



บริษัท บางกอก เซน ฮอสปิทอล จำกัด (มหาชน)



## Management Discussion and Analysis

For the operating results of nine-month and  
the third quarter of 2023 ended 30 September 2023



Your Family Your Hospital

## Overview of the situation in nine-month period and third quarter of 2023

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An overview of the situation in Thailand represents that the number of COVID-19 cases has gradually decreased since late May this year, together with a decline in its epidemic. However, seasonal diseases have become more widespread due to the extended rainy season compared to the previous year, especially the influenza viruses caused respiratory illness. The number of patients that influenza viruses shown 248,322 cases in the first nine months of this year, which was 6.3 times higher than the same period last year. Especially, in September 2023, there were 109,556 reported influenza cases.

Additionally, the Thai government aims to stimulate a local economy through a free-visa policy applying to tourists from China and Kazakhstan, as well as extending the length of visa permission for Russians. As a result, the number of tourists in the nine-month period amount to 20 million which reflects 3.5 times yoy. In Q3/2023 the number of tourists reached 7.1 million people, representing an increase of 9.6 percent qoq. Moreover, in Q3/2023, the number of middle-east tourists amount to 249,303 people, indicating an 83.4 percent qoq. Some of them are medical tourists which is a result of the highly-skilled medical professionals, modern technology and affordable prices in Thailand's healthcare system. Another contributing factor is the reopening of borders between Thailand and neighboring countries over the past three years. Both tourists and workers from CLMV countries have entered Thailand, totaling of 815,353 people during the Q3/2023 which represents an increase of 8.2 percent qoq.<sup>1</sup>

## Analysis of the Consolidated Financial Performance

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**For the operating result of the Company and affiliated hospitals during nine-month period of 2023, total revenue reported of 8,763.9 million baht which declined (45.6) percent yoy. However, the revenue increase 29.4 percent compared to the same period of 2019. The improved performance was due to the expansion of patient's coverage of the three new hospitals and the rising demand from local and international patients. The revenue breakdown by patient types are as follows:**

**For the nine-month period of 2023, the revenue from general patient** amounted to 5,890.4 million baht which declined 20.9 percent yoy. The decrease of revenue is attributed to the decline in the revenue related to COVID-19 treatment, which has significantly declined in accordance with the recovery of COVID-19 situation and returning to normal base. The revenue from general OPD patients amounted to 2,954.4 million baht declining by 33.8 percent yoy, the revenue of general IPD patients amounted to 2,936.0 million baht declining by 1.8 percent yoy.

**The revenue from social security patients** amounted to 2,831.5 million baht representing a 14.9 percent increase yoy. The increased revenue was attributed from an increase of the number of registered insures

Note : <sup>1</sup> Tourist statistics, Ministry of Tourism & Sports

## Analysis of the Consolidated Financial Performance

person under the SS scheme of 4.5 percent yoy, pent-up demand for high cost care ( $RW \geq 2$ ), the revenue from 26 chronic diseases treatment, health check-ups and vaccination. Moreover, the Social Security Office announced on the increase of basic capitation rate which effective on May 1, 2023 and also the extension of the 5 complex diseases medical treatment until the end of 2023 resulted to the increase in such revenue through the year 2023.

**The revenue from the government related to COVID-19 treatment** amounted to (24.8) million baht decreasing (100.4) percent yoy.

The Company reported profit from operating activities of 1,378.6 million baht, a decrease of (63.6) percent yoy and Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to 2,087.0 million baht, a decrease of (53.5) percent yoy, EBITDA margin was 23.8 percent. Net profit attributable to owners of the Company amounted to 978.9 million baht which declined by (64.7) percent yoy. The decreased profit was in line with the easing of COVID-19 pandemic and gradually turn to normal situation.

Furthermore, the affiliated hospitals are consistency operating under strategies aim to expand their patient bases include publicizing through health education seminar and promote the healthcare packages especially in three new hospitals, the expansion of specialized centers to cover a broader area, renovating buildings, upgrading medical technologies, as well as providing training for both doctors and staff.



