for Internal Audit (2016)

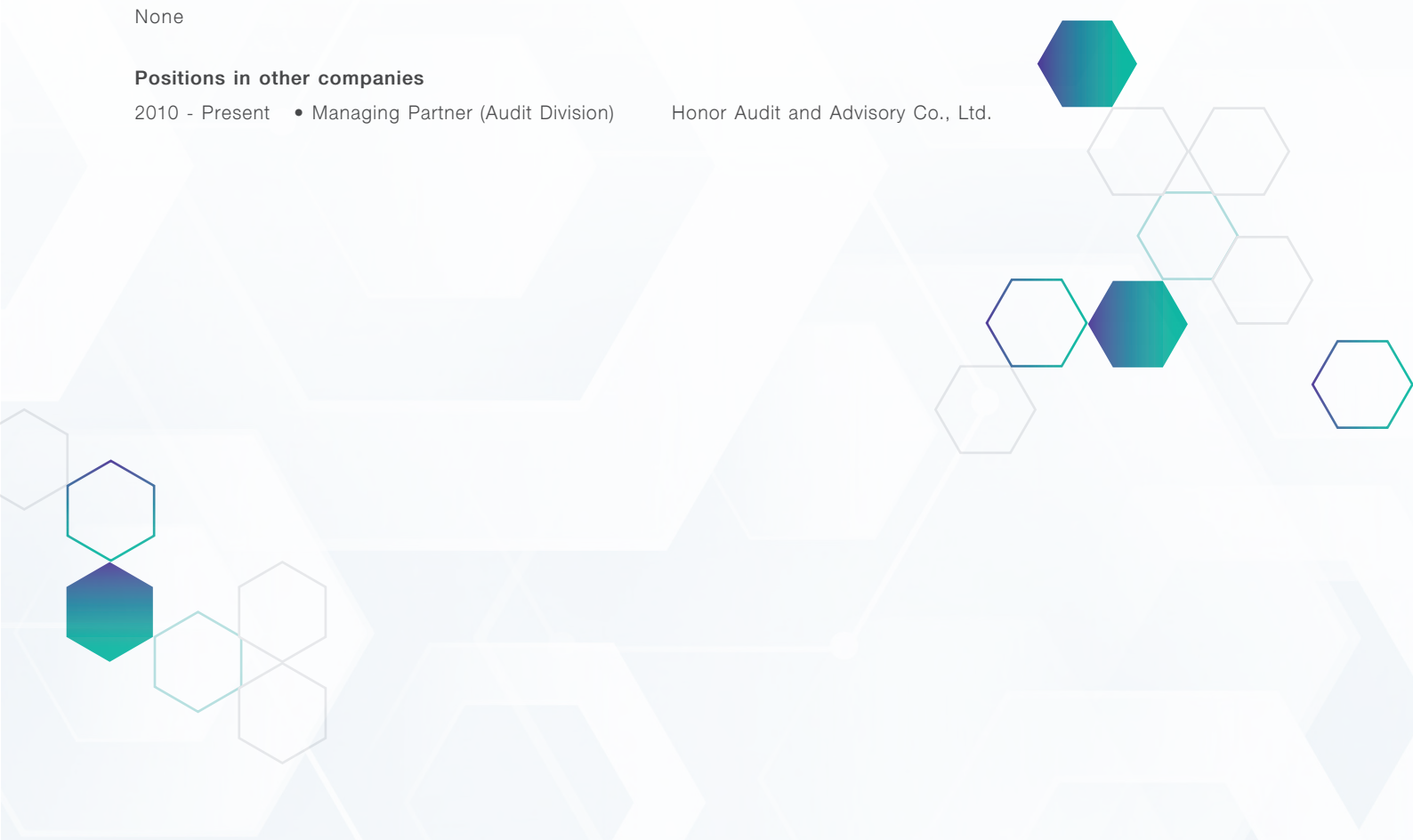
### 5 Years' Work Experience

#### Positions in other public companies

None

#### Positions in other companies

2010 - Present • Managing Partner (Audit Division) Honor Audit and Advisory Co., Ltd.





## Audit Committee's Report

The Audit Committee ("The Audit Committee") of Business Alignment Public Company Limited ("The company") comprises of 3 independent Directors as follows:

- |    |                             |  |
|----|-----------------------------|--|
| 1. | Ms. Srirat Chuchottaworn    | Independent Director and Chairman of Audit Committee |
| 2. | Mr. Vipoota Trakulhoon*     | Independent Director and Audit Committee Member      |
| 3. | Mr. Thanawat Lertwattanarak | Independent Director and Audit Committee Member      |

*\*Director with experience in accounting, finance, and auditing*

Each of the Directors meets the qualification mandated therein the Audit Committee Charter in accordance with the Good Governance Guideline from the SEC.

In the year 2020, the Audit Committee had quarterly meetings with Internal Auditors and Auditors, together with the management and the accounting team in attendance as appropriate, to audit the financial statements and exchange recommendations to ensure the financial statements are prepared in accordance with the Generally Accepted Accounting Standard with sufficient information disclosure. The Audit Committee does not found any practice conflicting with the regulations and law related to the company. In the year 2020, there were 4 Audit Committee meetings. The Audit Committee informed the Board of Directors of the result of the work conducted by the Audit Committee in every Board of Director meeting. The key areas are as follows:

### 1. Financial statements audit

The Audit Committee audited the quarterly, annual, and financial statements with the auditors, management, and Internal Audit to present to the Board of Directors. The Audit Committee also meet with the auditors without the management team in attendance at least once a year.

### 2. Potential conflict of interest

The Audit Committee reviewed connected transactions and the list of potential conflict of interests between the company and its subsidiaries based on the reasonableness principle and considered the benefits of stakeholders, including the sufficient disclosure in accordance to the rules from the SEC.

### 3. Internal control and risk management

The Audit Committee reviewed the internal control adequacy of the company's and its subsidiaries from the report prepared by Internal Audit Department, and Auditors to assess the sufficiency and effectiveness of the internal control and the management of key risks.

### 4. Law and regulations

The Audit Committee reviewed the business conducted in compliance with the law and regulations.





## 5. Good Governance

The Audit Committee audited the company to ensure good governance for transparency and confidence of stakeholders.

## 6. Internal Audit

The Audit Committee reviewed the objective and scope of the work and approved the Internal Audit plan for the year 2020. The Audit Committee also provided recommendations and acknowledged the result of the audit and recommendations for the year 2020 from both the auditors and Internal Audit. The Audit Committee presented Audit Committee report to the Board of Directors every time after the meeting and provided recommendations to the management team, which the management have implemented as appropriate according to the guideline provided by the Audit Committee and SEC.

## 7. Appointment of the company's auditor and remuneration

The consideration and appointment of the auditor and the remuneration was conducted based on the qualification and expertise of the auditors in accordance to the amount of work required for the fiscal year 2021. The Audit Committee proposed to the Board of Directors to appoint M.R. Associates Company Limited who are independent and have acceptable qualifications. They are auditors approved by the SEC. to be the company's Auditor with the following auditors:

Ms. Kornthip Wanichwisedkul	C.P.A. Registration No. 6947 or
Mr. Pisit Chiwaruangroch	C.P.A. Registration No. 2803 or
Mr. Maethee Rattanasrimaetha	C.P.A. Registration No. 3425 or
Mr. Akkaradech Piensakul	C.P.A. Registration No. 5389

The Audit Committee believed that, in the year 2020, the company reported financial statements and operations with sufficient internal control and business conduct in compliance with the law and regulations mandated by the SEC. The internal control and risk management is appropriate and effective. The company provided appropriate and sufficient disclosure of the interconnectivity and conducted of business within reliable means and good governance.

Ms. Srirat Chuchottaworn  
Chairman of the Audit Committee  
Business Alignment Public Company Limited

## Nomination and Remuneration Committee's Report

The Nomination and Remuneration Committee was established according to the resolution of the company's Board of Directors meeting comprising 5 persons as follow;

- |    |             |                 |  |
|----|-------------|-----------------|--|
| 1) | Mr.Vipoota  | Trakulhoon      | Independent Director,Chairman of Nomination and Remuneration Committee |
| 2) | Ms.Srirat   | Chuchottaworn   | Independent Director,Nomination and Remuneration Committee             |
| 3) | Mr.Thanawat | Lertwattanak    | Independent Director,Nomination and Remuneration Committee             |
| 4) | Mr.Sompong  | Chunekitiyanone | Director,Nomination and Remuneration Committee                         |
| 5) | Mr.Voravid  | Silapusid       | Director,Nomination and Remuneration Committee                         |

The proportion of Independent Directors is 60% of the Nomination and Remuneration Committee. There will be one meeting of the Nomination and Remuneration Committee in the year 2020 meeting total 2 times.

