

ANNUAL REPORT 2019

BANGKOK DUSIT MEDICAL SERVICES

Public Company Limited



**BETTER
TOMORROW**



BDMS

A strong network enables us to move forward more effectively.
The excellent combination of advanced medical technology and
digitalization brings substantial value producing health care benefits.

“Let’s open the door to explore better care.”



**TRUSTED HEALTHCARE
NETWORK**



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Philosophy

Bangkok Hospital is where advances in medicine
meet with compassion.

Vision

Bangkok Hospital is a premier tertiary
healthcare provider, dedicated to international quality,
customer focused care.

Mission

We are committed to being the leader
in providing internationally accepted, efficient and ethical
high quality care through a dedicated healthcare team,
effective leadership and up to date technology.
Our hospitals shall be the medical service facilities
with high standard and international quality,
for trustworthiness and optimal satisfaction of the customers.

Bangkok Hospital intends to continually
improve the management system and its services
by emphasizing on the continuous quality improvement
throughout the organization.

Message from Chairman of the Board of Directors

In 2019, the trade war condition between the United States and China has been uncertain due to an unclear trade negotiation and the protest in Hong Kong which has prolonged and in turn affecting the world's economy and trade, especially in Thailand that has been directly impacted from such situation. This can be seen from continued appreciation of the Thai baht which in turn, affecting the country's tourism and service business aimed at foreigners as the exchange rate will make their expenditures higher as a result. Nonetheless, although the Company has been affected from such situation, we have adjusted our operational strategies to efficiently respond to such changing incidents, rendering the Company's business performance to be in line with our specified goals and objectives.

For the quality of medical treatment, apart from being certified by various medical institutions at a national level in which the total of 29 hospitals have been granted with Hospital Accreditation Thailand-HA and 14 hospitals with an international quality certification from Joint Commission International, we have collaborated with many leading international medical institutions. Besides, the Company has consistently devoted in the development of the organization which can be evidently seen from various awards, both at the national and international levels such as Global Health and Travel Awards 2019 from the Global Health & Travel Awards Ceremony 2019, held in Malaysia and hosted by Global Health and Travel magazine, a leading tourism and health magazine in Asia Pacific region, Thailand Corporate Excellence Awards 2019, the Royal Award given to the organizations with income over Baht 10,000 million in 2 major fields: Product/Service Excellence and Corporate Improvement Excellence. Furthermore, the Company has been granted with other awards such as the Best Managed Healthcare Company in Asia from FinanceAsia magazine for 2 consecutive years, 2019 All-Asia Executive Team Awards – Healthcare & Pharmaceuticals Industry award from Institutional Investor magazine, including Asiamoney Asia's Outstanding Companies Poll from Asiamoney magazine which has been awarded to the listed companies with an operational excellence in finance, management, investor relations activities as well as responsibility for society and every group of stakeholders.

In the area of management, BDMS has constantly intended to operate our business by adhering to ethics and good corporate governance principles. In 2019, the Company was evaluated as "Very Good" in corporate governance practice for 5 consecutive years from Corporate Governance Report of Thai Listed Companies (CGR), jointly held by Thai Institute of Directors and the Securities and Exchange Commission (SEC). The Board of Directors will continue their support on the management to ensure the continued development of the Company's good corporate governance policy in the long run.

On this occasion, on behalf of the Board of Directors, I would like to express my sincere gratitude to every executive and staff for their consistent dedication in fulfilling their respective duties, including our medical teams and personnel who have devoted themselves in developing the quality of medical care to the best of their ability to ensure the Company's sustainable growth and development. Lastly, I would like to thank every shareholder, customer and business partner for your continued trust and support of the Company. We will make it our mission to operate our business with a strict adherence to corporate governance and transparency principles to ensure the utmost benefits to our shareholders and investors.



Signed By Arun Pausawadi

Professor Emeritus Arun Pausawadi, M.D.
Chairman of the Board of Directors



Message from President

According to an assessment of the continual impact from economic slowdown of the world and the country over the past few years, the Company has implemented the policy for 2019 to maintain a balance during its growth by operating an overall business with great caution as well as being responsible for stakeholders. Besides, the Company has set its goals to take into consideration the interests of every shareholder in an equal and fair manner, including continuous improvement of the medical treatment quality as a way to express our sincere gratitude towards the customers' trust on BDMS and its network hospitals.

In 2019, the Company expanded its network hospitals to 48 in total and elevated 10 network hospitals as the Centers of Excellence while improving its medical services from only providing treatment to patients to encompass the preventive care through BDMS Wellness Clinic and Chiva Transitional Care Hospital which emphasizing on providing medical care to providing medical care to patients during their rehabilitation stage. As a result, the Company's medical services has completed a treatment at every stage, starting from preventing health from premature illness, providing medical treatment and rendering medical services during the transition period. These three major operations illustrate the Company's consistent development the quality of medical services both Thai and foreign patients. This ultimately enables the Company to become the leading and famous hospital in Asia Pacific region, which corresponds to the Thai's government vision for economic development to drive Thailand forward as Thailand Medical Hub.

As for the quality development, the Company organized the BDMS Academic Meeting in which over 1,200 experienced physicians at an international level, including dentists, nurses and medical personnel from both inside and outside the BDMS networks participated this academic meeting. The cooperation with leading hospitals worldwide, an exchange of knowledge to improve knowledge of medical personnel as well as continued medical research, all of which enable the Company to develop the quality of medical treatment in which the Company was ultimately awarded with Clinical Care Program Certification Standards for up to 10 diseases from Joint Commission International (JCI), U.S.A., compared to 14 hospitals under BDMS networks which were previously awarded with the international quality certification from JCI. This has clearly indicated that the Company has been developed into the Excellence Centers and has been certified in providing medical treatment to patients according to the international standards.

For operational management, the Company strives for the most efficient use and management of resources by stressing on the benefits derived from the management in a form of Hub and Spoke Model. As the Company is well-equipped with knowledgeable and experienced medical personnel, possesses some network hospitals as well as nationwide networks in providing complete and standardized medical services to emergency patients. As a consequence, the Company has been well recognized by many insurance companies, both domestic and foreign, and BDMS has taken this opportunity

to build business alliances and expand the collaboration with insurance companies such as Ping An Good Doctor, an affiliated company of Ping An Group which is well-known for its largest online healthcare platform in China. Furthermore, the Company has cooperated with Allianz Ayudhya and Viriyah Insurance in the Exclusive Health Insurance Project, including other insurance companies to ensure the Company's sustainable growth in the long run.

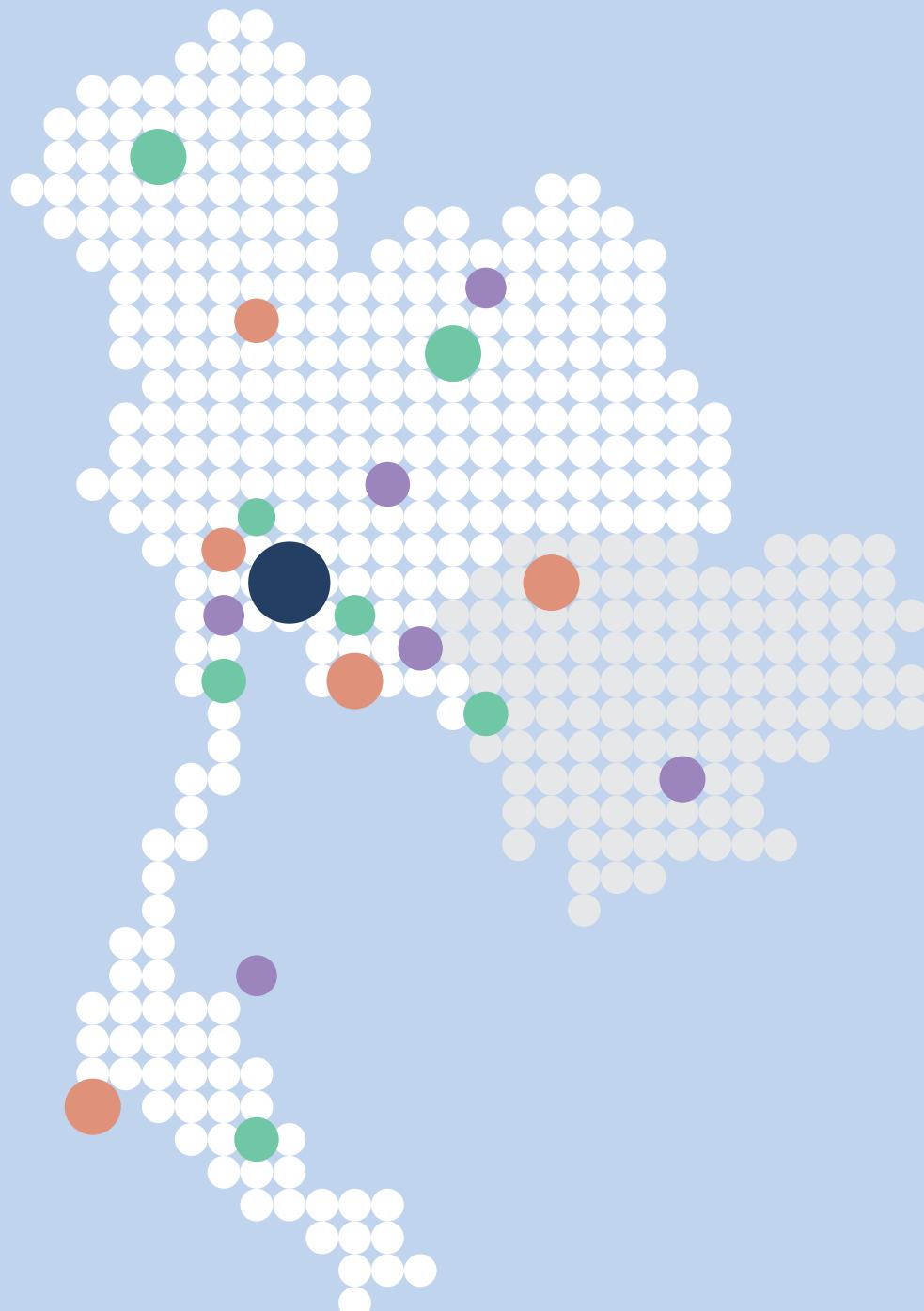
Since the requirement for health services has increased consistently, there has been an ongoing trend of health awareness and concern, coupled with an increasing rate of occurrence of some complex diseases, especially when Thailand is moving forward to the aging society. In addition, the expansion of health insurance business and offensive collaboration with various insurance companies enable the hospitals under BDMS Group to experience a 7 percent increase of revenues from medical services and report an increase of net profit up to 69 percent in 2019. This year has marked the Company's success and we are proud to be able to manage the investments and the compensations of every shareholder to remain in a satisfactory level amidst the world's and the country's economic slowdown.