## Analysis of the Consolidated Financial Performance

### Consolidated statements of comprehensive income of nine-month period of 2023

Consolidated statements of comprehensive income (Unit : Million Baht)	9M/2023		9M/2022		Change (%)
	Revenue	Proportion	Revenue	Proportion	
Revenue from hospital operations	8,697.1		16,039.0		(45.8%)
Other income	66.8		74.7		(10.5%)
<b>Total Revenue</b>	<b>8,763.9</b>		<b>16,113.6</b>		<b>(45.6%)</b>
Cost of hospital operations	6,022.0		10,895.4		(44.7%)
Distribution costs and Administrative expenses	1,363.3		1,435.3		(5.0%)
<b>Total Expenses</b>	<b>7,385.2</b>		<b>12,330.7</b>		<b>(40.1%)</b>
<b>Profit from operating activities</b>	<b>1,378.6</b>		<b>3,782.9</b>		<b>(63.6%)</b>
Interest income	12.1		4.4		173.9%
Finance costs	(82.4)		(121.6)		(32.2%)
Share of profit of associate	1.4		1.4		(2.6%)
Tax expense	(290.7)		(787.0)		(63.1%)
<b>Profit for the six-month period</b>	<b>1,019.0</b>		<b>2,880.1</b>		<b>(64.6%)</b>
Owners of the Company	978.9		2,769.2		(64.7%)
Non-controlling interests	40.1		110.9		(63.8%)
<i>Gross Profit Margin</i>	<i>30.8%</i>		<i>32.1%</i>		
<i>Operating Profit Margin</i>	<i>15.7%</i>		<i>23.5%</i>		
<i>EBITDA Margin</i>	<i>23.8%</i>		<i>27.9%</i>		
<i>Net Profit Margin</i>	<i>11.2%</i>		<i>17.2%</i>		

### Revenue breakdown by patient type of nine-month period of 2023

Revenue breakdown by patient type (Unit : Million Baht)	9M/2023		9M/2022		Change (%)
	Revenue	Proportion	Revenue	Proportion	
<b>From general patients</b>	<b>5,890.4</b>	<b>67.8%</b>	<b>7,449.3</b>	<b>46.4%</b>	<b>(20.9%)</b>
General OPD patients	2,954.4	34.0%	4,460.4	27.8%	(33.8%)
General IPD patients	2,936.0	33.8%	2,988.9	18.6%	(1.8%)
<b>From social security patients</b>	<b>2,831.5</b>	<b>32.5%</b>	<b>2,463.2</b>	<b>15.4%</b>	<b>14.9%</b>
<b>From the government related to COVID-19</b>	<b>(24.8)</b>	<b>(0.3%)</b>	<b>6,126.4</b>	<b>38.2%</b>	<b>(100.4%)</b>
<b>Revenue from hospital operations</b>	<b>8,697.1</b>	<b>100.0%</b>	<b>16,038.9</b>	<b>100.0%</b>	<b>(45.8%)</b>

## Analysis of the Consolidated Financial Performance

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**In Q3/2023, the Company has total revenue of 3,195.7 million baht which declined (7.5) percent yoy, but increased 11.3 percent qoq**

The Company had total revenue of 3,195.7 million baht, a decrease of (7.5) percent yoy because of the revenue related to COVID-19 treatment which has been significantly declined in accordance with the recovery of COVID-19 situation, but increased by 11.3 percent qoq due to pend-up demand from general patients who were treated by specialized medical centers and general seasonal diseases, and the rise of the number of international patients. There are another positive factors including the revenue from the collaborative project with the Social Security Office to enhance the efficiency of five complex diseases medical treatment, and also the increased in payment rate of basic capitation from the Social Security Office.

The Company reported profit from operating activities of 628.0 million baht, an increase of 229.4 percent yoy and increase of 61.8 percent qoq. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to 864.6 million baht, an increase of 452.6 percent yoy and increase of 39.0 percent qoq. EBITDA margin was 27.1 percent. Net profit attributable to owners of the Company amounted to 440.7 million baht<sup>1</sup> which increase by 209.3 percent yoy and increased by 55.0 percent qoq.