Nomination and Remuneration Committee set the policy, criteria and method of recruiting and considering remuneration clearly. To comply with relevant regulatory and regulatory requirements, such as the Public Limited Company Act, the Securities and Exchange Act BE.2535, the Articles of Association of the Company and good corporate governance principles. The recruiting and selecting qualified candidates will be consider;

- Must not be prohibited by law and the criteria are strictly defined.
- No overlapping interests or conflict of interest with the company.
- Consider the appropriateness of knowledge, experience, and expertise that are beneficial to companies with experience in the core business or industry in which they operate. The Board of Directors has set up the Board Skill Matrix, which makes the selection of directors consistent with the business direction of the company in business, strategy, law, finance, accounting, international business, information technology. To combine the knowledge and ability to benefit the operation of the company.
- Have integrity, ethics, honesty
- Can allocate time to perform duties properly.

The remuneration of the Board of Directors will consider the responsibilities of the Board of Directors and the performance of the Directors in accordance with their duties and responsibilities, the intention of the Director, type and size of business and considering the criteria in the same industry is used. The remuneration must be at an appropriate level and sufficient to attract and retain qualified directors.

The Nomination and Remuneration Committee has performed its duties with careful judicious and independence as per good corporate governance principles which considering the maximum benefit and important of the company, shareholders and all stakeholders.



(Mr. Vipoota Trakulhoon)  
Chairman of Nomination and Remuneration Committee  
Business Alignment Public Company Limited



## The Board of Directors' Duties on Financial Disclosure

The Board of Directors of Business Alignment Public Company Limited understands the responsibility of ensuring integrity, sufficient, relevant and transparent disclosure of the company's fiscal year 2020 financial statements. Such disclosure abides by the generally accepted accounting principles, ensuring the integrity of the company's operations/ appropriate accounting policies have been put in place and adhered to on a consistent basis while due consideration has been placed on the process of preparing the company fiscal year 2020 financial statements including other information that has been included in this year's annual report.

To enhance stakeholder trust, the Board of Directors appointed an Audit Committee comprising of Independent Directors with qualifications as stipulated by the guidelines of Stock Exchange of Thailand. Ensuring that the company provides sufficient, transparent, correct and appropriate financial disclosure along with information regarding related party transactions is a key function of the committee. Ensuring appropriate, sufficient and effective risk management guidelines, appropriate internal control procedures along with robust internal audit processes are also the functions of the committee. Legal compliance is at the forefront of the Board's concerns therefore the committee is also charged with ensuring that the company's operations adheres to all relevant external and internal legal, guidelines and policies.

The Board of Directors believes that the company fiscal year 2020 financial statements ending December 31, 2020, which has been reviewed by the Audit Committee, management and the company's financial auditor to be correct, complete, appropriate, in compliance with generally accepted accounting practices and employs appropriate accounting policies on a consistent basis. The financial disclosure is deemed to be transparent, provides an appropriate level of disclosure and is in compliance with all the relevant legal, guidelines and policies.

Mr. Sompong Chunekeityanone  
Director & Executive Chairman

Mr. Voravid Silapusid  
Director

# Statements of Financial Position





## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of Business Alignment Public Company Limited

### Opinion

I have audited the consolidated financial statements of Business Alignment Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Business Alignment Public Company Limited (the Company), which comprise the separate statement of financial position as at December 31, 2020, and the separate statement of comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Business Alignment Public Company Limited and its subsidiary as at December 31, 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Thai Financial Reporting Standards. Also, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Business Alignment Public Company Limited as at December 31, 2020, and its separate financial performance and its separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

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

#### Revenue from rendering of services and its related costs

I focused on recognition of revenue from rendering of service and its related costs to check that revenue and its related costs were recorded in the correct period. Revenue from rendering of service and its related costs for the year ended December 31, 2020 amounted to Baht 196 million and Baht 157 million, respectively in the consolidated financial statements and the separate financial statements. Significant accounting policies related to the matters were disclosed in notes to the financial statements No. 3.

The Company provides repair and maintenance services for medical equipment. The ranges of service agreements are not parallel with the accounting period. The related costs are, mainly, costs paid to sub-contractors. The ranges of service agreements with sub-contractors are, also, not parallel with the accounting period.

To ensure that the revenue from rendering of service and its related costs are recorded in the correct period, the Company maintains monthly details of the revenue from rendering of service and its related costs, and consistently reviews the correctness of recognition of the revenue from rendering of service and its related costs.

I reviewed the details of the revenue from rendering of service and its related costs prepared by the Company. I also tested the recognition of the revenue from rendering of service and its related costs by reference to the agreements, and test the accuracy of computation in the details to ensure that the revenue from rendering of service and its related costs were recorded in the correct period.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and the 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 financial statements and the 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 financial statements and the 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 financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## **Responsibilities of Management and Audit Committee for the Consolidated Financial Statements and the Separate Financial Statements**

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

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

Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the 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 audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with audit committee, I determine those matters that were of most significance in the audit of the consolidated financial statements and the 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.

(Ms. Kornthip Wanichwisedkul)  
Certified Public Accountant  
Registration No. 6947

M.R. & ASSOCIATES CO., LTD.  
Bangkok  
February 24, 2021

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020 AND 2019**

**ASSETS**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		206,560,355	102,407,257	203,113,555	81,071,538
Trade and other receivables	5	187,511,220	203,548,236	182,712,793	203,088,226
Construction contract					
work in progress	25	7,192,219	22,778,683	7,192,219	22,778,683
Inventories	6	1,117,487,568	770,831,683	1,116,421,225	770,239,199
Other current financial assets	7, 12	95,439,632	115,418,769	95,439,632	115,418,769
Other current assets		-	17,046,151	-	17,046,151
<b>Total current assets</b>		<b>1,614,190,994</b>	<b>1,232,030,779</b>	<b>1,604,879,424</b>	<b>1,209,642,566</b>
<b>NON-CURRENT ASSETS</b>					
Other non-current financial assets	7, 12	11,993,000	9,000,000	11,993,000	9,000,000
Investment in subsidiary	8	-	-	130,000,000	130,000,000
Property, plant and equipment	9, 12	387,840,464	405,467,784	27,508,611	29,727,620
Right-of-use assets	10	6,702,187	-	5,534,796	-
Intangible assets		535,302	421,687	374,676	284,648
Deferred tax assets	11	10,415,607	9,205,213	8,084,988	6,708,057
Other non-current assets		974,400	446,100	490,400	446,100
<b>Total non-current assets</b>		<b>418,460,960</b>	<b>424,540,784</b>	<b>183,986,471</b>	<b>176,166,425</b>
<b>TOTAL ASSETS</b>		<b>2,032,651,954</b>	<b>1,656,571,563</b>	<b>1,788,865,895</b>	<b>1,385,808,991</b>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from					
financial institutions	12	249,467,142	256,575,431	249,467,142	256,575,431
Trade and other payables	13	909,336,760	433,675,059	903,428,274	427,994,710
Current portion of long-term					
borrowings	12	9,488,044	11,545,412	-	-
Current portion of lease liabilities	14	1,567,719	324,152	1,250,699	-
Income tax payable		6,582,953	14,061,794	6,582,953	14,061,794
Other current provisions	15	10,396,697	15,764,578	11,250,854	17,014,578
Other current financial liabilities	26	10,467,723	41,610,561	10,467,723	41,610,561
<b>Total current liabilities</b>		<b>1,197,307,038</b>	<b>773,556,987</b>	<b>1,182,447,645</b>	<b>757,257,074</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings	12	245,028,535	228,738,252	-	-
Lease liabilities	14	5,322,711	1,179,661	4,436,366	-
Provisions for employee benefits	16	9,387,669	8,217,293	8,204,282	7,478,330
Other non-current provisions	15	1,100,000	500,000	1,100,000	500,000
<b>Total non-current liabilities</b>		<b>260,838,915</b>	<b>238,635,206</b>	<b>13,740,648</b>	<b>7,978,330</b>
<b>Total liabilities</b>		<b>1,458,145,953</b>	<b>1,012,192,193</b>	<b>1,196,188,293</b>	<b>765,235,404</b>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)**