In terms of corporate governance, the Company has reviewed its corporate governance policy to be appropriate and up-to-date to be employed as an operational guideline in creating sustainable business value and to be in line with the aspiration of investors and stakeholders. Moreover, the Company has consistently supported innovation development which can be seen from one of the awards among BDMS pride; namely, **2019 All-Asia Executive Team Awards - Healthcare & Pharmaceuticals Industry**, from Institutional Investor Magazine, the world's leading magazine which granted the Company with 3 awards based primarily on its 2018 business performance as follows: "Most Honored Company", "Special Achievement Award: Best CEO" and "Special Achievement Award: Best CFO – Health Care & Pharmaceuticals". Besides, the Company was awarded with "**the Best Managed Healthcare Company in Asia**", from FinanceAsia Magazine for 2 consecutive years, "**Global Health and Travel Awards 2019**", from the Global Health & Travel Award Ceremony 2019, held by Global Health and Travel Magazine, a leading magazine that promotes tourism industry and health in Asia Pacific region. Moreover, the Company received the Corporate Governance Rating: CGR 2019 of Very Good CG Scoring from Thai Institute of Directors (IOD) in association with Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Throughout the past 47 years of BDMS business operation, we have been dedicated to fulfilling the Company's mission of operating business with social and environmental responsibility while constantly emphasizing on the significance and the development of the quality of life for the surrounding communities and society which can be evidently seen from our continued support of social activities through Vejdusit Foundation. During the previous year, the Company successfully organized many social and environmental activities, including sustainable operation in various forms as can be found in the Sustainability Report with an aspiration that BDMS will become a significant gear in every step of Thai society's development.

Lastly, I would like to thank every customer of Bangkok Hospital and our network hospitals for your trust and continued support. Our success and sustainable growth shall not be achieved without the trust of the shareholders who express the confidence in the Company's management policy. I would also like to express my sincere gratitude to our medical team, executives and our employees as well as those of the associates who have devoted themselves and worked strenuously to overcome the problems and obstacles in business operation. Particularly, the year 2020 will be a year of preparation and mutual collaboration among the medical team and personnel of BDMS and its networks to lead our business towards its sustainable growth and can transfer the trust in providing good quality of medical services to every customer which is deemed the Company's important mission that we have consistently adhered to.

Signed By Narumol Noi-am
Narumol Noi-am
 Acting President



TOTAL
OPERATING
INCOME
83,774
Million Baht

NET PROFIT
15,517
Million Baht

48
Hospitals
+
BDMS
WELLNESS
CLINIC

~8,300
Beds

12,000+
Doctors
9,000+
Nurses
24,000+
Employees

CG
Rating



TRIS
RATING AA

BDMS Overview

Financial Highlights

	2019	2018	2017
Balance Sheets (Million Baht)			
Total Assets	133,662	133,499	122,627
Total Liabilities	46,480	60,061	56,756
Total Shareholders' Equity	87,182	73,438	65,871
Income Statements (Million Baht)			
Revenue from Hospital Operations	79,630	74,286	69,123
Total Operating Income	83,774	78,288	72,772
Net Profit (Excluding Non-Recurring Items)	10,053	10,136	8,021
Net Profit	15,517	9,191	10,216
Liquidity Ratio			
Current Ratio (x)	0.8	0.5	1.1
Quick Ratio (x)	0.7	0.5	0.9
Average Collection Period (Days)	36.9	35.0	34.0
Average Inventory Period (Days)	12.0	12.6	12.2
Average Payable Period (Days)	37.1	35.4	34.3
Profitability Ratio (%)			
Gross Profit Margin ^{1/}	34.4	34.7	33.3
EBIT to Net Sale	16.9	17.5	16.4
Net Profit Margin	18.5	11.7	14.0
Return on Equity	20.1	13.8	17.2
Efficiency Ratio			
Return on Assets (%)	11.6	7.2	8.9
Return on Fixed Assets (%)	27.8	20.0	24.0
Asset Turnover (x)	0.6	0.6	0.7
Financial Policy Ratio			
Total Liabilities to Equity (x)	0.5	0.8	0.9
Interest Coverage (x) ^{2/}	19.2	14.7	10.1
Dividend Payout Ratio (%) ^{3/}	56.3 ^{4/}	54.5	54.6

1/ Gross profit margin = Gross profit/revenue from hospital operations and revenue from goods and food

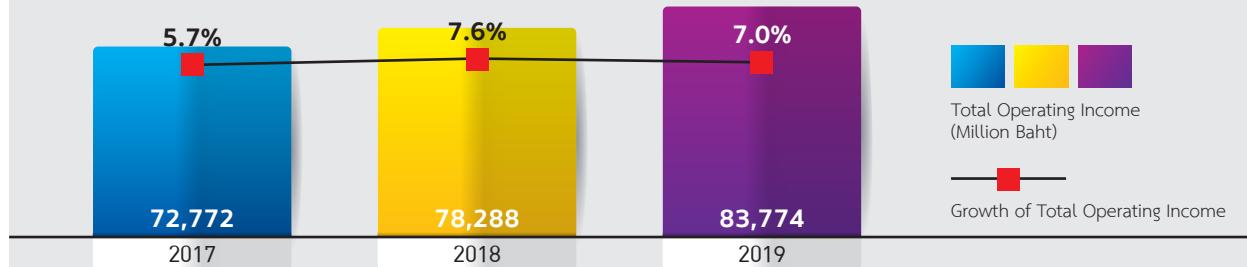
2/ Interest coverage = EBITDA/interest expenses

3/ Dividend payout ratio = Dividend per share/earnings per share (including non-recurring items)

4/ Board of Directors had resolution on 26 February 2020 to propose for dividend payment of Baht 0.55 per share.

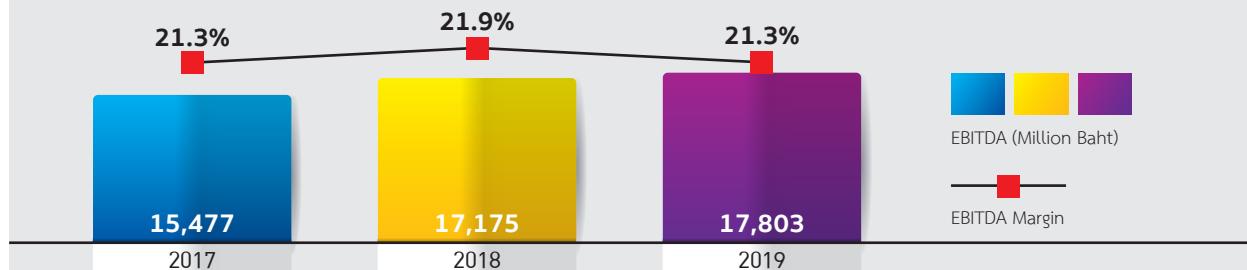
However, the Company paid interim dividend at the rate of Baht 0.25 per share from the Board of Directors resolution on 28 August 2019. Therefore, the Company shall pay an additional dividend of Baht 0.30 per share.