Although in Q3/2023, there were supporting factors to enhance revenues compared to the previous quarter, there also had the factor that impacted the company's profitability which was the depreciation of LAK/THB, affecting Kasemrad International Hospital Vientiane's operations that presented in the distribution costs and administrative expenses (SG&A). In Q3/2023, the Company had loss on exchange rate amounted to 53.7 million.

To alleviate this situation, Bangkok Chain International (Lao) Co., Ltd., a subsidiary of the Company that operates Kasemrad International Hospital Vientiane, completely restructured the company's financial structure in the September 2023. The objectives for the restructuring are to enhance hospital operations liquidity and repay Thai baht loan which resulted in a reduction of the exchange rate loss caused by the depreciation of LAK/THB since the fourth quarter this year onward.

(<sup>1</sup> In Q3/2022, the company had net profit amounted to (403.1) million baht which was effected by the loss from devaluation of inventories and advance payment relating to Moderna vaccines.)

## Analysis of the Consolidated Financial Performance

### Consolidated statements of comprehensive income of Q3/2023

Consolidated statements of comprehensive income (Unit : Million Baht)	Q3/2023	Q3/2022	Change (%)
Revenue from hospital operations	3,174.5	3,428.6	(7.4%)
Other income	21.2	25.3	(16.2%)
<b>Total Revenue</b>	<b>3,195.7</b>	<b>3,453.9</b>	<b>(7.5%)</b>
Cost of hospital operations	2,097.7	3,518.9	(40.4%)
Distribution costs and Administrative expenses	470.0	420.4	11.8%
<b>Total Expenses</b>	<b>2,567.6</b>	<b>3,939.4</b>	<b>(34.8%)</b>
<b>Profit (loss) from operating activities</b>	<b>628.0</b>	<b>(485.5)</b>	<b>229.4%</b>
Interest income	4.6	1.7	176.6%
Finance costs	(30.4)	(34.9)	(13.0%)
Share of profit of associate	0.3	0.3	(22.1%)
Tax expense	(134.7)	74.2	(281.4%)
<b>Profit (loss) for the period</b>	<b>467.8</b>	<b>(444.2)</b>	<b>205.3%</b>
Owners of the Company	440.7	(403.1)	209.3%
Non-controlling interests	27.1	(41.1)	165.9%
<i>Gross Profit (loss) Margin</i>	<i>33.9%</i>	<i>(2.6%)</i>	
<i>Operating Profit (loss) Margin</i>	<i>19.7%</i>	<i>(14.1%)</i>	
<i>EBITDA Margin</i>	<i>27.1%</i>	<i>(7.1%)</i>	
<i>Net Profit (loss) Margin</i>	<i>13.8%</i>	<i>(11.7%)</i>	

### Revenue breakdown by patient type of Q3/2023

Revenue breakdown by patient type (Unit : Million Baht)	Q3/2023		Q3/2022		Change (%)
	Revenue	Proportion	Revenue	Proportion	
<b>From general patients</b>	<b>2,201.6</b>	<b>69.4%</b>	<b>2,453.3</b>	<b>71.5%</b>	<b>(10.3%)</b>
General OPD patients	1,092.0	34.4%	1,391.9	40.6%	(21.6%)
General IPD patients	1,109.6	35.0%	1,061.4	30.9%	4.5%
<b>From social security patients</b>	<b>992.2</b>	<b>31.2%</b>	<b>861.7</b>	<b>25.1%</b>	<b>15.2%</b>
<b>From the government related to COVID-19</b>	<b>(19.3)</b>	<b>(0.6%)</b>	<b>113.6</b>	<b>3.4%</b>	<b>(117.0%)</b>
<b>Revenue from hospital operations</b>	<b>3,174.5</b>	<b>100.0%</b>	<b>3,428.6</b>	<b>100.0%</b>	<b>(7.4%)</b>

## Analysis of the Consolidated Financial Performance

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The revenue breakdown by patient type are as follows:

**Revenue from general patients** for Q3/2023 amounted to 2,201.6 million baht, a decrease of (10.3) percent yoy from high base COVID-19 revenue, but increased by 14.5 percent qoq due to the gradually ramp-up performance of the three new hospitals and the high spread of seasonal diseases.