	Note	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Authorized share capital	17	200,000,000	200,000,000	200,000,000	200,000,000
Issued and paid-up share capital	17	200,000,000	200,000,000	200,000,000	200,000,000
Share premium on ordinary shares	18	222,332,048	222,332,048	222,332,048	222,332,048
Retained earnings					
Legal reserve	19	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		89,825,404	144,926,190	150,345,554	178,241,539
<b>Equity attributable to owners</b>					
<b>of the parent</b>		532,157,452	587,258,238	592,677,602	620,573,587
Non-controlling interests	8	42,348,549	57,121,132	-	-
<b>Total shareholders' equity</b>		<u>574,506,001</u>	<u>644,379,370</u>	<u>592,677,602</u>	<u>620,573,587</u>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>		<u>2,032,651,954</u>	<u>1,656,571,563</u>	<u>1,788,865,895</u>	<u>1,385,808,991</u>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
<b>REVENUES</b>					
Revenue from sales of goods	20	527,040,486	520,898,537	527,040,486	619,648,537
Revenue from rendering of services	20	196,495,849	165,510,456	196,495,849	165,510,456
Revenue from construction	20	819,144	35,817,190	819,144	35,817,190
Revenue from hospital operations	20	30,979,223	2,285,607	-	-
Gain on exchange rate		-	1,003,786	-	1,003,786
Other income		9,794,600	8,487,302	11,974,908	9,609,763
<b>Total revenues</b>		<b>765,129,302</b>	<b>734,002,878</b>	<b>736,330,387</b>	<b>831,589,732</b>
<b>EXPENSES</b>					
Costs of sales of goods		416,064,949	362,535,144	416,064,949	449,316,201
Costs of rendering of services		157,204,783	138,253,878	157,204,783	138,253,878
Costs of construction		769,233	28,926,982	769,233	28,926,982
Costs of hospital operations		47,854,776	10,525,041	-	-
Distribution costs		14,071,353	21,886,914	13,609,451	21,886,914
Administrative expenses		42,653,084	55,695,345	30,015,268	37,817,355
Loss on exchange rate		16,477,067	-	16,477,067	-
<b>Total expenses</b>		<b>695,095,245</b>	<b>617,823,304</b>	<b>634,140,751</b>	<b>676,201,330</b>
<b>Profit from operating activities</b>		<b>70,034,057</b>	<b>116,179,574</b>	<b>102,189,636</b>	<b>155,388,402</b>
Finance costs		22,453,465	7,533,159	12,517,724	4,413,928
<b>Profit before income tax</b>		<b>47,580,592</b>	<b>108,646,415</b>	<b>89,671,912</b>	<b>150,974,474</b>
Tax expense	11	18,029,051	27,852,334	17,918,609	30,303,802
<b>Profit for the year</b>		<b>29,551,541</b>	<b>80,794,081</b>	<b>71,753,303</b>	<b>120,670,672</b>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF COMPREHENSIVE INCOME (Continued)**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Note	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
<b>Other comprehensive income</b>	22				
Items that will not be reclassified subsequently to profit or loss					
- Actuarial gain on remeasurements of defined benefit plan		575,090	1,731,817	350,712	1,686,396
<b>Total comprehensive income for the year</b>		<u>30,126,631</u>	<u>82,525,898</u>	<u>72,104,015</u>	<u>122,357,068</u>
<b>Profit (loss) attributable to:</b>					
Equity holders of the parent		44,402,657	91,461,780	71,753,303	120,670,672
Non-controlling interests	8	(14,851,116)	(10,667,699)	-	-
		<u>29,551,541</u>	<u>80,794,081</u>	<u>71,753,303</u>	<u>120,670,672</u>
<b>Total comprehensive income (loss) attributable to:</b>					
Equity holders of the parent		44,899,214	93,177,700	72,104,015	122,357,068
Non-controlling interests	8	(14,772,583)	(10,651,802)	-	-
		<u>30,126,631</u>	<u>82,525,898</u>	<u>72,104,015</u>	<u>122,357,068</u>
<b>Basic earnings per share</b>	23	<u>0.111</u>	<u>0.229</u>	<u>0.179</u>	<u>0.302</u>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Note	Consolidated financial statements (In Baht)					
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
				Legal reserve	Unappropriated		
<b>Balance at January 1, 2020</b>		200,000,000	222,332,048	20,000,000	144,926,190	587,258,238	644,379,370
Comprehensive income							
for the year							
Profit (loss) for the year		-	-	-	44,402,657	44,402,657	29,551,541
Other comprehensive income							
for the year		-	-	-	496,557	496,557	575,090
Total comprehensive income							
(loss) for the year		-	-	-	44,899,214	44,899,214	30,126,631
Dividends	24	-	-	-	(100,000,000)	(100,000,000)	(100,000,000)
<b>Balance at</b>							
<b>December 31, 2020</b>		200,000,000	222,332,048	20,000,000	89,825,404	532,157,452	574,506,001

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



Consolidated financial statements (In Baht)								
Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Equity attributable to owners of the parent		Non-controlling interests	Total shareholders' equity
			Legal reserve	Unappropriated				
<b>Balance at January 1, 2019</b>	200,000,000	222,332,048	20,000,000	115,748,490	558,080,538	67,772,934	625,853,472	
Comprehensive income								
for the year	-	-	-	91,461,780	91,461,780	(10,667,699)	80,794,081	
Profit (loss) for the year								
Other comprehensive income								
for the year	-	-	-	1,715,920	1,715,920	15,897	1,731,817	
Total comprehensive income								
(loss) for the year	-	-	-	93,177,700	93,177,700	(10,651,802)	82,525,898	
Dividends	-	-	-	(64,000,000)	(64,000,000)	-	(64,000,000)	
<b>Balance at December 31, 2019</b>	200,000,000	222,332,048	20,000,000	144,926,190	587,258,238	57,121,132	644,379,370	

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Separate financial statements (In Baht)					Total shareholders' equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Unappropriated	
			Legal reserve			
<b>Balance at January 1, 2020</b>	200,000,000	222,332,048	20,000,000	178,241,539	620,573,587	
Comprehensive income for the year						
Profit for the year	-	-	-	71,753,303	71,753,303	
Other comprehensive income for the year						
	-	-	-	350,712	350,712	
Total comprehensive income for the year	-	-	-	72,104,015	72,104,015	
Dividends	24	-	-	(100,000,000)	(100,000,000)	
<b>Balance at December 31, 2020</b>	200,000,000	222,332,048	20,000,000	150,345,554	592,677,602	

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Note	Separate financial statements (In Baht)				Total shareholders' equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Unappropriated	
				Legal reserve		
<b>Balance at January 1, 2019</b>		200,000,000	222,332,048	20,000,000	119,884,471	562,216,519
Comprehensive income for the year						
Profit for the year		-	-	-	120,670,672	120,670,672
Other comprehensive income for the year		-	-	-	1,686,396	1,686,396
Total comprehensive income for the year		-	-	-	122,357,068	122,357,068
Dividends	24	-	-	-	(64,000,000)	(64,000,000)
<b>Balance at December 31, 2019</b>		200,000,000	222,332,048	20,000,000	178,241,539	620,573,587

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit for the year	29,551,541	80,794,081	71,753,303	120,670,672
Adjustment for				
Tax expense	18,029,051	27,852,334	17,918,609	30,303,802
Depreciation and amortization	20,512,758	7,890,775	4,074,510	2,738,345
Provisions (reversal) - net	(663,972)	5,173,812	(1,388,869)	5,913,284
Unrealized loss on exchange rate	6,568,866	5,275,438	6,568,866	5,275,438
Interest income	(1,721,685)	(2,535,681)	(1,677,049)	(2,045,336)
Interest expense	22,453,465	7,533,159	12,517,724	4,413,928
Loss on disposals of equipment and intangible assets	11,301	12,310	11,301	12,310
Decrease (increase) in operating assets				
Trade and other receivables	15,123,888	42,603,169	19,760,267	42,728,134
Construction contract work in progress	15,586,464	53,848,230	15,586,464	53,848,230
Inventories	(344,629,501)	(541,062,449)	(344,155,642)	(540,469,965)
Other non-current assets	(84,000)	28,500	-	-
Increase (decrease) in operating liabilities				
Trade and other payables, and other current financial liabilities	441,765,023	185,461,422	441,536,698	183,600,166
Provisions paid	(2,214,671)	(7,495,702)	(2,610,514)	(7,495,702)
Income tax paid	(26,964,096)	(23,544,823)	(26,862,058)	(23,539,920)
<b>Net cash flows provided by (used in) operating activities</b>	<u>193,324,432</u>	<u>(158,165,425)</u>	<u>213,033,610</u>	<u>(124,046,614)</u>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Interest received	2,291,651	2,463,134	2,247,015	1,972,789
Decrease (increase) in time deposits	16,986,137	(33,895,991)	16,986,137	(33,895,991)
Additions to property, plant and equipment, and intangible assets	(2,794,046)	(255,255,345)	(573,131)	(2,878,419)
<b>Net cash flows provided by (used in)</b>				
<b>investing activities</b>	16,483,742	(286,688,202)	18,660,021	(34,801,621)
<b>Cash flows from financing activities</b>				
Interest paid	(11,177,045)	(4,916,512)	(1,241,116)	(758,557)
Increase (decrease) in short-term borrowings from financial institutions	(7,108,289)	256,575,431	(7,108,289)	256,575,431
Proceeds from long-term borrowings	14,232,915	240,283,664	-	-
Payments of lease liabilities	(1,531,878)	(22,319)	(1,231,430)	-
Dividends paid	(99,954,392)	(63,922,787)	(99,954,392)	(63,922,787)
<b>Net cash flows provided by (used in)</b>				
<b>financing activities</b>	(105,538,689)	427,997,477	(109,535,227)	191,894,087
Effect from foreign exchange in cash and cash equivalents	(116,387)	(19,927)	(116,387)	(19,927)