Total Operating Income



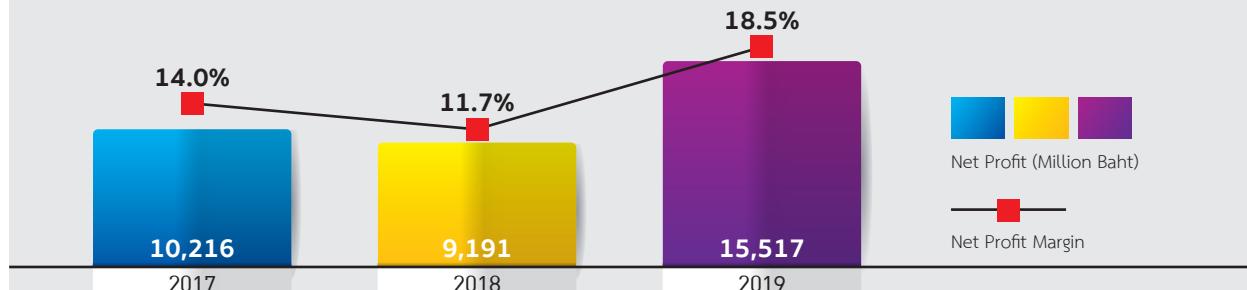
Remark: Operating income is calculated from hospital revenue + revenue from sales of goods + other income

EBITDA and EBITDA Margin

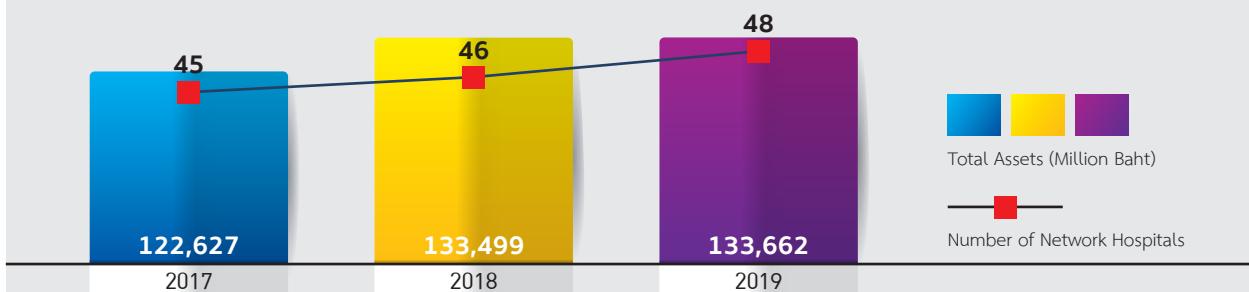


Remark: EBITDA is earnings before interest, taxes, depreciation and amortization

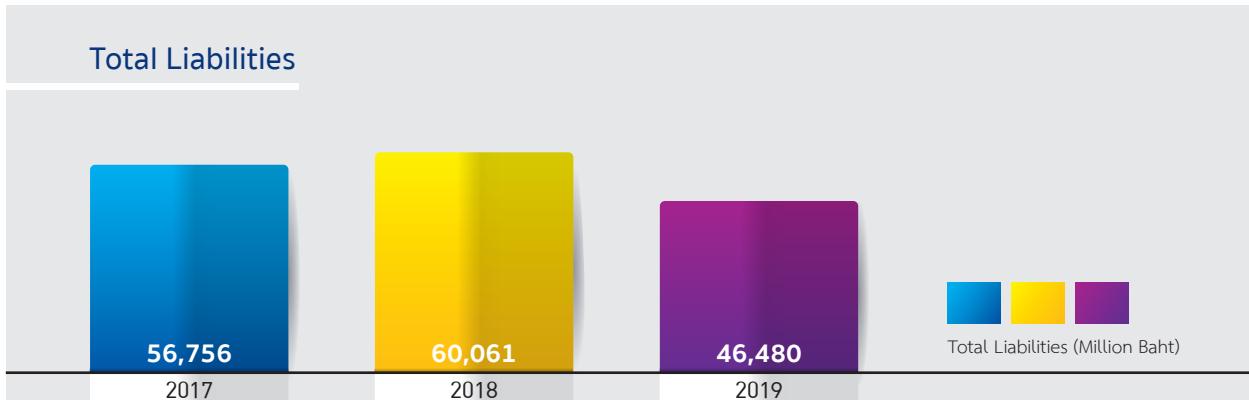
Net profit and Net Profit Margin



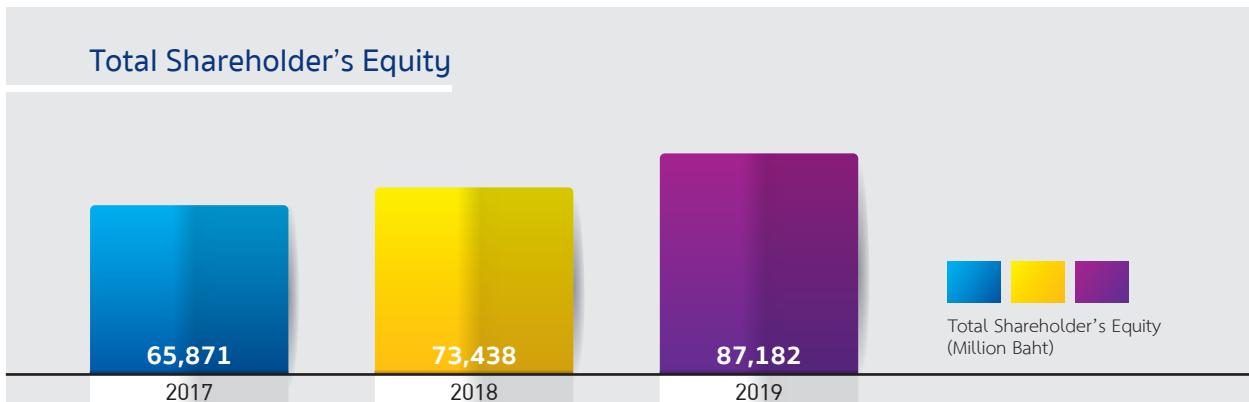
Total Assets and Number of Network Hospitals