**The revenue from general OPD patients** amounted to 1,092.0 million baht, representing a decrease of (21.6) percent yoy. The number of OPD patients amounted to 292,000 people which declined (22.2) percent yoy. However, the revenue and the number of patients increased 13.0 percent qoq and 4.0 percent qoq respectively. This situation was due to the revenue from specialized medical centers such as dental, and obstetrics & gynecology centers and also the health check-ups project collaborating with outsourced partners.

**The revenue of general IPD patients** amounted to 1,109.6 million baht, an increase of 4.5 percent yoy. The number of IPD patients amounted to 15,000 people, an increase of 16.5 percent yoy. This increase was primarily due to the spread of seasonal diseases, particularly the influenza viruses affecting both children and adults. Moreover, the revenue and the number of IPD patients increased 16.1 percent qoq and 28.1 percent qoq respectively. There was contributed by rising demand from international patients, especially Middle East patients due to the end of Ramadan in the second quarter. Another contributing factor including the completion of the IPD wards renovation under Kasemrad hospital brand for example Kasemrad Hospital Saraburi and Kasemrad Hospital Chachoengsao.

**Revenue from social security patients** for Q3/2023 amounted to 992.2 million baht, an increase of 15.2 percent yoy and 5.3 percent qoq. In Q3/2023, the affiliated hospitals have an average number of registered insurers amounted to 1,011,434 persons, an increase of 1.7 percent yoy. The improved revenue was mainly due to an increase of basic capitation rate, pent-up demand for high cost care ( $RW \geq 2$ ), the revenue from the collaboration project with the Social Security Office to enhance the efficiency of 5 complex diseases medical treatment that the hospital can reimburse in the additional rate from 12,000 Baht per RW to 15,000 Baht per RW.

## Analysis of the Consolidated Financial Performance

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**Revenue from the government related to COVID-19 treatment for Q3/2023 amounted to (19.3) million baht, a decrease of (117.0) percent yoy**

Since the announcement of changing the level of COVID-19 category to communicable disease under surveillance in the quarter 3/20223. Consequently, the government has no longer subsidized the COVID-19 medical treatment program. However, in 2023, this revenue would occur only from the difference of receiving payment system.

**Total Cost and Expenses for Q3/2023 amounted to 2,567.6 million baht, a decrease of (34.8) percent yoy but increased by 3.4 percent qoq**

The main reasons were from the decrease of cost of hospital operations (COGS) of (40.4) percent yoy, for example, service cost related to COVID-19. Furthermore, the distribution costs and administrative expenses (SG&A) increase by 11.8 percent yoy from the increase of loss on exchange rate amounting to 8.8 million baht in Q3/2022, and 53.7 million baht in Q3/2023, as well as expenses related to maintenance and renovation of buildings and medical equipment.

However, compared with previous quarter, the cost of hospital operations (COGS) slightly increased at 5.5 percent qoq and the distribution costs and administrative expenses (SG&A) decreased by (5.1) percent qoq mainly from the decrease in loss on exchange rate amounting to 63.6 million baht in Q2/2023, and 53.7 million baht in Q3/2023. The decrease also resulted from changes of bad & doubtful debt because the company received the payments from accounts receivable and accrued income categories.