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Net increase (decrease) in cash and cash equivalents</b>	104,153,098	(16,876,077)	122,042,017	33,025,925
Cash and cash equivalents at beginning of the year	102,407,257	119,283,334	81,071,538	48,045,613
<b>Cash and cash equivalents at end of the year</b>	<u>206,560,355</u>	<u>102,407,257</u>	<u>203,113,555</u>	<u>81,071,538</u>
<u>Cash and cash equivalents at end of the year</u>				
Cash on hand	166,905	166,711	37,463	38,300
Cash at banks - current accounts	14,542,753	57,349,869	14,519,249	42,572,908
Cash at banks - savings accounts	191,089,791	43,871,042	187,795,937	37,440,695
Time deposits - less than 3 months				
from acquisition date	<u>760,906</u>	<u>1,019,635</u>	<u>760,906</u>	<u>1,019,635</u>
<b>Total</b>	<u>206,560,355</u>	<u>102,407,257</u>	<u>203,113,555</u>	<u>81,071,538</u>
<u>Additional information</u>				
Purchases of equipment and building under construction - unpaid	<u>-</u>	<u>925,011</u>	<u>-</u>	<u>-</u>

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

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**1. GENERAL**

Business Alignment Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 92/45 Sathorn Thani Building 2, 16<sup>th</sup> Floor, North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok.

The principal activities of the Company are sales of medical equipment including installation and related activities such as construction of building for locating medical equipment, repair and maintenance, and increase efficiency of medical equipment.

Cancer Alliance Company Limited (65% owned subsidiary) is incorporated in Thailand and has its registered office at 529 Moo 3, Nongkham Sub-District, Sriracha District, Chonburi. The subsidiary is incorporated to invest in specialized cancer hospital project. The subsidiary started its operations in October 2019.

**2. BASIS FOR FINANCIAL STATEMENT PREPARATION**

The accompanying financial statements are prepared in Thai Baht and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Group disclosed information for the year ended December 31, 2019 for being the comparative information in the financial statements for the year ended December 31, 2020 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

Starting January 1, 2020, the Group have adopted Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) as well as Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance, issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2020. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance did not have any material effect on the Group, except:



**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

TFRS 9 and other related standards

TFRS 9 specifies the methods that the entity shall classify and measure its financial assets, financial liabilities, and contracts to purchase or sell the non-financial items. TFRS 9 is divided into the following three parts:

1. Classification and measurement
2. Impairment
3. Hedge accounting

Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Impairment loss (previously referred to as provision for doubtful account for certain items in the financial statements) from the expected credit loss of financial assets shall be recognized under General approach in the following stages:

1. Stage 1 (performing): the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount without netting the allowance for expected credit loss.
2. Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.
3. Stage 3 (credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment loss.

For trade receivables and contract assets, the entity is able to adopt Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered under the aforesaid stages 1, 2 and 3. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information.

Hedge accounting is purposed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. TFRS 9 specifies the relationships and related accounting treatment of hedge accounting into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity. There is no material effect on the Group from this part about hedge accounting.

TFRS 9 affects the Group to classify and measure its financial assets and financial liabilities in statement of financial position for each of the period ended in 2020 as well as recognizing impairment for the expected credit loss of financial assets with respect to the aforesaid principle which is briefly summarized below:

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents
- Trade and other receivables (excluding prepaid expenses and advances for purchase of medical equipment)
- Other current financial assets - savings account and time deposits
- Other non-current financial assets - time deposits

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss - none

Liabilities classified and measured at amortized cost

- Short-term borrowings from financial institutions
- Trade and other payables (excluding advances from customers and unearned revenue)
- Long-term borrowings
- Lease liabilities

Liabilities classified and measured at fair value through profit or loss

- Other current financial liabilities - derivatives

As at December 31, 2019, there was no material effect from measurement of financial assets and financial liabilities with respect to the aforesaid principle.

Impairment

For several receivables the Group focused on aging balance information whereby the past records were captured for historical credit loss. However, the Group has exercised certain mitigating measure indicated in the accounting guidance Temporary Mitigating Policies for Alternative Accounting on the Effects from Pandemic Situation of the Coronavirus 2019 (COVID-19), issued by TFAC in April 2020. Such mitigating measure relates to exception from combining the forward looking information for assets adopted simplified approach in consideration and measurement of the expected credit loss.

TFRS 16 Lease

TFRS 16 Lease replaces TAS 17 Lease. Under TAS 17, "Right-of-use assets" under finance leases are presented under "Property, Plant and equipment". Under TFRS 16, "Right-of-use assets" are presented separately from "Property, plant and equipment".

The "Right-of-use assets" in the consolidated financial position with cost of Baht 1,526,132 and accumulated depreciation of Baht 53,518 at January 1, 2020 were transferred from "Property, plant and equipment" to "Right-of-use assets". The "Right-of-use assets" at December 31, 2019 are presented under "Property, plant and equipment".

The adoption of TFRS 16 Lease effects only classification mentioned above.

TAS, TFRS, TSIC and TFRIC not yet adopted

The Federal of Accounting Professions (TFAC) revised certain TAS, TFRS, TSIC and TFRIC effective for the accounting period beginning on or after January 1, 2021. Management of the Group believed that the revised TAS, TFRS, TSIC and TFRIC will have no material effect to the financial statements of the Group.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant principle accounting policies adopted in the preparation of these financial statements are as follows:

**Basis of consolidation**

The consolidated financial statements relate to the financial statements of the Company and its subsidiary (together referred to as the “Group”).

Significant intra-group transactions between the Company and its subsidiary are eliminated on consolidation.

**Subsidiary**

Subsidiary is the company controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in a parent's ownership interest in subsidiary that does not result in the loss of control are accounted for within equity. When an entity loses control of subsidiary, any gain or loss is recognized in the profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

**Foreign currency transactions**

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

**Derivative financial instruments**

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**Cash and cash equivalents**

Cash and cash equivalents, carried in the statement of financial position at cost, include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturity of three months or less from the date of acquisition and without restriction of use and that are subject to an insignificant risk of change in value.

**Trade receivables**

Unconditional rights to consideration for sales of goods and rendering of services are recognized as trade receivables.

Trade receivables are stated transaction price less allowance for impairment losses (if any).

Allowance for impairment losses are estimated based on historical payments of customers and expectations of future payments of customers.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined as follows:

Medical equipment and work in progress	- Specific identification
Medicine, medical supplies and other supplies	- First-in, First-out
Spare parts and supplies	- First-in, First-out

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

Net realizable value is the estimated selling price in the ordinary course of business less necessary selling expenses.

**Investment in subsidiary**

Investment in subsidiary in the separate financial statements is stated at cost net of allowance for impairment losses (if any). Dividend income is recognized upon dividend declaration.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**Property, plant and equipment**

Land is stated at cost net of allowance for impairment losses (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any). Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.

**Depreciation**

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is calculated based on cost of the property, plant and equipment less residual value. Useful lives and residual values are reviewed at each year-end. The estimated useful lives are as follows:

	<u>Period (years)</u>
Building and structures	5, 10, 15, 40
Condominium unit and office improvement	5, 10, 20
Medical equipment	5, 10, 15, 20
Tools, furniture, and office equipment	3, 5, 10
Vehicles	5

No depreciation is provided on land or assets under construction.

**Intangible assets**

Intangible assets are computer software, and stated at cost less accumulated amortization and allowance for impairment losses (if any).

**Amortization**

Amortization is charged to profit or loss on a straight-line method over the estimated period of 10 years during which economic benefits are expected to flow to the Group.

**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 (the higher of an asset's net selling price or value in use) are estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in profit or loss. The reversal of impairment losses is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**Employee benefits**

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund is recognized as an expense in profit or loss when contribution to the fund on an accrual basis.

