



BDMS
Bangkok Dusit Medical Services

ทะเบียนเลขที่ 0107537000025

บริษัท กรุงเทพดุสิตเวชการ จำกัด (มหาชน)
2 ซอยศูนย์วิจัย 7 ถนนเพชรบุรีตัดใหม่
กรุงเทพฯ 10310

เลขประจำตัวผู้เสียภาษี 0107537000025

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(Translation)

Ref. No. PD 024/2022

26 September 2022

President

Stock Exchange of Thailand

Subject: Submission of the Amendment to the Tender Offer for the Securities of Samitivej Public Company Limited

Enclosure: Copy of Amendment to the Tender Offer for the Securities of Samitivej Public Company Limited (Form 247-4)

Bangkok Dusit Medical Services Public Company Limited (the “**Company**”) would like to inform that on 26 September 2022, the Company, as the offeror of the tender offer for the securities of Samitivej Public Company Limited (“**SVH**”), has already submitted the Amendment to the Tender Offer for the Securities of SVH (Form 247-4) to the Office of the Securities and Exchange Commission. The details of which are set out in the enclosure.

Please be informed accordingly.

Signed by *Narumol Noi-am*

(Mrs. Narumol Noi-am)

Senior Vice President and Chief Financial Officer

26 September 2022

Subject: Amendment to the Tender Offer for the Securities of Samitivej Public Company Limited (Form 247-4)

To: Secretary-General, The Office of The Securities and Exchange Commission (the "SEC")
Board of Directors and Securities Holders of Samitivej Public Company Limited

Reference: The Tender Offer for the Securities of Samitivej Public Company Limited (form 247-4) dated 14 September 2022

As Bangkok Dusit Medical Services Public Company Limited (the "**Tender Offeror**") has submitted the Tender Offer for the Securities of Samitivej Public Company Limited (the "**Business**") (Form 247-4) to the Office of Securities and Exchange Commission, the Business, the directors and shareholders of the Business on 14 September 2022 with Kiatnakin Phatra Securities Public Company Limited as the Tender Offer Preparer ("**Tender Offer Preparer**").

The Tender Offeror would like to submit the Amendment to the Tender Offer for the Securities of the Business as attached herewith.

Yours Sincerely,

Bangkok Dusit Medical Services Public Company Limited

-Poramaporn Prasarttong-Osoth-

(Miss Poramaporn Prasarttong-Osoth, M.D.)

Authorized Director

-Narumol Noi-am-

(Mrs. Narumol Noi-am)

Authorized Director

Tender Offeror

Kiatnakin Phatra Securities Public Company Limited as the Tender Offer Preparer would like to submit the Amendment to the Tender Offer of the Business as attached herewith.

Yours Sincerely,

Kiatnakin Phatra Securities Public Company Limited

- Apinant Klewpatinond -

(Mr. Apinant Klewpatinond)

Authorized Director

- Trairak Tengtrirat -

(Mr. Trairak Tengtrirat)

Authorized Director

Tender Offer Preparer

This English language translation of Amendment to the Tender Offer for the Securities of Samitivej Public Company Limited (Form 247-4) has been prepared solely for the convenience of the foreign shareholders of Samitivej Public Company Limited and should not be relied upon as the definitive and official document of the Tender Offeror. The Thai language version is the definitive and official document of the Tender Offer and shall prevail in all respects in the event of any inconsistency with this English language translation.

**Amendment to the Tender Offer for the Securities of
Samitivej Public Company Limited**

Additional information is underlined and the deleted information is strikethrough.

1. Part 1; Section 14 Tender Offer Agent Information

● Original

Name	Kiatnakin Phatra Securities Public Company Limited
Address	209 KKP Tower A, 9,12A-16,18,20 floor, Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110
Telephone No.	66 (0) 2305 9000, 66 (0) 2491 9000
Facsimile No.	66 (0) 2305 9535

● Revision

Name	Kiatnakin Phatra Securities Public Company Limited
Address	<u>Operations, 12A floor, KKP Tower A</u> <u>209 Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110</u> 209 KKP Tower A, 9,12A-16,18,20 floor, Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110
Telephone No.	<u>66 (0) 2165 5555 press 2 and 4 respectively</u> 66 (0) 2305 9000, 66 (0) 2491 9000
Facsimile No.	66 (0) 2305 9535

2. Part 2; Section 4.4.2 Related Party Transactions

- Original

The Tender Offeror has provided financial support to the Business through Centralize Liquidity Management (Cash Pooling), whereby the Tender Offeror has a policy of providing financial assistance to subsidiaries that more than 50% of shares are held by the Tender Offeror under the condition that such subsidiaries must have less than 10% shares held by related parties of the Tender Offeror. The aforementioned financial support has centralized financial management in order to properly and efficiently manage financial costs, that will create utmost benefit to the Group as a whole.