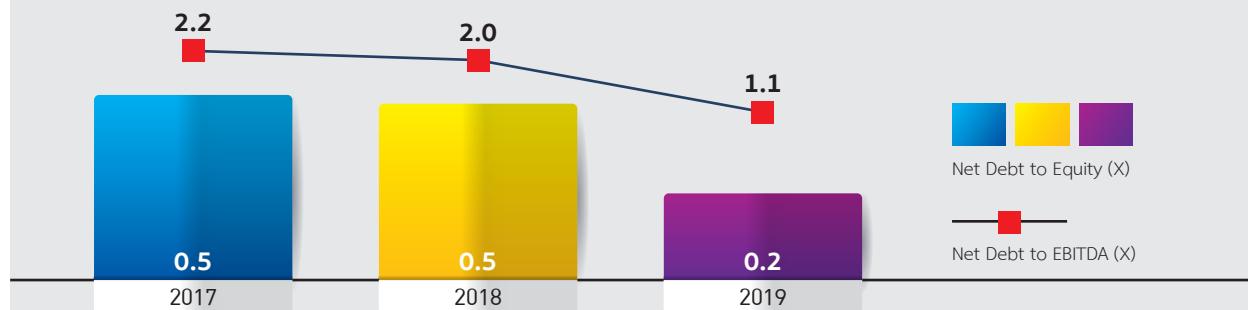
Total Liabilities



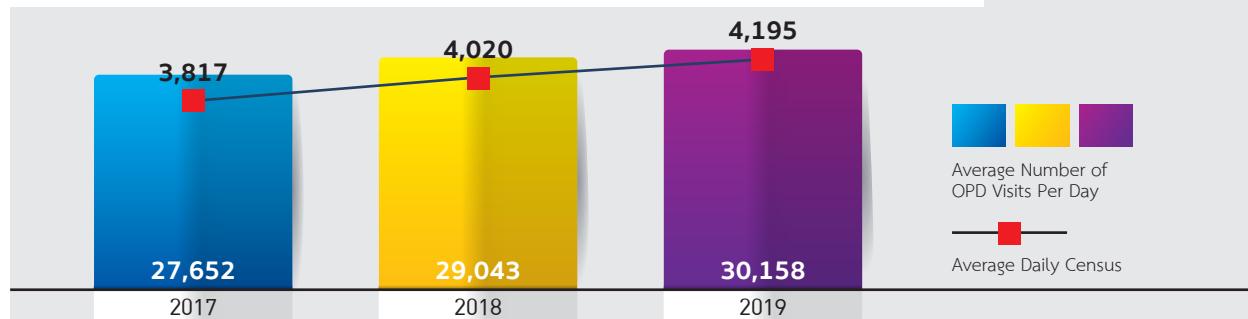
Total Shareholder's Equity



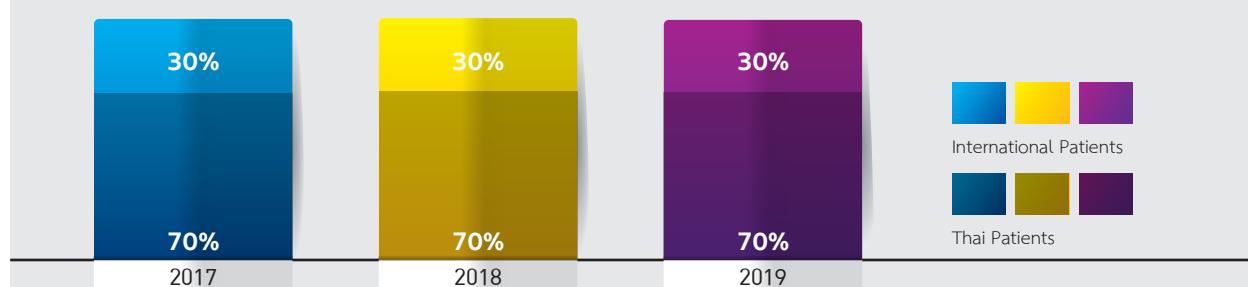
Net Debt to Equity and Net Debt to EBITDA



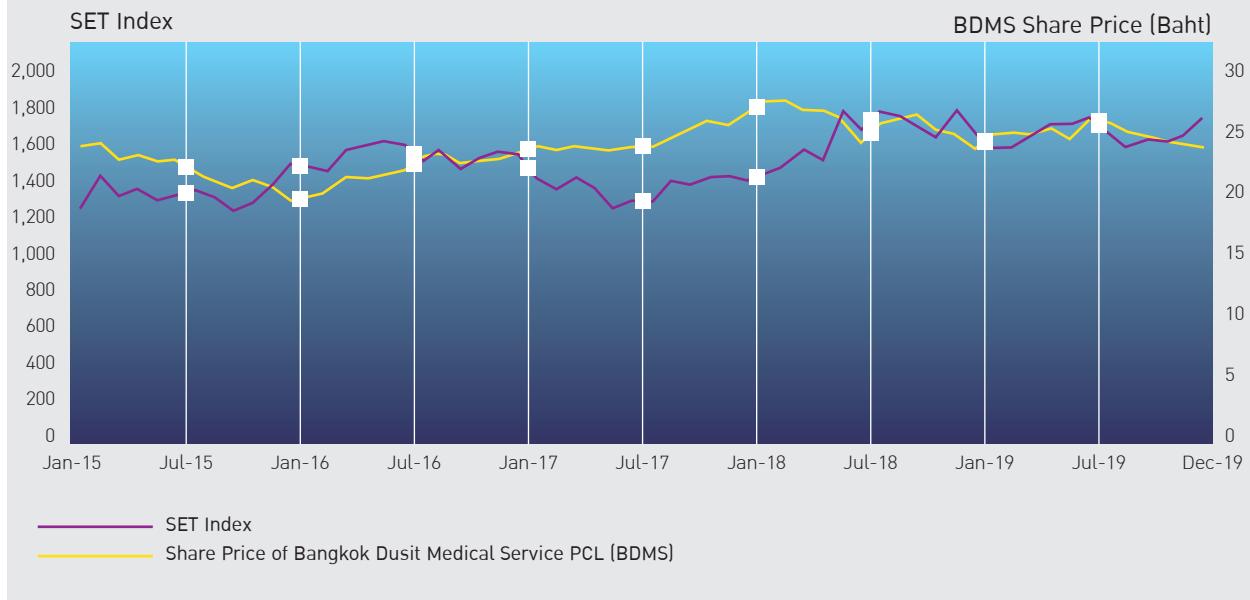
Average Number of OPD visits per day and Average Daily Census



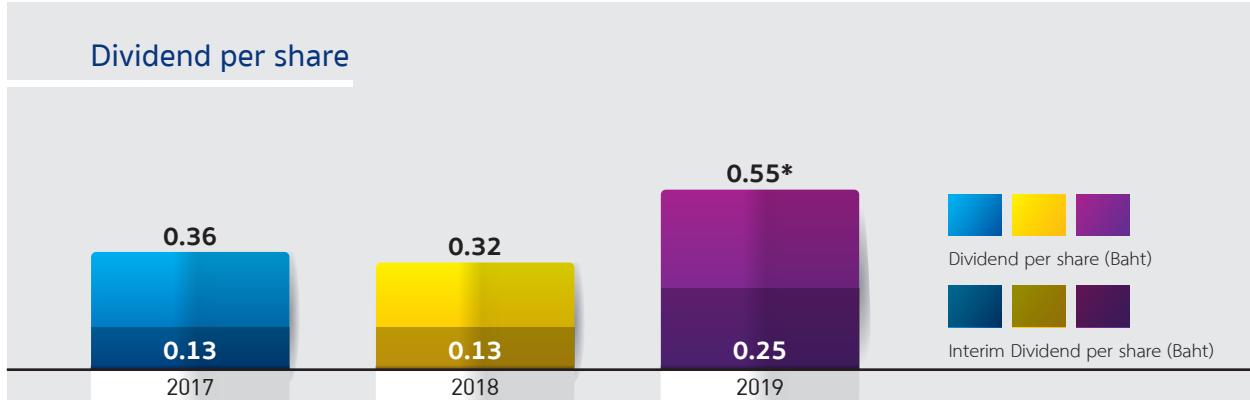
Revenue Contribution from Thai and International Patients



5 Years Share Prices (2015-2019) Compared to SET Index



Dividend per share



* Board of Directors had resolution on 26 February 2020 to propose for dividend payment of Baht 0.55 per share

However, the Company paid interim dividend at the rate of Baht 0.25 per share from the Board of Directors resolution on 28 August 2019.

Therefore, the Company shall pay an additional dividend of Baht 0.30 per share.

Quality of Service

Accreditation



14 JCI



1 Advanced HA



29 HA



10 JCI : CCPC

JCI : Clinical Care Program

Certification Standards

- Acute Coronary Syndrome Program
- Acute Myocardial Infarction Program
- Breast Cancer Program
- Childhood Asthma Program
- Diabetes Mellitus Type II Program
- Heart Failure Program
- Low Back Pain Program
- Primary Stroke Program
- Total Knee Replacement Program
- Traumatic Brain Injury Program



Commission on Accreditation
of Medical Transport Systems



Commission on Accreditation
of Medical Transport Systems

The Commission on Accreditation
of Medical Transport Systems (USA)

&

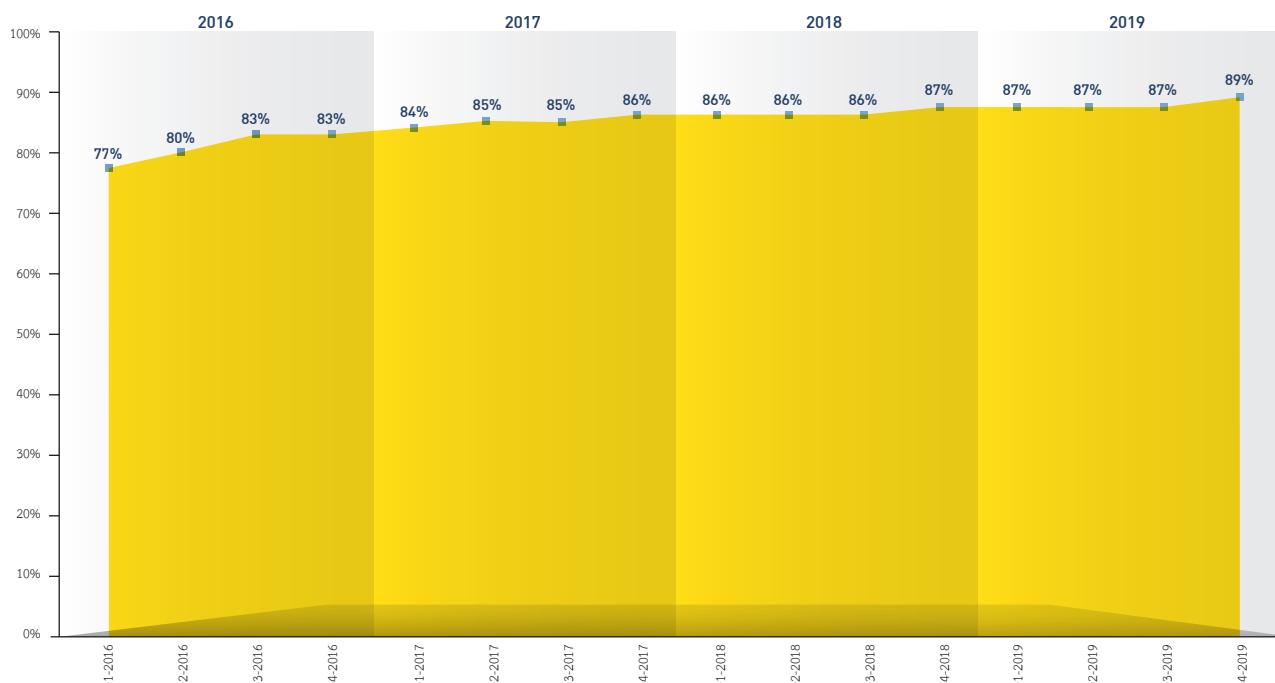
The Commission on Accreditation
of Medical Transport Systems Europe