## Analysis of the Consolidated Statement of Financial Position

Consolidated statements of financial position (Unit : Million Baht)	As of		Change (%)
	30 September 2023	31 December 2022	
<b>Total Assets</b>	<b>17,268.0</b>	<b>19,796.5</b>	<b>(12.5%)</b>
Current assets	4,389.4	6,834.7	(35.8%)
Non-current assets	12,878.6	12,961.8	(0.6%)
<b>Total Liabilities</b>	<b>4,001.4</b>	<b>6,286.7</b>	<b>(36.4%)</b>
Current liabilities	3,421.0	3,510.2	(2.5%)
Non-current liabilities	580.4	2,776.5	(79.1%)
<b>Total Shareholders' Equity</b>	<b>13,266.6</b>	<b>13,509.8</b>	<b>(1.8%)</b>
Equity attributable to the Company	12,179.4	12,444.9	(2.1%)
Non-controlling interests	1,087.2	1,064.9	2.1%

As of 30 September 2023, the company has total Assets totaled of 17,268.0 million baht, a decrease of (12.5) percent comparing to the end of previous year. Mainly from the decrease of trade accounts receivable and accrued income from payment received from the government related to COVID-19, and the decrease of cash and cash equivalents from the dividend payment for the year 2022, the interim dividend payment of 2023, and the repayment of bank loans from financial institutions.

Total Liabilities totaled of 4,001.4 million baht, a decrease of (36.4) percent compared to the end of previous year. This reduction was mainly due to the repayment of loans from financial institutions including Sothorn Vejchakit Company Limited, which operates Kasemrad Hospital Chachoengsao and Kasemrad Hospital Prachinburi, 632.7 million Baht and Bangkok Chain International (Lao) Company Limited, which operates Kasemrad International Vientiane hospital, repaid 480 million Baht.

Total Shareholders' Equity totaled of 13,266.6 million baht, a decrease of (1.8) percent compared to the end of previous year due to the Company's retained earnings and the 2022 dividend payment, the interim dividend payment of 2023.

## Analysis of the Consolidated Statement of Financial Position

Financial ratio highlights	For the period ended	
	30 September 2023	31 December 2022
Current Ratio (times)	1.3	1.9
Average Collection Period (days)	146.2	91.3
Average Inventory Period (days)	14.2	11.4
Average Payables Period (days)	45.3	24.2
Debt to Equity Ratio (times)	0.3	0.5
Return on Assets Ratio (%)	9.0%	18.2%
Return on Equity Ratio (%)	10.3%	23.9%