Providing financial assistance to the Business in the form of Centralize Liquidity Management (Cash Pooling) is carried out as follows; If the subsidiaries have an excess liquidity, the Liquidity Management system will transfer a deposit from subsidiaries' account to the Tender Offeror's account at the end of business day. The transferred deposit is under the Tender Offeror's account represented as short-term loan from subsidiaries, in which interest rate on the loan is determined in accordance with the market interest rate. In addition, in the case that any subsidiary is in the need of fund, the system shall transfer the excess liquidity to such subsidiary, in which will be shown under the short-term loan to subsidiaries account of the Tender Offeror, with interest rate determined by the market interest rate. Any company in the Group that has an excess liquidity thus earn the higher interest rate compared to interest rate of the deposit account with financial institutions. Meanwhile any company with a need of fund can obtain a loan at the rate lower than the market.

In addition, the 2013 annual general meeting of shareholders of the Business held on 5 April 2013 has resolved to approve the Business to manage liquidity by depositing excess cash flow with the Tender Offeror with the amount not exceeding THB 1,000 million and receiving a loan from the Tender Offeror with the amount not exceeding THB 1,000 million through Centralize Liquidity Management System operated by a commercial bank and the Tender Offeror's network for the purpose of liquidity management in the case of excess or deficit, in which the amount of deposit with the Tender Offeror and outstanding loan from the Tender Offeror combined at a particular time must not exceed THB 1,000 million (deposit and loan are under separated accounts)

- Revision

The Tender Offeror has provided financial support to the Business through Centralize Liquidity Management (Cash Pooling), whereby the Tender Offeror has a policy of providing financial assistance to subsidiaries that more than 50% of shares are held by the Tender Offeror under the condition that such subsidiaries must have less than 10% shares held by related parties of the Tender Offeror. The aforementioned financial support has centralized financial management in order to properly and efficiently manage financial costs, that will create utmost benefit to the Group as a whole.

Providing financial assistance to the Business in the form of Centralize Liquidity Management (Cash Pooling) is carried out as follows; If the subsidiaries have an excess liquidity, the Liquidity Management system will transfer a deposit from subsidiaries' account to the Tender Offeror's account at the end of business day. The transferred deposit is under the Tender Offeror's account represented as short-term loan from subsidiaries, in which interest rate on the loan is determined in accordance with the market interest rate, referencing to an average of 12-month deposit rates for juristic person of the largest 4 commercial banks namely Bangkok Bank, Kasikorn Bank, Krungthai Bank, and Siam Commercial Bank as announced on the website of aforementioned banks. In addition, in the case that any subsidiary is in the need of fund, the system shall transfer the excess liquidity to such subsidiary, in which will be shown under the short-term loan to subsidiaries account of the Tender Offeror, with interest rate determined by the market interest rate, referencing to an average loan rate at MLR of the 4 aforementioned banks as announced on their websites subtracted by 2.25%. Any company in the Group that has an excess liquidity thus earn the higher interest rate compared to interest rate of the deposit account with financial institutions. Meanwhile any company with a need of fund can obtain a loan at the rate lower than the market.

In addition, the 2013 annual general meeting of shareholders of the Business held on 5 April 2013 has resolved to approve the Business to manage liquidity by depositing excess cash flow with the Tender Offeror with the amount not exceeding THB 1,000 million and receiving a loan from the Tender Offeror with the amount not exceeding THB 1,000 million through Centralize Liquidity Management System operated by a commercial bank and the Tender Offeror's network for the purpose of liquidity management in the case of excess or deficit, in which the amount of deposit with the Tender Offeror and outstanding loan from the Tender Offeror combined at a particular time must not exceed THB 1,000 million (deposit and loan are under separated accounts)

3. Part 4; Section 8.1 Determination of Tender Offer Price; subsection 4.6 Discounted Cash Flow Approach

- Original

Key Assumptions to the Projection

Discount Rate

The discount rate used in calculating the discounted cash flow is a rate of return at which investors are expected to receive compared to other investments with the same risk profile as the Business. The selection of an appropriate discount rate must consider the fundamental factors of the Business, such as long-term capital structure, cost of debt, tax rate, risk-free rate, and risk premium, the sensitivity of market return to securities of the Business's return. The Financial Advisor has calculated the weighted average cost of capital ("WACC") of the Business with the details as follows:

$$\text{WACC} = K_e \cdot (1 - (D / (D + E))) + K_d \cdot (1 - T) \cdot (D / (D + E))$$

Where:

- Ke = Cost of equity using the Capital Asset Pricing Model (“CAPM”) Using the following formula $Ke = Rf + \beta \times (\text{Risk Premium})$
- Kd = Financial cost of the Business
- T (tax rate) = Corporate income tax rate (Marginal Tax Rate) equals to 20.00 percent
- D/(D+E) = Ratio of interest-bearing debt divided by the sum of market capitalization and interest-bearing debt

Whereas:

- Rf = Risk-free rate, as per outlook from KKP research department, equals to 4.00 percent
- β (Beta) = Co-variance between change in market index to price of share (Levered Beta), which is equal to 0.69
Source: Bloomberg as of 18 August 2022
- Risk Premium = The difference between the average investment return of the SET and the rate of return on investment in risk-free investment (Rf) , as per outlook from KKP research department, equals to 8%

Summary Table of WACC Calculation Assumptions

Item	Unit	Value
Risk-free rate (Rf)	Percent	4.00
Risk Premium	Percent	8.00
β (Beta)	Times	0.69
Cost of Equity (Ke)	Percent	9.54
Cost of Debt (Kd)	Percent	3.96
1 - D/(D+E)	Percent	99.47
D/(D+E)	Percent	0.53
T (tax rate)	Percent	20.00
WACC	Percent	9.51

Therefore, the Financial Advisor applies 10% sensitivity analysis resulting in WACC in the range of 9.01 percent – 10.01 percent.

- Revision

Key Assumptions to the Projection

Discount Rate

The discount rate used in calculating the discounted cash flow is a rate of return at which investors are expected to receive compared to other investments with the same risk profile as the Business. The selection of an appropriate discount rate must consider the fundamental factors of the Business, such as long-term capital structure, cost of debt, tax rate, risk-free rate, and risk premium, the sensitivity of market return to securities of the Business's return. The Financial Advisor has calculated the weighted average cost of capital ("WACC") of the Business with the details as follows:

$$\text{WACC} = Ke*(1 - (D / (D + E))) + Kd*(1 - T)*(D / (D + E))$$

Where:

Ke	=	Cost of equity using the Capital Asset Pricing Model ("CAPM") Using the following formula $Ke = Rf + \beta*(\text{Risk Premium})$
Kd	=	Financial cost of the Business
T (tax rate)	=	Corporate income tax rate (Marginal Tax Rate) equals to 20.00 percent
D/(D+E)	=	Ratio of interest-bearing debt divided by the sum of <u>equity value calculated by</u> market capitalization and interest-bearing debt

Whereas:

Rf	=	Risk-free rate, as per outlook from KKP research department, equals to 4.00 percent <u>that is comparable with an average 15-year government bond interest rates during the past 20 years between 20 August 2002 – 19 August 2022 of approximately 3.80 percent</u> <u>Source: https://www.thaibma.or.th/</u>
β (Beta)	=	Co-variance between change in market index to price of share (Levered Beta), which is equal to 0.69. <u>As the securities of the Business are of low liquidity (Please see additional details in section 4.3 Historical Market Price Approach), Beta of the Business could not reflect the variance between Stock Exchange of Thailand Index and price of the Business's share. Therefore, The Financial Advisor has calculated levered Beta from the median of weekly unlevered beta of comparable companies during the past 2 years between 20 August 2020 – 19 August 2022 which equals to 0.69, then re-levered with capital structure and marginal tax rate of the Business</u> <u>Source: Bloomberg as of 419 August 2022</u> <u>Note: Comparable companies include BDMS, BH, THG, PR9, EKH, and RPH that have unlevered beta of 0.78, 0.91, 0.68, 0.55, 0.71 and 0.46 respectively</u>

Risk Premium = The difference between the average investment return of the SET and the rate of return on investment in risk-free investment (Rf), as per outlook from KKP research department, equals to 8% that is comparable with an average daily return on investment on SET TRI Index during the past 20 years between 20 August 2002 – 19 August 2022 over returns on investment on risk-free investment (Rf) equaling to 7.91% per year
Source: Bloomberg as of 19 August 2022

D = Interest-bearing debt as stated in consolidated financial statements of the Business for the 6-month period ended 30 June 2022 equals to THB 219.23 million

E = Equity value of the Business calculated from VWAP of 15 business day before 28 June 2022, which is the last business day before the Board of Directors' resolution regarding the convening of Extraordinary General Meeting of Shareholders regarding the delisting of the Business' securities from the Stock Exchange of Thailand, equals to THB 41,369 million (8 June 2022 – 28 June 2022)
Source: SET (<https://www.set.or.th>)

Summary Table of WACC Calculation Assumptions

Item	Unit	Value
Risk-free rate (Rf)	Percent	4.00
Risk Premium	Percent	8.00
β (Beta)	Times	0.69
Cost of Equity (Ke)	Percent	9.54
Cost of Debt (Kd)	Percent	3.96
1 - D/(D+E)	Percent	99.47
D/(D+E)	Percent	0.53
T (tax rate)	Percent	20.00
WACC	Percent	9.51

Nevertheless, if applying equity value calculated by market capitalization as of 19 August 2022 of THB 47,200 million for the calculation, the ratio of 1 - D/(D+E) and D/(D+E) would be 99.54 and 0.46 respectively. Keeping other assumptions the same, the calculation of WACC is 9.51 percent.

Therefore, the Financial Advisor applies 10% sensitivity analysis resulting in WACC in the range of 9.01 percent – 10.01 percent.