The Group's obligation in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method by a qualified actuary. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost, past service cost and interest cost. Actuarial gain or loss on remeasurements of defined benefit plan is recognized in other comprehensive income. This employee benefit plan is unfunded and has no any incurred plan asset.

**Provisions**

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

**Revenues**

Revenue from sales (mainly sales of medical equipment) is recognized at point in time when the medical equipment are installed.

Revenue from rendering of services derived from rendering services on repair and maintenance, and increase efficiency of medical equipment. The revenue is recognized over time of the services provided to the customers on a straight-line basis.

Revenue from construction contract is recognized over time by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is assessed as the ratio of contract costs incurred at the reporting date to total expected contract costs.

Revenue from hospital operations is recognized when services have been rendered or medicine have been delivered to the customers.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
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**Finance costs**

Interest expense and similar costs are charged to the profit or loss in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or installation of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest expense on lease liabilities is recognized in the profit or loss using the effective interest rate method.

**Income tax**

Tax expense for the year comprises current and deferred tax.

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

Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

**Leases - lessee**

From January 1, 2020

Right-of-use assets and lease liabilities are recognized at the commencement date of the lease (except for leases of low-value assets and short-term assets which are recognized as expense on a straight-line method over the lease term).

Right-of-use assets are measured at cost less accumulated depreciation and allowance for impairment losses (if any).

Depreciation is charged to profit or loss on a straight-line method over the period of the lease or the estimated useful lives of the assets, whichever is shorter. If the Group expects to obtain ownership of the leased assets at the end of the lease term, depreciation is calculated over their estimated useful lives. Right-of-use assets are depreciated over the following periods:

	<u>Period (years)</u>
Condominium unit	5
Medical equipment	5



**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Before January 1, 2020

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

**Use of estimates**

In order to prepare financial statements in conformity with financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant estimates and underlying assumptions used in preparation of the accompanying financial statements which may be affected by uncertainty are as follows:

- Estimated useful lives of property and equipment
- Discount rate for lease liabilities
- Provisions

**Fair value measurements**

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. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**4. TRANSACTIONS WITH RELATED PARTIES**

Related parties are parties controlled by the Group or have power control over the Group, directly or indirectly, or has significant influence over the financial or operating policies of the Group.

Name of entities	Nature of relationships
Cancer Alliance Company Limited	Subsidiary
Sathorn Sixteen Co., Ltd.	Common shareholders and directors
Sriracha Estate Co., Ltd.	Common shareholder and director of subsidiary
Poomprom Co., Ltd.	Common shareholder and director of subsidiary
Catering and Health Co., Ltd.	Common shareholders and directors of subsidiary
Key management personnel	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 Group.

The pricing policies are as follows:

Type of transactions	Pricing policies
Fees for guaranteeing of credit facilities from banks	<p><u>Fees computed on guaranteed credit facilities of Baht 329 million up to August 6, 2020 and of Baht 277 million from August 7, 2020</u></p> <ul style="list-style-type: none"> <li>- At 0.5% per annum for the year ending December 31, 2019</li> <li>- At 0.75% per annum for the year ending December 31, 2020</li> <li>- At 1% per annum for the year ending December 31, 2021</li> </ul> <p><u>Fees computed on guaranteed liabilities to bank at end of each quarter</u></p> <ul style="list-style-type: none"> <li>- At 1% per annum for the year ending December 31, 2022 and afterwards.</li> </ul>
Sales of medical equipment	Market price
Medical expense	Market price
Rental expense	Market price
Training expense	Market price
Costs of foods	Market price
Laundry costs	Agreement price
Doctor fee	Market price
Information technology consulting fee	Agreement price
Software maintenance fee	Agreement price

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

Significant outstanding balances with its related parties as at December 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Subsidiary</b>				
Other receivable	-	-	3,956	1,645
Other payable	-	-	-	166
<b>Other related parties</b>				
Other receivables	111	111	-	-
Other non-current assets	409	409	409	409
Trade and other payables	473	284	96	62
Lease liabilities	5,687	-	5,687	-

Significant transactions with related parties for the years ended December 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Subsidiary</b>				
Income from guaranteeing of credit facilities	-	-	2,311	1,645
Sales of medical equipment	-	-	-	98,750
Medical expense	-	-	-	166
<b>Other related parties</b>				
Rental expense	763	2,268	-	1,634
Rental expense (decrease in lease liabilities)				
- Rental expense (excluding interest expense)	1,231	-	1,231	-
- Interest expense on lease liabilities	437	-	437	-
Training expense	214	-	214	-
Costs of foods	228	89	-	-
Costs of laundry	376	82	-	-
Doctor fee	235	-	-	-
Information technology consulting fee	260	240	-	-
Software maintenance fee	207	-	-	-
Recognition of right-of-use assets	6,918	-	6,918	-

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Key management compensation</b>				
Short-term benefits	16,643	17,714	13,046	14,651
Post-employment benefits	1,270	3,144	1,119	2,780
<b>Total</b>	<u>17,913</u>	<u>20,858</u>	<u>14,165</u>	<u>17,431</u>

The Company entered into an agreement to lease office space from Sathorn Sixteen Co., Ltd. The terms of the agreement expired on January 31, 2019. The Company renewed the term of the agreement expiring on December 31, 2019. Subsequently, the Company renewed the term of the agreement for 5 years expiring on December 31, 2024 at total rental of Baht 8.2 million.

The rental of Baht 8.2 million was discounted to present value of Baht 6.9 million, which was recognized as “Right-of-use assets” and “Lease liabilities” at January 1, 2020.

**5. TRADE AND OTHER RECEIVABLES**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade receivables				
Current	50,727	122,970	45,284	121,660
Overdue				
Not over 3 months	1,670	2,073	68	2,073
Over 3 - 6 months	402	-	-	-
	<u>52,799</u>	<u>125,043</u>	<u>45,352</u>	<u>123,733</u>
Unbilled trade receivables	78,562	33,428	77,887	33,428
Long-term trade receivable due within one year	-	2,792	-	2,792
	<u>131,361</u>	<u>161,263</u>	<u>123,239</u>	<u>159,953</u>
Prepaid expenses	21,977	13,233	21,701	12,984
Advances for purchase of medical equipment	16,475	2,020	16,475	2,020
Revenue Department receivable	15,485	24,890	15,485	24,890
Others	2,213	2,142	5,813	3,241
	<u>56,150</u>	<u>42,285</u>	<u>59,474</u>	<u>43,135</u>
<b>Total</b>	<u>187,511</u>	<u>203,548</u>	<u>182,713</u>	<u>203,088</u>

Long-term trade receivable is all future receipts discounted using interest rate at 6% per annum.

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**6. INVENTORIES**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Medical equipment and work in progress	1,111,482	766,144	1,111,482	766,144
Spare parts and supplies	1,057	3,806	1,057	3,806
Medicine, medical supplies and other supplies	1,067	593	-	-
Goods in transit	3,882	289	3,882	289
<b>Total</b>	<b>1,117,488</b>	<b>770,832</b>	<b>1,116,421</b>	<b>770,239</b>
Inventories recognized as costs of sales	416,065	362,535	416,065	449,316
Inventories recognized as costs of hospital operations	1,507	150	-	-

Borrowing costs capitalized to medical equipment and work in progress during the years 2020 and 2019 amounted to Baht 1.2 million and Baht 2.4 million, respectively.

**7. OTHER FINANCIAL ASSETS**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Other current financial assets</b>				
Savings account and time deposits (interest rate at 0.05% - 1.1% p.a. at December 31, 2020 and 0.125% - 1.3% p.a. at December 31, 2019)	95,440	115,419	95,440	115,419
<b>Other non-current financial assets</b>				
Time deposits (interest rate at 0.15% - 1.1% p.a. at December 31, 2020 and 1.3% p.a. at December 31, 2019)	11,993	9,000	11,993	9,000

Savings account and time deposits approximate their fair value since these financial instruments bear interest at market rates (Level 2 inputs).

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**8. INVESTMENT IN SUBSIDIARY**

At December 31, 2020 and 2019, detail of investment in subsidiary in the separate financial statements was as follow:

Name of the entity	Ownership interest (%)	In Thousand Baht		
		Paid-up capital	Investment (cost method)	Dividend
Cancer Alliance Company Limited	65	200,000	130,000	-

The Company did not receive any dividend from the subsidiary for the years ended December 31, 2020 and 2019.