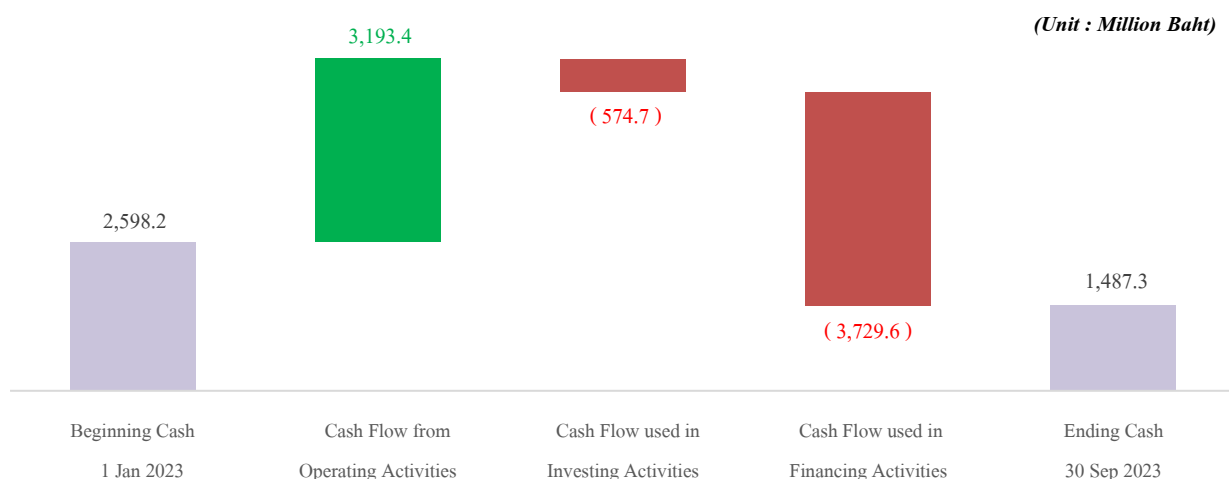
## Analysis of Cash Flow Statement

Consolidated cash flow statements (Unit : Million Baht)	For the period ended 30 September	
	2023	2022
Cash flow from operating activities	3,193.4	2,729.4
Cash flow used in investing activities	(574.7)	(53.9)
Cash flow used in financing activities	(3,729.6)	(4,808.0)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,110.8)</b>	<b>(2,132.5)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>2,598.2</b>	<b>4,520.1</b>
<b>Cash and cash equivalents at 30 September</b>	<b>1,487.3</b>	<b>2,387.5</b>

### Cash and cash equivalents

As of 30 September 2023 decreased of (1,110.8) million baht.

Net cash at the beginning of the period as of 1 January 2023 amounted to 2,598.2 million baht. According to each activities, net cash at the end of the period as of 30 September 2023 equal to 1,487.3 million baht. Details of cash flows for each activity are as follows:



**Net cash flow from operating activities amounted to 3,193.4 million baht** due to profit from operating activities and the payment received from the government related to COVID-19.

**Net cash flow used in investing activities amounted to (574.7) million baht** due to the building renovation for example, service area for OPD/social security patients and OPD nighttime at Kasemrad Hospital Prachachuen and patients ward at Kasemrad Hospital Saraburi and Kasemrad Hospital Chachoengsao.

**Net cash flow used in financing activities amounted to (3,729.6) million baht** due to the 2022 dividend payment, the interim dividend payment of 2023, repayment of loans from financial institutions, and payment of financial costs.

## Forward Outlook

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For the situation of the fourth quarter, the trend of seasonal disease cases continues from the third quarter. However, the next quarter includes the New Year holiday which could be a factor leading to a lower of patient visits the hospital during long holiday compared qoq. Additionally, Bangkok Chain International (Lao) Company Limited, operating Kasemrad International Hospital Vientiane, has succeeded the restructuring financial position by raising capital amounted to 481.9 million Baht. The objectives for the capital increase are to enhance hospital operations liquidity and repay Thai baht loan which can alleviate in the loss on exchange rate from the repayment of principal and interest under the depreciation of LAK/THB circumstances. Moreover, the capital increase shall be used to expand comprehensive specialized centers of the hospital and improving margins of the company. This development positively contributes to the gradual rise in the company's margin.

The company is committed to maintaining and developing the medical services through the expansion of specialized centers to cover a broader area. Furthermore, the company is renovating and upgrading the existing hospitals in order to maintaining current patients, and supporting the collaborative projects with outsourced partners, including public and private officers. Moreover, the Social Security Office announced an increase in the rights to treatment for all sections of insured person. This development serves as a positive factor in expanding patient bases as well as the revenues for affiliated hospitals.

Nevertheless, the company aims to operate the business under growth strategies which purpose for growing company performance in the long term by following as follows:

### 1. The performance developments for three new hospitals

Affiliated hospitals especially the three new hospitals namely Kasemrad International Hospital Aranyaprathet, Kasemrad Hospital Prachinburi, and Kasemrad International Hospital Vientiane are consistency operating to raise awareness and expand patient base. The Company has strategic plans to enhance hospitals performance as follows:

- **Kasemrad International Hospital Aranyaprathet**, 51 licensed beds. The hospital is situated nearby Rong kluea market, Aranyaprathet district, Sakaeo. The target groups are Cambodian patients and Thai patients in the surrounding areas. In Q3/2023, the hospital had total revenue of 56.5 million baht, an increase of 20.7 qoq, EBITDA amounted to 8.6 million baht representing a 122.9 percent increase qoq.

- Raising awareness in medical centers for example, obstetrics & gynecology center, pediatrics center, general surgery center, medicine center and gastrointestinal & hepatobiliary center.