Dual Medical Transport Accreditation

by Land, Sea and Air

The Satisfaction of the Customers

Overall Hospital Rating (BDMS)



*Area of 95th Percentiles (near best) for HCAHPS US "Top-box" score of the publication reported on October 2019

Traumatic Brain Injury

TBI

NETWORK



BDMS has strived to become the Center of Excellence in Trauma and Neuroscience by realizing that primary surveillance to refer patients to other hospitals with efficiency in providing medical care and treatment in a speedy manner which in turn will help minimize the death rate and the rate of injury of these patients.

Therefore, we have established guidelines in providing medical care to patients suffering from Traumatic Brain Injury in a company level by referring from international standards and guidelines which have been systemically researched (National Guideline Clearinghouse and Brain Trauma Foundation) and ultimately led to the implementation in our 6 hospitals which encompassed the service in the area prone to brain injury. These 6 hospitals are as follows:

1. Bangkok Hospital Headquarter
2. Samitivej Sukumvit Hospital
3. Samitivej Srinakarin Hospital
4. Phyathai 2 Hospital
5. Bangkok Pattaya Hospital
6. Royal Phnom Penh Hospital

BDMS has arranged for patient referral according to the international standard in transferring patients (CAMTS) and provided patients with holistic medical care performed by our team of interdisciplinary professionals which consists of the medical doctors and medical personnel as follows:

- | | |
|---------------------------------|---------------------------|
| • Neurosurgeons | • Dietitians |
| • Emergency medicine physicians | • Physical therapists |
| • Rehabilitation physicians | • Occupational therapists |
| • Nurses | • Psychologists |
| • Pharmacists | |

These medical personnel collaboratively provide medical care and treatment to patients with the objectives to ensure the best treatment result so that they can resume their normal lives as much as possible. Our 6 hospitals have been accredited with the Clinical Care Program Certification by the Joint Commission International, which is considered the first time in the world that the network hospitals are simultaneously accredited for 6 hospitals.





←
Asiamoney
Asia's Outstanding Companies Poll –
Thailand for 2010s (30th Anniversary
Corporate Poll of Polls)



←
**Asiamoney –
2019 Asiamoney
Asia's Outstanding
Companies Poll**
Most Outstanding
Company in Thailand –
Healthcare Sector 2019



←
**Global Health and
Travel Awards 2019**
Hospital of the Year Thailand
(4 consecutive years)



↑ **Thailand's Top Corporate Brands
Hall of Fame 2019**
(for receiving Thailand's
Top Corporate Brands Award
for 5 consecutive years)



↑ **SET AWARDS 2019**
Outstanding Investor
Relations Awards
Business Excellence
SET market capitalization of over THB100 bln.



←
FinanceAsia
The Best Healthcare
Company in Asia 2019.



←
**Thailand Corporate
Excellence Awards 2019**
Distinguished Award
Human Resource
Management



←
**HRH Princess Maha Chakri Sirindhorn
Thailand Corporate Excellence Awards 2019**
- Product/Service Excellence
- Corporate Improvement
- Excellence



↑ All-Asia Executive
Team 2019 - Healthcare &
Pharmaceutical Industry
Most Honored Companies



↑ IR Magazine Awards -
South East Asia 2019
Best in Country - Thailand

Awards 2019

BDMS has endeavored to improve the quality of services to achieve the same standard across our entire network to create lasting customer confidence. This is evidenced by the numerous awards and accreditations we have received from both public and private organizations.