Summarized of significant financial information of the subsidiary that have a material non-controlling interests are as follow:

	In Thousand Baht	
	2020	2019
Non-controlling interests percentage	35	35
<u>At December 31</u>		
Current assets	13,267	24,199
Non-current assets	374,496	389,022
Current liabilities	(19,669)	(19,361)
Non-current liabilities	(247,098)	(230,657)
Net assets	120,996	163,203
Carrying amount of non-controlling interests	42,349	57,121
<u>For the years ended December 31</u>		
Revenue	31,110	2,974
Loss for the year	(42,431)	(30,479)
Other comprehensive income	224	45
Total comprehensive loss	(42,207)	(30,434)
Loss for the year allocated to non-controlling interests	(14,851)	(10,668)
Other comprehensive income allocated to non-controlling interests	79	16
Total comprehensive loss allocated to non-controlling interests	(14,772)	(10,652)
Net cash flows from operating activities	(19,709)	(20,900)
Net cash flows from investing activities	(2,176)	(265,105)
Net cash flows from financing activities	3,996	236,103
Net decrease in cash and cash equivalents	(17,889)	(49,902)

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

		Consolidated financial statements (In Thousand Baht)					
	Note	Land	Building and structures, and condominium unit and office improvement	Medical equipment	Tools, furniture and office equipment	Vehicles	Construction in progress
Cost							Total
At January 1, 2020		60,480	232,282	109,297	14,889	1,641	418,589
Transfers to "Right-of-use assets"	2	-	-	(1,526)	-	-	(1,526)
Additions		-	147	51	477	1,950	2,625
Disposals		-	-	-	(80)	-	(80)
<b>At December 31, 2020</b>		<b>60,480</b>	<b>232,429</b>	<b>107,822</b>	<b>15,286</b>	<b>3,591</b>	<b>419,608</b>
At January 1, 2019		60,480	29,482	-	4,680	925	147,107
Additions (including borrowing cost of building amounting to Baht 1.1 million)		-	151,260	109,297	10,267	716	271,540
Disposals		-	-	-	(58)	-	(58)
Transfer - others		-	51,540	-	-	-	(51,540)
<b>At December 31, 2019</b>		<b>60,480</b>	<b>232,282</b>	<b>109,297</b>	<b>14,889</b>	<b>1,641</b>	<b>418,589</b>



**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

Consolidated financial statements (In Thousand Baht)								
	Note	Land	Building and structures, and condominium unit and office improvement	Medical equipment	Tools, furniture and office equipment	Vehicles	Construction in progress	Total
<b>Accumulated depreciation</b>								
At January 1, 2020		-	5,701	2,179	4,370	871	-	13,121
Transfers to “Right-of-use assets”	2	-	-	(53)	-	-	-	(53)
Depreciation charge for the year		-	7,705	7,752	2,805	507	-	18,769
Disposals		-	-	-	(69)	-	-	(69)
<b>At December 31, 2020</b>		-	13,406	9,878	7,106	1,378	-	31,768
At January 1, 2019		-	2,283	-	2,422	632	-	5,337
Depreciation charge for the year		-	3,418	2,179	2,004	239	-	7,840
Disposals		-	-	-	(56)	-	-	(56)
<b>At December 31, 2019</b>		-	5,701	2,179	4,370	871	-	13,121
<b>Net Book Value</b>								
At December 31, 2020		60,480	219,023	97,944	8,180	2,213	-	387,840
At December 31, 2019		60,480	226,581	107,118	10,519	770	-	405,468

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

	Separate financial statements (In Thousand Baht)			
	Condominium unit and office improvement	Tools, furniture and office equipment	Vehicles	Total
<b>Cost</b>				
At January 1, 2020	29,482	7,274	925	37,681
Additions	-	440	-	440
Disposals	-	(80)	-	(80)
<b>At December 31, 2020</b>	<u>29,482</u>	<u>7,634</u>	<u>925</u>	<u>38,041</u>
At January 1, 2019	29,482	4,454	925	34,861
Additions	-	2,878	-	2,878
Disposals	-	(58)	-	(58)
<b>At December 31, 2019</b>	<u>29,482</u>	<u>7,274</u>	<u>925</u>	<u>37,681</u>
<b>Accumulated depreciation</b>				
At January 1, 2020	3,530	3,606	817	7,953
Depreciation charge for the year	1,259	1,289	100	2,648
Disposals	-	(69)	-	(69)
<b>At December 31, 2020</b>	<u>4,789</u>	<u>4,826</u>	<u>917</u>	<u>10,532</u>
At January 1, 2019	2,283	2,399	632	5,314
Depreciation charge for the year	1,247	1,263	185	2,695
Disposals	-	(56)	-	(56)
<b>At December 31, 2019</b>	<u>3,530</u>	<u>3,606</u>	<u>817</u>	<u>7,953</u>
<b>Net Book Value</b>				
At December 31, 2020	<u>24,693</u>	<u>2,808</u>	<u>8</u>	<u>27,509</u>
At December 31, 2019	<u>25,952</u>	<u>3,668</u>	<u>108</u>	<u>29,728</u>

The gross carrying amounts of fully depreciated property, plant and equipment those are still in use as at December 31, 2020 and 2019 are as follows:

	In Thousand Baht	
	2020	2019
Consolidated financial statements	<u>2,212</u>	<u>574</u>
Separate financial statements	<u>2,212</u>	<u>574</u>

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**10. RIGHT-OF-USE ASSETS**

		In Thousand Baht		
	Note	Condominium unit	Medical equipment	Total
<u>Consolidated financial statements</u>				
Net book value at January 1, 2020		-	-	-
Net book value of Right-of-use assets under finance lease at January 1, 2020 transferred from “Property, plant and equipment”	2	-	1,473	1,473
Additions	4	6,918	-	6,918
Depreciation		(1,383)	(306)	(1,689)
<b>Net book value at December 31, 2020</b>		<b>5,535</b>	<b>1,167</b>	<b>6,702</b>
<u>Separate financial statements</u>				
Net book value at January 1, 2020		-	-	-
Additions	4	6,918	-	6,918
Depreciation		(1,383)	-	(1,383)
<b>Net book value at December 31, 2020</b>		<b>5,535</b>	<b>-</b>	<b>5,535</b>

Starting January 1, 2020, Right-of-use assets under all leases (except short-term leases and leases of low-value assets) are presented under this accounts. Right-of-use assets which title transferred to the Group are presented under "Property, plant and equipment".

**11. INCOME TAX**

Details of deferred tax assets (liabilities) at December 31, 2020 and 2019 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other receivables	-	(597)	-	(597)
Trade and other payables	3,937	2,306	3,937	2,306
Provisions for employee benefits	1,878	1,644	1,641	1,496
Other provisions	2,470	3,503	2,470	3,503
Unrealized gain on sales of medical equipment	2,094	2,349	-	-
Others	37	-	37	-
<b>Total</b>	<b>10,416</b>	<b>9,205</b>	<b>8,085</b>	<b>6,708</b>

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**Tax expense**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current tax	19,383	30,020	19,383	30,020
Deferred tax				
Movements in temporary differences	(1,354)	(2,168)	(1,464)	284
<b>Total</b>	<b>18,029</b>	<b>27,852</b>	<b>17,919</b>	<b>30,304</b>
<u>Reconciliation of effective tax rate</u>				
Profit before income tax	47,581	108,646	89,672	150,974
Income tax using the corporate tax rate (20%)	9,516	21,729	17,934	30,195
Tax loss of a subsidiary for which no deferred tax asset was recognized	8,343	6,006	-	-
Others	170	117	(15)	109
<b>Total</b>	<b>18,029</b>	<b>27,852</b>	<b>17,919</b>	<b>30,304</b>

The subsidiary expects that it is not probable to utilized the tax loss and, accordingly no deferred tax asset on the tax loss is provided for the subsidiary.

At December 31, 2020, the subsidiary had unused tax losses amounting to approximately Baht 77.9 million. Such tax loss will expire as follows:

	In Million Baht	Expiring in (year)
Non-promoted	29.6	2023 - 2025
Promoted	48.3	2032 - 2033

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2020 AND 2019**

**12. CREDIT FACILITIES**

At December 31, 2020 and 2019, the Group had credit facilities from local banks as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts, short-term borrowings, letters of credit, letters of guarantee and forward contracts on foreign currency				
- Company	3,367,587	2,224,822	3,367,587	2,224,822
- Subsidiary	20,000	20,000	-	-
	<u>3,387,587</u>	<u>2,244,822</u>	<u>3,367,587</u>	<u>2,224,822</u>
Long-term borrowings				
- Subsidiary	<u>256,915</u>	<u>309,000</u>	<u>-</u>	<u>-</u>

Credit facilities of the Company are secured by savings account and time deposits (shown under other current financial assets and other non-current financial assets) at December 31, 2020 and 2019 totaling Baht 107.3 million and Baht 122.7 million, respectively, and are guaranteed by certain directors of the Company (free of charge).