- Publicizing through online marketing and organizing offline events to encourage medical knowledge, for example mother and child events, a seminar of health care and medical services as well as

## Forward Outlook

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proving health check-up and vaccinations both in hospital and mobile check-ups, aimed at increasing awareness among the target groups.

- Expanding patient network by collaborating with insurance companies including organizing a Health Relationship event with insurance agencies in order to hearing and enhancing medical services. Additionally, the company aims to expand the referral system to create local and international patient's referral network and clinics that located nearby the hospital and cross-border from neighboring country.

- **Kasemrad Hospital Prachinburi**, 115 licensed beds. The hospital is situated nearby 304 industrial park, Srimahaphote district, Prachinburi. The target groups are general patients and social security patients. In Q3/2023, the hospital had total revenue of 55.8 million baht, an increase of 2.1 percent qoq, EBITDA amounted to (3.1) million baht representing a 10.9 percent decrease qoq. Furthermore, the average number of insured person in Q3/2023 amounted to 28,124 people, an increase of 14.3 percent qoq.

- Increasing the number of registered persons throughout proving proactive health check-ups for social security persons in their workplace for example, health check-up and occupational health packages for workers, in collaborating with Federation of Thai Industries as well as health check-ups for foreigners in order to renewing their work permit.

- Promoting and raising awareness in various medical centers to both local and international patients for example, obstetrics & gynecology center, pediatrics center, medicine center, general surgery center and gastrointestinal & hepatobiliary center anti-aging center.

- **Kasemrad International Hospital Vientiane**, 110 licensed beds. The hospital is situated in Vientiane province, Lao PDR. The target group are general patients and international patients. In Q3/2023, the hospital had total revenue of 84.4 million baht, an increase of 22.2 percent qoq, EBITDA amounted to 14.8 million baht, representing a 5.1 percent increase qoq.

- Emphasizing on providing treatment through general and specialized medical centers for example heart center, neurology center, hemodialysis center, health checkup center, obstetrics & gynecology center, pediatrics center, general surgery center, specialized medicine center and emergency medicine center, and comprehensive dental center. Furthermore, the hospital aims to expand the patient base to cover the preventive care and aesthetic treatment.

- Promoting through online and offline events for example, a seminar on health care during the rainy season, mother and child event and organizing a 2-year anniversary Meet & Greet event with Ms. Tonkham Phonchanhueang, Miss Universe Laos 2021 and hospital management teams. Moreover, the hospital is providing health check-up and immunization and vaccination packages throughout the entire year.

## Forward Outlook

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- Expanding patient network through collaboration with both local and international insurance companies, with over 40 companies and also continuous looking for more partners. Moreover, the hospital aims to expand the referral network by contacting with nearby clinic. Furthermore, the hospital is providing mobile health check-ups in other areas such as private/international schools and local public companies.

### 2. Expansion new hospitals and renovation existing hospitals still in progress

- **Kasemrad Ari Radiation Oncology Clinic**, Nonthaburi Province, with the project cost of approximately 300 million baht. This clinic provides medical operations and treatment for cancer using radiotherapy for OPD patients. It is under construction before radiation machine installation and expected to start the operation in mid-2024.

- **Kasemrad Hospital Suvarnabhumi, Samut Prakan** province, with 268 licensed beds and total project investment is approximately 1,600 million baht. This project completed land leveling process and is under application process for Environmental Impact Assessment (EIA) approval and expected to start the construction in 2024, then will be opened for operation in early 2027.

For the exterior and interior renovating of existing affiliated hospitals are still developing as follows:

- **Kasemrad Hospital Bangkae** is under renovation of OPD service area, IPD wards, ICU wards, including laboratory and hemodialysis center. These constructions will increase service capability to serve both self-pay patients and social security patients, and are expected to finish within 2024.

- **Kasemrad Hospital Chachoengsao** is under renovation and expansion of OPD service area and comprehensive heart center which will reduce waiting time for treatment and become a referral heart center in that area. These constructions are expected to finish within 2023.