Board of Directors



01 Professor Emeritus Arun Pausawasdi, M.D.
Chairman of the Board/Independent Director

02 Mr.Chuladej Yossundharakul, M.D.
Vice Chairman

03 Mrs.Narumol Noi-am
Director/Acting President

04 Mr.Prudit Theekakul
Director

**05 Professor Emeritus
Santasiri Sornmani, M.D.**
Independent Director

06 Mr.Chavalit Sethameteekul
Independent Director

07 Mr.Sripop Sarasas
Director



08 Mr.Thongchai Jira-alongkorn
Director

09 Mr.Weerawong Chittmittrapap
Independent Director

10 Mr.Arsa Sarasin
Independent Director

11 Mr.Att Thongtang
Director

12 Mr.Kan Trakulhoon
Independent Director

13 Mr.Puttipong Prasarttong-Osoth
Director

14 Mr.Chairat Panthuraamphorn, M.D.
Director

→ Audit Committee



↑ Professor Emeritus
Santasiri Sornmani,
M.D.
Chairman

↑ Mr.Weerawong
Chittmittrapap
Member

↑ Mr.Chavalit
Sethameteekul
Member

→ Executive Committee



↑ **Mr.Chuladej**
Yossundharakul, M.D.
Chairman

↑ **Mrs.Narumol**
Noi-am
Member

↑ **Mr.Pradit**
Theekakul
Member

↑ **Mr.Thongchai**
Jira-alongkorn
Member

↑ **Mr.Chaarat**
Panthuraamphorn,
M.D.
Member

→ Nomination and Remuneration Committee



↑ Professor Emeritus
Santasiri Sornmani,
M.D.
Chairman

↑ Mr.Chuladej
Yossundharakul, M.D.
Member

↑ Mr.Chavalit
Sethameteekul
Member

↑ Mr.Sripop
Sarasas
Member

→ Risk Management Committee



↑ Mr.Chavalit
Sethameteekul
Chairman

↑ Mrs.Narumol
Noi-am
Member

↑ Mr.Prudit Theekakul
Member

↑ Mr.Sripop Sarasas
Member

→ Corporate Governance Committee



↑ Mr.Weerawong
Chittmittrapap
Chairman

↑ Mr.Prudit
Theekakul
Member

↑ Mr.Sripop
Sarasas
Member

→ Top Management



↑ Mrs.Narumol
Noi-am
Acting President/
Chief Financial Officer

↑ Mr.Trin
Charumilind, M.D.
Chief Medical
Officer

↑ Mr.Chairat
Panthuraamphorn,
M.D.
Chief Operating Officer

↑ Mr.Sripop
Sarasas
Chief Administrative
Officer



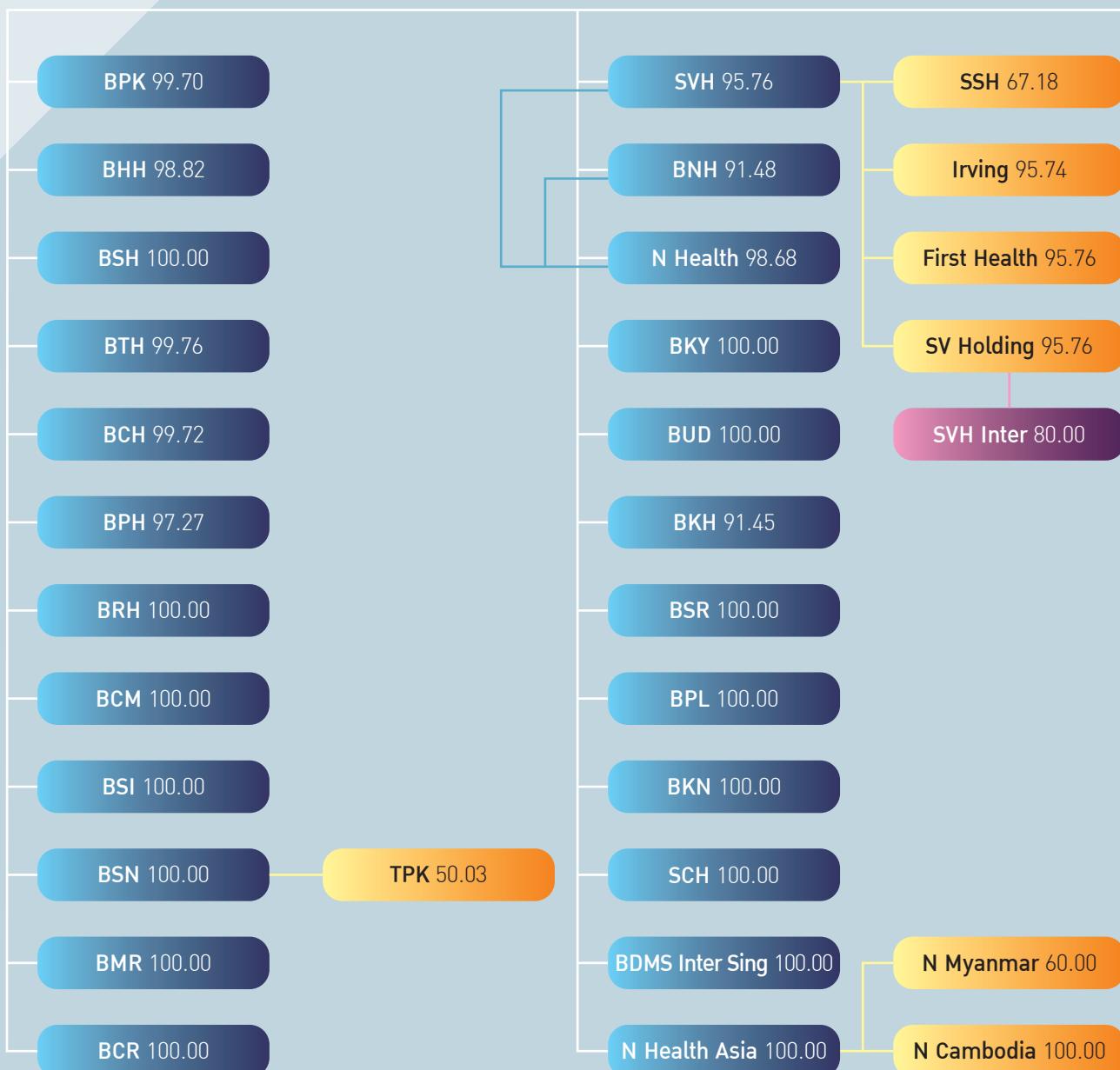
BDMS

truly believes in the power of **collaboration**



Group Structure

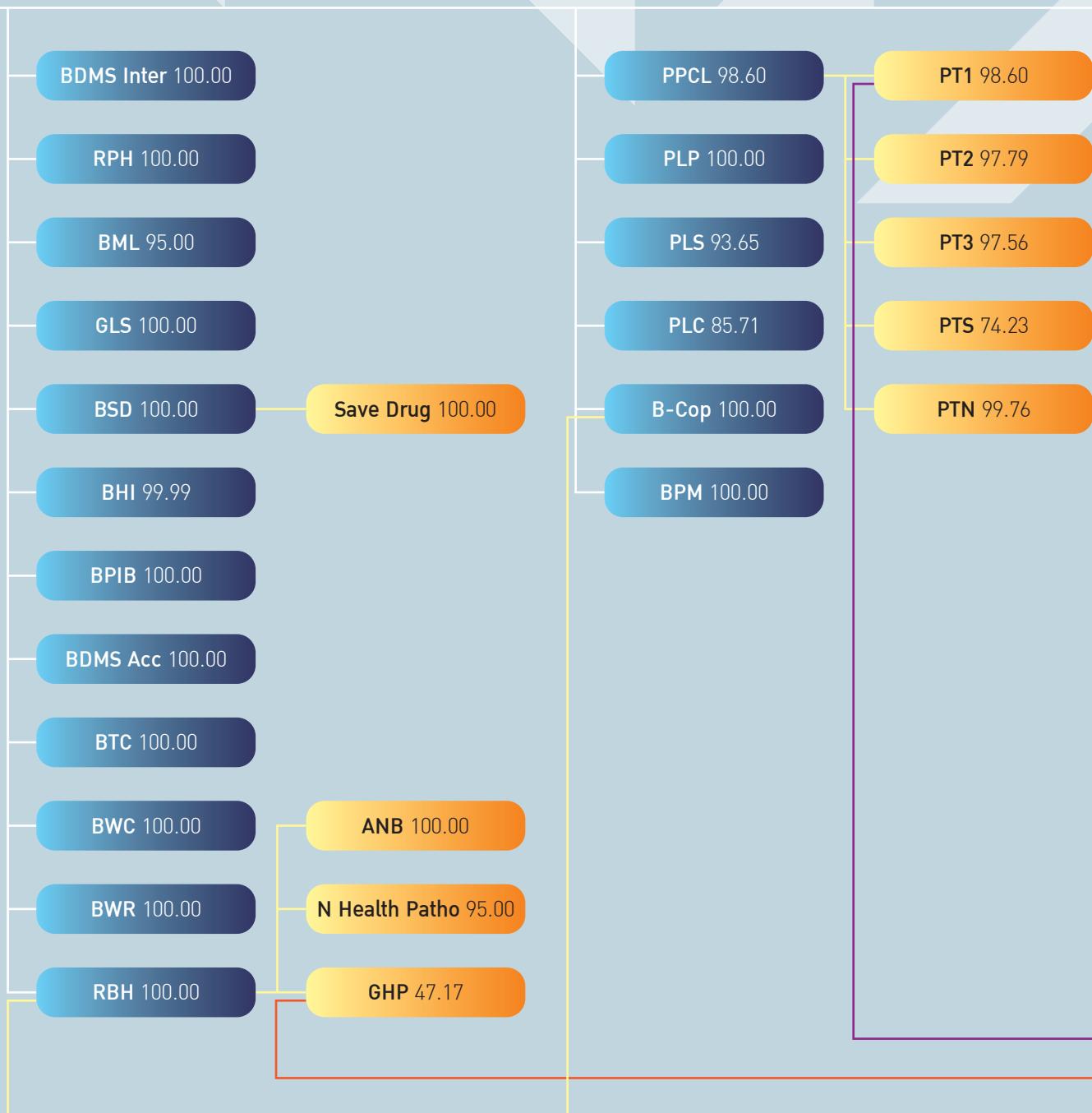
as at December 31, 2019



COMPANY NAME

ANB	A.N.B. Laboratory Co., Ltd.	BKH	Bangkok Hospital Ratchasima Co., Ltd.
BCH	Wattanavej Co., Ltd.	BKN	Bangkok Hospital Khon Kaen Co., Ltd.
BCM	Bangkok Hospital Chiangmai Co., Ltd.	BKY	Bangkok Hospital Khao Yai Co., Ltd.
B-Cop	Bangkok Helicopter Services Co., Ltd.	BML	Bio-Molecular Laboratories (Thailand) Co., Ltd.
BCR	Bangkok Hospital Chiangrai Co., Ltd.	BMR	Bangkok Hospital Muangraj Co., Ltd.
BDMS Acc	BDMS Accounting Co., Ltd.	BNH	BNH Medical Center Co., Ltd.
BDMS Inter	BDMS International Medical Services Co., Ltd.	BPH	Bangkok Hospital Pattaya Co., Ltd.
BDMS Inter Sing	BDMS Inter Pte. Ltd.	BPIB	Bangkok Premier Insurance Broker Co., Ltd.
BH	Bumrungrad Hospital PCL.	BPK	Bangkok Hospital Phuket Co., Ltd.
BHH	Bangkok Hospital Hat Yai Co., Ltd.	BPL	Bangkok Hospital Phitsanulok Co., Ltd.
BHI	Bangkok Health Insurance PCL.	BPM	BDMS Property Management Co., Ltd.