Credit facilities of the subsidiary are secured by land, building and structures and medical equipment, and are guaranteed by the Company.

Short-term borrowings from financial institutions

	In Thousand Baht	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Promissory note (interest rate at 1.44% p.a. at December 31, 2020 and 2.40% p.a. at December 31, 2019)	73,000	165,119
Trust receipts (interest rate at 2.10% - 2.75% p.a. at December 31, 2020 and 2.43% - 2.67% p.a. at December 31, 2019)	176,467	91,456
<b>Total</b>	<u>249,467</u>	<u>256,575</u>

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
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Long-term borrowings

	In Thousand Baht	
	Consolidated financial statements	
	2020	2019
Due within one year	9,488	11,546
Due after one year but not over July 2028	245,029	228,738
<b>Total</b>	<b>254,517</b>	<b>240,284</b>

Long-term borrowings of the subsidiary are monthly repayable from August 2020 to July 2028 and bear interest rate as follows:

At April 3, 2019 to July 11, 2021	MLR (KK) -2.75%
At July 12, 2021 to July 11, 2025	MLR (KK) -2.25%
At July 12, 2025 to July 11, 2028	MLR (KK) -2.00%

On August 7, 2020, the bank extended repayable installments of the borrowings for one year. The revised repayable installments are from August 2021 to July 2028.

Long-term borrowings approximate their fair value since these financial instruments bear interest at market rates (Level 2 inputs).

**13. TRADE AND OTHER PAYABLES**

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables	377,800	247,803	374,611	247,209
Unbilled trade payables	22,694	23,015	22,694	23,015
Long-term trade payable due within one year	-	3,088	-	3,088
	<b>400,494</b>	<b>273,906</b>	<b>397,305</b>	<b>273,312</b>
Advances from customers	498,562	144,299	497,693	144,299
Unearned revenue	2,666	3,178	2,666	3,178
Accrued expenses	2,599	3,392	1,315	1,861
Others	5,016	8,900	4,449	5,345
	<b>508,843</b>	<b>159,769</b>	<b>506,123</b>	<b>154,683</b>
<b>Total</b>	<b>909,337</b>	<b>433,675</b>	<b>903,428</b>	<b>427,995</b>
Revenue recognized during the year that was included in balance of advances from customers and unearned revenue at the beginning of the year	<b>4,019</b>	<b>24,526</b>	<b>4,019</b>	<b>24,526</b>

Long-term trade payable is all future payments discounted using interest rate at 7% per annum.

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**14. LEASE LIABILITIES**

	In Thousand Baht			
	Present value		Gross lease obligation (before deducting finance charges)	
	2020	2019	2020	2019
<u>Consolidated financial statements</u>				
Due within one year	1,568	324	2,009	403
Due after one year but within five years	5,322	1,180	5,853	1,296
<b>Total</b>	<u>6,890</u>	<u>1,504</u>	<u>7,862</u>	<u>1,699</u>
<u>Separate financial statements</u>				
Due within one year	1,251	-	1,634	-
Due after one year but within five years	4,436	-	4,903	-
<b>Total</b>	<u>5,687</u>	<u>-</u>	<u>6,537</u>	<u>-</u>

Lease liabilities are discounted using effective interest rates at 5% and 7% per annum in the consolidated financial statements, and 7% per annum in the separate financial statements.

Interest expense on lease liabilities is as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the years ended December 31	<u>503</u>	<u>6</u>	<u>437</u>	<u>-</u>

Movement of lease liabilities were as follows:

	Note	In Thousand Baht	
		Consolidated financial statements	Separate financial statements
At January 1, 2020		1,504	-
Additions	4	6,918	6,918
Payments		(1,532)	(1,231)
<b>At December 31, 2020</b>		<u>6,890</u>	<u>5,687</u>



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**15. OTHER PROVISIONS**

	In Thousand Baht			
	Training	Warranty	Others	Total
<u>Consolidated financial statements</u>				
At January 1, 2020	13,306	2,572	386	16,264
Provisions made	3,030	2,300	-	5,330
Amounts paid	(1,182)	(1,033)	-	(2,215)
Unused amounts reversed	(6,934)	(562)	(386)	(7,882)
<b>At December 31, 2020</b>	<b>8,220</b>	<b>3,277</b>	<b>-</b>	<b>11,497</b>
<u>Separate financial statements</u>				
At January 1, 2020	14,556	2,572	386	17,514
Provisions made	3,030	2,300	-	5,330
Transfers	(371)	-	371	-
Amounts paid	(1,207)	(1,033)	(371)	(2,611)
Unused amounts reversed	(6,934)	(562)	(386)	(7,882)
<b>At December 31, 2020</b>	<b>9,074</b>	<b>3,277</b>	<b>-</b>	<b>12,351</b>

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Balance - shown under</u>				
Other current provisions	10,397	15,764	11,251	17,014
Other non-current provisions	1,100	500	1,100	500
<b>Total</b>	<b>11,497</b>	<b>16,264</b>	<b>12,351</b>	<b>17,514</b>

**Training**

Billings to the customers for sale of medical equipment include amounts which have to be returned to the customers for training of medical equipment (at their needs which provided by outsiders). The amounts were mainly deducted from sales in 2019 and 2020. The amounts have been estimated from training history. The Group expects to settle the majority of the liability within 2021.

**Warranty**

The provision for warranty relates mainly to medical equipment sold during 2019 and 2020. The provision has been estimated from maintenance history of each type of medical equipment. The Group expects to settle the majority of the liability within 2021.

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**16. PROVISION FOR EMPLOYEE BENEFITS**

Movement in the present value of the obligations (unfunded) were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
At January 1	8,217	6,333	7,478	6,048
Current service cost	1,733	1,735	1,022	1,265
Past service cost	-	2,045	-	2,013
Interest on obligations	157	269	142	260
Expense recognized in profit or loss	1,890	4,049	1,164	3,538
Actuarial gain on remeasurements of defined benefit plan recognized in other comprehensive income	(719)	(2,165)	(438)	(2,108)
<b>At December 31</b>	<b>9,388</b>	<b>8,217</b>	<b>8,204</b>	<b>7,478</b>

Actuarial gain on remeasurements of defined benefit plan recognized in other comprehensive income arising from:

	Loss (gain) - In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Change in financial assumptions	(23)	(699)	54	(610)
Change in demographic assumptions	(558)	594	(468)	537
Experience adjustments	(138)	(2,060)	(24)	(2,035)
<b>Total</b>	<b>(719)</b>	<b>(2,165)</b>	<b>(438)</b>	<b>(2,108)</b>

Principal actuarial assumptions:

	%			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.6 - 1.9	1.9 - 1.98	1.6	1.9
Salary increase rate	4.0 - 5.4	5.1 - 5.8	5.2 - 5.4	5.1 - 5.8
Employee turnover rate	0.0 - 4.9	0.0 - 3.9	0.0 - 4.9	0.0 - 3.9

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation at December 31, 2020				
Discount rate (1% change)	(739)	873	(626)	738
Salary increase rate (1% change)	784	(681)	664	(577)
Employee turnover rate (10% change)	(244)	264	(202)	218

**17. SHARE CAPITAL**

	In Thousand shares	In Thousand Baht
<b>Authorized share capital, ordinary shares</b>		
At Baht 0.50 par value		
<b>At December 31, 2020 and 2019</b>	<u>400,000</u>	<u>200,000</u>
<b>Issued and paid-up share capital, ordinary shares</b>		
At Baht 0.50 par value		
<b>At December 31, 2020 and 2019</b>	<u>400,000</u>	<u>200,000</u>

The Stock Exchange of Thailand accepted the Company's ordinary shares of 400 million shares as listed securities in the Market for Alternative Investment and to be traded starting July 28, 2016.

**18. SHARE PREMIUM**

Share premium represents share subscription monies received in excess of the par value of the shares issued. Share premium is not available for dividend distribution.