- **Karunvej Hospital Pathumthani** is under renovation and expansion of OPD service area and IPD wards to upgrade and rebrand to Kasemrad Hospital Pathumthani. These constructions will increase patient service area and specialized medical center to attract and serve both self-pay patients and social security patients, and are expected to finish within 2024.

## Forward Outlook

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### 3. Upgrading the quality of medical treatment for social security patients

The Company aims to continuously enhance potential and standards of affiliated hospitals. Recently, on 27 October 2023, Kasemrad Hospital Ramkhamhaeng has been accredited Joint Commission International (JCI) standard which indicates hospital service improvement for patients along with efficient organization management. Moreover, the Company also has expansion plan of specialized medical center to increase healthcare accessible for patients for example, new heart center opening at Kasemrad Hospital Chachoengsao in late 2023 to provide comprehensive cardiology in Chachoengsao province, and also genomics center establishment to provide genomes testing and reduce referral cost to other laboratory for example, Non-Invasive Prenatal Testing (NIPT) which is expected to start operation in 2024 and will be enhance to in-depth genomes testing for example, future health and possible diseases predictions to enable preventive care. This center is part of Bangkok Chain Laboratory which operated by Bangkok Chain Management Company Limited. Furthermore, the Company is studying Stem cell center to expand comprehensive medical treatment in the future.

### 4. Enhancement on quality of medical service by Social Security Office

Social Security Office aims to enhance medical services for insured persons through a health check-up programs and the five complex diseases medical treatment project. In Q3/2023, one of the affiliated hospitals, Kasemrad International Hospital Rattatibeth joined the project which includes Cardiovascular treatment, Stroke, Breast Cancer treatment, Myomectomy treatment, and Kidney and Gall Bladder stone treatment. Currently, the project has been signed by 10 affiliated hospitals.

Furthermore, Social Security Officer announced an improvement to the social security scheme through Package Premium for insured persons in section 40. This package includes rights to medical treatment, income compensation in case of unemployed and illness. This initiative provides an opportunity to expand the registered person in affiliated hospitals.

## Sustainability development

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The Company aims to operate business in accordance with the principles of morality and ethics as well as sustainable development, Environmental, Social, and Governance (ESG) aspect with a focus on the overall impacts to all stakeholders. In order to promote and explicit sustainability intention. In Q3/2023, the company obtained certification and underwent an evaluation involving ESG, which can be summarized as follows;

- **The company received the SET ESG RATING of 2023 attaining the AA level**, on November 6, 2023 organized by the Stock Exchange of Thailand. The award was given to public companies that adhere to sustainable development policies together with a focus on environment, social and governance considerations.

- **The company received an “Excellent” CG scoring or 5-star rating** in the Corporate Governance Report for Thai Listed Companies (CGR) project of 2023, supported from Thai Institute of Directors Association (IOD) on October 31, 2023. This year, a total of 782 public companies participated in the project. The award reflects to the company's commitment to sustainable development in accordance with Environmental, Social, and Governance (ESG).

- **The company has been certified for the second consecutive year by Thai Private Sector Collective Action against Corruption (CAC)** on September 29, 2023. This recognition underscores the company's commitment to combatting corruption and also promoting the company's employees in all levels to have consciousness against the corruption in all forms.

Furthermore, the company aims to operate and expand projects that align with the sustainable development. Instances of mentioned projects include waste reduction in collaborate with YouTurn project, supported by PTT Global Chemical Public Company Limited. This project is designed to reduce the amount of waste by recycling it into usable products. In the first phase, BCH sold approximately 1.38 tons of empty vitamin water bottles, which is equivalent to a reduction of 1.67 tons of carbon dioxide or the planting of 186 trees.

Moreover, the projects also include energy reduction, promoting electricity generation usage from solar energy through Solar PV Rooftop installations at Kasemrad Hospital Bangkai which is the fifth place in category, covering 2,750 square meters. This system generates approximately 559,051 units of electricity a year, resulting in a reduction of electricity costs amounting to 619,089 baht.





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