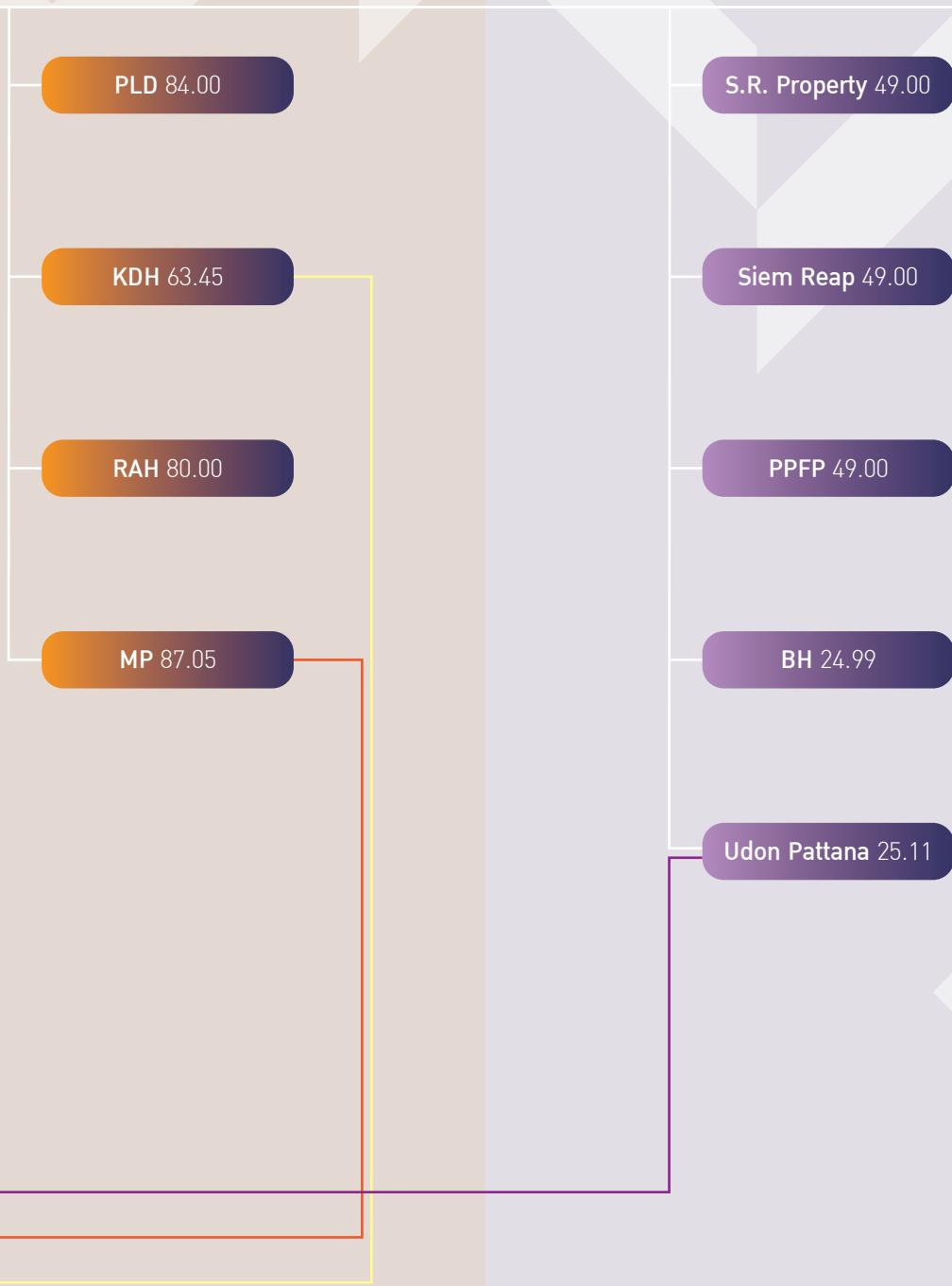
More than
↓ 90 %



COMPANY NAME			
BRH	Bangkok Hospital Rayong Co., Ltd.	First Health	First Health Food Co., Ltd.
BSD	Bangkok Save drug Co., Ltd.	GHP	General Hospital Products PCL.
BSH	Bangkok Hospital Samui Co., Ltd.	GLS	Greenline Synergy Co., Ltd.
BSI	Bangkok Phuket International Hospital Co., Ltd.	Irving	Irving Sheridan SE Co., Ltd.
BSN	Bangkok Hospital Sanamchan Co., Ltd.	KDH	Thonburi Medical Centre PCL.
BSR	Bangkok Hospital Surath Co., Ltd.	MP	Medic Pharma Co., Ltd.
BTC	BDMS Training Co., Ltd.	N Cambodia	N Health Cambodia Co., Ltd.
BTH	Bangkok Hospital Trad Co., Ltd.	N Health	National Healthcare Systems Co., Ltd.
BWC	BDMS Wellness Clinic Co., Ltd.	N Health Asia	N Health Asia Pte. Ltd.
BWR	BDMS Wellness Resort Co., Ltd.	N Myanmar	N Health Myanmar Co., Ltd.
BUD	Bangkok Hospital Udon Co., Ltd.	N Health Patho	N Health Pathology Co., Ltd.

50-89 %

20-49 %



COMPANY NAME

PLC	Siam Medical Co., Ltd.	RBH	Royal Bangkok Healthcare Co., Ltd.
PLP	Paolo Medic Co., Ltd.	RPH	Phnom Penh Medical Services Co., Ltd.
PLS	Paolo Samut Prakran Co., Ltd.	S.R. Property	S.R. Property Investment Co., Ltd.
PPCL	Prasit Pattana PCL.	Save drug	Save Drug Center Co., Ltd.
PPFP	Phnom Penh First Property Co., Ltd.	SCH	Samitivej Chonburi Co., Ltd.
PLD	Paolo Hospital Prapraadang Co., Ltd.	Siem Reap	Siem Reap Invesment Co., Ltd.
PT 1	Phyathai 1 Hospital Co., Ltd.	SSH	Samitivej Sriracha Co., Ltd.
PT 2	Phyathai 2 Hospital Co., Ltd.	SV Holding	SV Holding Co., Ltd.
PT 3	Phyathai 3 Hospital Co., Ltd.	SVH	Samitivej PCL.
PTN	Thai Medical Center PCL.	SVH Inter	Samitivej International Co., Ltd.
PTS	Sriracha Nakorn General Hospital PCL.	TPK	Thepakorn Hospital Co., Ltd.
RAH	Angkor Pisith Co., Ltd.	Udon Pattana	Udorn Pattana (1994) Co., Ltd.



BDMS CoE

Centers of Excellence



Bangkok Dusit Medical Services Public Company Limited (BDMS) has 48 hospitals in the network covering all regions both nationally and internationally with the ultimate goal to increase effectiveness of medical services in all aspects. As a result, 5 Centers of Excellence (CoE) below are established in 10 BDMS network hospitals :

1. Center of Excellence Trauma : CoE Trauma
2. Center of Excellence Orthopedics : CoE Orthopedics
3. Center of Excellence Neuroscience : CoE Neuroscience
4. Center of Excellence Cancer : CoE Cancer
5. Center of Excellence Heart : CoE Heart

Elements of establishing are:

1. Super-tertiary Care To focus on development of medical services in potentially providing medical services for examination, diagnosis, investigation, screening and medical planning at the complex and super tertiary level and be a lead of appropriate medical technology and relaying such technology to others as effectively
2. Referral Center Hosting readiness of staffing, equipment and systems to be a referral center from other hospitals with insufficiency to the care
3. Research and Development Center Academic research offers researching and developing for problem solving, development of management architecture and essential policy recommendation on decreasing medical problems of service receivers
4. Training Center The center provides continuation of training and development to medical staffs and expands further benefits to the public
5. Reference Center Working in collaboration with other top medical institutes globally as being a reference for specific sources such as information, academic references, standards, staffing etc.
6. Network Synergy forces of hospital in BDMS network has created efficiency and utmost benefits by network operation from regional, national and international levels

Patterns of patient care management from leading medical institutes are applied to our management and explicit practice guidelines are established in compliance with international standards as accepted both nationally and internationally. The leading medical institutes are listed below:

1. Missouri Orthopedics Institute (MOI)
2. Oregon Health and Science University (OHSU)
3. MD Anderson Cancer Center (MDACC)

Also area allocation for network management in the region is managed by a tertiary care hospital functions as a hub to provide cares and be referred a patient with severity that is beyond efficiency and capability of spoke (networked hospital). In addition, medical resources and medical staffs are managed for co-benefits and utmost efficiency in term of Resource Sharing.



TRAUMA

Centers of Excellence



Every second matters for the survival of a major trauma. Timely optimal care makes the difference between life and death.

Our trauma Center is in a 24-hour state of readiness for a systematic approach. The scope of service includes pre-hospital for emergency diagnostics, and definitive care for severely injured individuals. Our trauma care team consists of trauma surgeons and consultants specialized in

- Neurosurgery
- Vascular surgery
- Orthopedic surgery
- Spinal Cord Injury
- Craniomaxillofacial surgery
- Cardiovascular and thoracic surgery
- Burn care and reconstruction
- Intervention radiology



ORTHOPEDIC

Centers of Excellence

At our Orthopedic Center, we offer comprehensive treatment for bone, joint, and muscle abnormalities. Our orthopedic specialists are available 24 hours every day to respond to emergencies. Our surgical approaches include the latest minimally invasive surgeries to reduce visible scars, complications, and length of hospitalization.