**19. LEGAL RESERVE**

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

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**20. REVENUES**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Revenues recognized at point in time</u>				
Sales of goods	527,040	520,899	527,040	619,649
Hospital operations	30,979	2,286	-	-
	<u>558,019</u>	<u>523,185</u>	<u>527,040</u>	<u>619,649</u>
<u>Revenues recognized over time</u>				
Rendering of services	196,496	165,510	196,496	165,510
Construction	819	35,817	819	35,817
	<u>197,315</u>	<u>201,327</u>	<u>197,315</u>	<u>201,327</u>
<b>Total</b>	<u>755,334</u>	<u>724,512</u>	<u>724,355</u>	<u>820,976</u>

**21. EXPENSE BY NATURE**

Significant expenses by nature are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Costs of sales of goods	416,065	362,535	416,065	449,316
Costs of rendering of services	149,234	129,728	149,234	129,728
Costs of construction	769	28,927	769	28,927
Medicine, medical supplies and other supplies used	1,507	150	-	-
Doctor fee	4,376	1,403	-	-
Employee expenses	43,933	39,430	23,192	30,079
Directors' and management's remuneration	17,913	20,858	14,165	17,431
Advertising and sale promotion	1,538	3,565	1,100	3,565
Rental expenses	763	2,603	-	1,878
Utility expenses	3,564	1,783	552	573
Depreciation and amortization	20,513	7,891	4,075	2,738

**BUSINESS ALIGNMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
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**22. OTHER COMPREHENSIVE INCOME**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Items that will not be reclassified subsequently to profit or loss				
- Actuarial gain on remeasurements of defined benefit plan	719	2,165	438	2,108
Tax expense	(144)	(433)	(88)	(422)
<b>Net</b>	<b>575</b>	<b>1,732</b>	<b>350</b>	<b>1,686</b>

**23. BASIC EARNINGS PER SHARE**

Basic earnings per share for the years ended December 31, 2020 and 2019 were determined by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the years as follows:

	In Thousand Baht / In Thousand shares			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Profit attributable to equity holders of the parent	44,403	91,462	71,753	120,671
Weighted average number of ordinary share	400,000	400,000	400,000	400,000
Basic earnings per share (In Baht)	0.111	0.229	0.179	0.302

**24. DIVIDENDS**

On April 18, 2019, the shareholders approved dividends of Baht 64,000,000 (400,000,000 shares at Baht 0.16 per share) from profit for the year ended December 31, 2018.

On March 30, 2020, the Company's Board of Directors approved interim dividends of Baht 100,000,000 (400,000,000 shares at Baht 0.25 per share) from profit for the year ended December 31, 2019.

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**25. PROJECT CENTER TREATING CANCER PATIENTS WITH PROTONS RADIO THERAPY**

The Company entered into an agreement, to sale medical equipment including installation and construction of a building (under Project center treating cancer patients with protons radio therapy), with a local hospital at Baht 1,200 million. Under the terms of the agreement, the Company will make progress billings up to the completion of the project, and has to deliver the project within September 2020. The Company has requested an extension of the delivery of the project to August 31, 2021 due to COVID-19 crisis. The details are as follows:

	In Thousand Baht		
	Excluding Value-added tax	Value-added tax	Total
Sale of medical equipment including installation	900,260	63,018	963,278
Construction of building for locating the medical equipment	221,234	15,486	236,720
<b>Total</b>	<b>1,121,494</b>	<b>78,504</b>	<b>1,199,998</b>

Advance from customer

	In Thousand Baht		
	Principle	Interest expense	Total
At January 1, 2020	135,039	8,418	143,457
Additions	309,408	11,266	320,674
<b>At December 31, 2020 (presented under "Trade and other payables")</b>	<b>444,447</b>	<b>19,684</b>	<b>464,131</b>

According to accounting, interest expense is significant financing component in the contract, which is calculated using effective interest rate at 2.57% per annum.

Construction

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Costs incurred and recognized profit	221,234	220,415	221,234	220,415
Progress billings	(214,042)	(197,636)	(214,042)	(197,636)
<b>Net</b>	<b>7,192</b>	<b>22,779</b>	<b>7,192</b>	<b>22,779</b>

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**26. FORWARD CONTRACTS ON FOREIGN CURRENCY**

The Company had outstanding forward contracts to purchase at December 31 as follows:

	In Thousand	
	US\$	Baht
2020	16,467	505,059
2019	9,861	337,993

At December 31, 2020 and 2019, fair value of the forward contracts (Level 2 inputs) was presented in the statements of financial position as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other current financial liabilities	10,468	41,611	10,468	41,611

**27. SEGMENT INFORMATION**

The Group operates sales of medical equipment including installation and related activities such as construction of building for locating medical equipment, repair and maintenance, and increase efficiency of medical equipment; and hospital operations (starting October 2019) in Thailand mainly. The management considers that the Group has two operating segments (starting from October 2019) as follows:

Segment 1 Sales of medical equipment including installation and related activities such as construction of building for locating medical equipment, repair and maintenance, and increase efficiency of medical equipment

Segment 2 Hospital operations

	In Thousand Baht			
	Segment 1	Segment 2	Elimination	Net
<u>For the year ended</u> <u>December 31, 2020</u>				
External revenues	724,355	30,979	-	755,334
Depreciation and amortization	4,075	17,319	(881)	20,513
Interest expense	12,518	9,935	-	22,453
Profit (loss) before income tax	89,672	(42,576)	485	47,581
Tax income (expense)	(17,919)	145	(255)	(18,029)
<b>Profit (loss) for the year</b>	<b>71,753</b>	<b>(42,431)</b>	<b>230</b>	<b>29,552</b>



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	In Thousand Baht			
	Segment 1	Segment 2	Elimination	Net
<u>For the year ended</u>				
<u>December 31, 2019</u>				
External revenues	722,226	2,286	-	724,512
Inter-segment revenues	98,750	166	(98,916)	-
Total revenues	820,976	2,452	(98,916)	724,512
Depreciation and amortization	2,738	5,375	(222)	7,891
Interest expense	4,414	3,119	-	7,533
Profit (loss) before income tax	150,974	(30,581)	(11,747)	108,646
Tax income (expense)	(30,303)	102	2,349	(27,852)
<b>Profit (loss) for the year</b>	<b>120,671</b>	<b>(30,479)</b>	<b>(9,398)</b>	<b>80,794</b>

Total assets and total liabilities classified by segment of the Group are as follows:

	In Thousand Baht			
	Segment 1	Segment 2	Elimination	Net
<u>At December 31, 2020</u>				
Total assets	1,788,866	387,763	(143,977)	2,032,652
Total liabilities	1,196,188	266,767	(4,809)	1,458,146
<u>At December 31, 2019</u>				
Total assets	1,385,809	413,221	(142,458)	1,656,572
Total liabilities	765,235	250,018	(3,061)	1,012,192

Revenues from major customers for the years ended December 31, 2020 and 2019 are as follows:

	In Million Baht	
	2020	2019
Segment 1	430	441
Segment 2	-	-

## 28. REGISTERED PROVIDENT FUND

The Company has arranged a contributory registered provident fund in accordance with the Provident Fund Act. Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 3% - 8% of the employees' basic salaries.

The Company's contribution, which was charged to expense for the years ended December 31, 2020 and 2019, amounted to Baht 1.0 million and Baht 0.9 million, respectively.

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**29. AGREEMENT**

The Company entered into two distribution agreements with a foreign company. Under the terms of the agreements, the Company was appointed as the exclusive distributor for Radiotherapy products and Brachytherapy products (including licensed software) in Thailand and Cambodia; and shall use its best efforts to purchase the products not less than the amounts specified in the agreements. The terms of the agreements are effective up to September 30, 2020. The agreements were extended for one year ending September 30, 2021. The agreements may be early terminated by either party giving to the other notice in writing at least thirty days.

**30. PROMOTIONAL PRIVILEGES**

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the subsidiary has been granted privileges by the Board of Investment relating to specialized cancer center. The privileges granted include among others, exemption from payment of income tax from promoted operations for a period of 8 years from October 3, 2019; and reduction of income tax of net profit from the promoted business at 50% for 5 years afterwards.

As a promoted company, the subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

**31. DISCLOSURES OF FINANCIAL INSTRUMENTS**

**Credit risk**

Credit risks arise when the counterparties fail to meet their obligations as agreed. The Company does not have any material credit risks because the Company constantly evaluates the debtor's status.

**Interest rate risk**

Interest rate risk incurs from the future interest rate instability, which may affect the Group operating result and cash flow. The Group also incurs interest rate risk from borrowings from financial institutions.

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases of goods and expenses which are denominated in foreign currencies.

At December 31, 2020 and 2019, the Group had liabilities in foreign currencies not covered by forward contract as follows:

	In Thousand			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
U.S. Dollars	1,750	7,151	1,750	7,151

Management believes that said foreign currency risk is minimal.

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**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.

**32. CAPITAL MANAGEMENT**

Significant objectives of the capital management of the Group is to ensure that they have appropriate financial and capital structures as well as the financial liquidity and ability to continue their businesses as a going concern.

**33. EVENTS AFTER THE REPORTING PERIOD**

On February 24, 2021, the Company's Board of Directors resolved a proposal to the Shareholders' meeting to approve dividends of Baht 60,000,000 (400,000,000 shares at Baht 0.15 per share).

**34. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's Board of directors on February 24, 2021.



**B|A**  
Business Alignment

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