Our Orthopedic Center offers the following services:

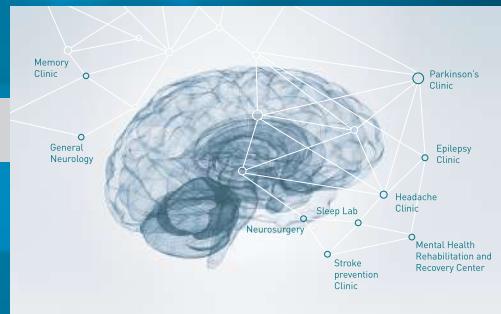
- Treatment of bone and joint fractures (elective and emergency)
- Surgical treatment using minimally invasive techniques such as arthroscopic surgery
- Treatment and surgery for hand and wrist conditions
- Orthopedic surgery for children
- Specialized foot and ankle surgery
- Treatment of bone tumors in close collaboration with our cancer hospital



NEUROSCIENCE

Centers of Excellence

At time, however, brain function becomes defective, which may lead to health issues. Bangkok Hospital boasts a Mental Health Rehabilitation and Recovery Center, BDMS Neuroscience Institute, Radio-Brain Surgery Center, Neurological Surgery Center, Alzheimer Clinic, Stroke Prevention Clinic, Headache Clinic, Epilepsy Clinic, Sleep Disorder Clinic, and Parkinson Clinic.



CANCER

Centers of Excellence



Wattanosoth Hospital Cancer, located at Bangkok Hospital is a private hospital which offers specialized cancer care by expert oncologists supported by the latest medical innovations. Considered a pioneer in cancer treatment with a multidisciplinary approach and state – of – art technology, Wattanosoth works closely with The University of Texas MD Anderson Cancer Center as one of its sister institutes around the world.

With years of expertise in cancer care, we select the best treatment techniques for our patients under the "Concept of Total Cancer Care"

HEART

Centers of Excellence



Equipped with the latest innovation in cardiac technologies, Bangkok Heart Hospital is the first and only private heart hospital in Thailand. Combining the expertise of our interdisciplinary team of cardiac specialists with innovative treatments and advanced technologies, this dynamic institution provides the most up-to-date and effective treatments available for cardiovascular diseases.

Our facilities at Bangkok Heart Hospital are among the most sophisticated in the world, enabling us to provide state-of-the-art medical care and achieve the best possible outcomes. This is done by utilizing advances in diagnostic instruments such as biplane catheter-lab, 3D imaging, and hybrid operation room.



Policy and Business Overview

Bangkok Dusit Medical Services Public Company Limited (“the Company”) was registered on 30 October 1969 under the name “Bangkok Dusit Medical Services Company Limited” with an initial registered capital of Baht 10 million. On 26 February 1972, Bangkok Hospital commenced its operation in providing medical services. The Company was later listed on the Stock Exchange of Thailand on 2 October 1991 and registered its conversion to public company limited in 1994. At present, the Company reports a registered capital of Baht 1,758.22 million, with paid-up capital of Baht 1,589.20 million.

Currently, the Company is known as a business operator of large private hospital in the country with networks both in Thailand and Cambodia, totaling 48 hospitals (as of 31 December 2019). The Company operates under 6 hospital groups: namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company’s network also covers business that supports medical care such as medical laboratories, medicine production, saline production and pharmacies etc.

Vision, Mission and Operation Guidelines

Vision

Bangkok Hospital is a premier tertiary healthcare provider, dedicated to international quality, customer focused care.





Mission

We are committed to being the leader in providing internationally accepted, efficient and ethical high quality care through a dedicated healthcare team, effective leadership and up to date technology. Our hospitals shall be the medical service facilities with high standard and international quality, for trustworthiness and optimal satisfaction of the customers. Bangkok Hospital intends to continually improve the management system and its services by emphasizing on the continuous quality improvement throughout the organization.

To achieve such mission, the Company has set the following operation guidelines:

Hospital

- **Tertiary excellence** : Establish structure, process and high-level success which are comparable to tertiary organization with world-class excellence.
- **High standard** : Continuously improve the standard of medical care at the tertiary level in terms of service, efficiency and environmental conservation.
- **International level quality** : Cooperate with world renowned medical organizations so as to achieve accreditation at the international level.

Customer

- **Trustworthiness** : Provide medical care that focuses on quality and safety at a reasonable and transparent price.
- **Satisfaction** : Provide excellent services which can be evaluated for further improvement.



Bangkok International Hospital



WHERE
ART
MEETS
SCIENCE

Striving to become the leading
'Smart Hospital' hospital in Asia

Bangkok International Hospital (BIH) is the 48th hospital in the Bangkok Dusit Medical Services Public Company Limited (BDMS) Group, located in Soi Soontjai, Petchaburi Rd., Bangkok. Under a concept of "**Where Art Meets Science**", **BIH** has been originated from its intention to significantly improve the quality of healthcare service and advanced treatment specializing in neurology, orthopedics and spine as well as Integrated Care Services. It also introduces the next level of satisfaction with a patient-centric approach as well as offering personalized care to allow patients to choose the most appropriate treatment options in accordance with their preferences. Patients can have convenient access to dedicated personal butler from their room and anywhere in the hospital 24 hours a day.



Bangkok International Hospital

utilizes advanced technology to improve efficiency and improve safety, such as;



ARTIS Pheno Machine

machine, a 3D fluoroscope that provides high resolution 2D and 3D imaging for minimally invasive surgery in orthopedics, resulting in more accuracy and precision as well as lowered postoperative complications and faster recovery time;

Hybrid Operating Room (Hybrid OR)

with an imaging system such as CT scan and MRI scan combined with navigation system as well as other operation tools;



Biplane Interventional Suite

for cerebral vascular angiography, using two rotating cameras that recreate detailed real-time 3D views of the blood vessels;



3-Tesla MRI

scan which produces detailed images of brain, spine and bone as well as internal organs and tissues. This advanced imaging tool can be used to plan surgical treatments with high degree of precision, leading to the effective treatment outcomes and safety;



Robotic-Assisted Gait Training (RAGT)

an important emerging field in rehabilitation care that applies the high-intensity repetitive principle to restore and improve mobility and activity of patients with stroke or other neurological disorders



Major Changes and Developments

2019

- Bangkok Hospital Chiang Rai Company Limited, a subsidiary under BDMS network, started its operation of “Bangkok Hospital Chiang Rai” with 80 beds in total. The hospital is located on Phaholyothin Road (Chiang Rai – Mae Jun), Amphoe Meung, Chiang Rai. It is well recognized as the 47th hospital of BDMS network with the intention to become a center that provides medical care while being able to support ASEAN countries situated in the upper area as well as the southern part of China.



- The Company commenced the operation of “Bangkok International Hospital” a 172-bed hospital located in Soi Soonvijai, New Petchaburi Road. It is the 48th hospital of BDMS network and specialized in neurology, orthopedic and spine diseases performed by experienced and skillful medical doctors and multidisciplinary under the concept of “Rediscovering Your Life” that combines art and science to provide a holistic treatment as a way to completely fulfill the needs of both patients and their relatives.



- Samitivej Public Company Limited, a subsidiary under BDMS network started the “Japanese Hospital by Samitivej”, the first Japanese hospital in AEC. With its 30 beds in total, this hospital is located in Soi Sukhumvit 49 where many Japanese reside. The hospital is well-equipped with a team of medical doctors and Japanese nurses, coupled with state-of-the-art equipment and Tele-Translator which can translate Japanese language via video call system. The hospital provides 24-hour service in a Japanese traditional style as well as the design of the venue and various equipment to make patients and customers feel familiar and confident in getting the treatment similar to the hospital in their hometown.



BDMS

ACADEMIC ANNUAL MEETING 2019

- BDMS and other network hospital organized the “BDMS Academic Annual Meeting 2019” during 14-16 August 2019 at Intercontinental Hotel, under the concept of “The Trusted Healthcare Network: The Era of Artificial Intelligence and Advanced Technology”. In this event, BDMS invited some expert physicians in multidisciplinary from various leading hospitals around the world to share their knowledge and experiences to physicians, dentists, pharmacists, nurses, physical therapists and medical personnel of more than 1,200 persons who attended this event.





2018

- The Company established a new subsidiary, BDMS Wellness Resort Co., Ltd., in which the Company holds 100%, to support the business of BDMS Wellness Clinic, with registered capital of Baht 100 million. Movenpick Hotel has been engaged to manage the wellness resort under “Movenpick BDMS Wellness Resort”.
- The Company opened the Chiva Transitional Care Hospital, the 46th hospital in the BDMS network. The hospital provides medical care in terms of rehabilitation for elderly patients who need to rehabilitate and undergo physical therapy after surgery, as well as patients with paralysis. The hospital is staffed by a team of physicians who specialize in geriatrics and rehabilitation, nurses and physical therapists that can provide continuous care to restore the body, nutrition and potential to engage in various activities with the aim of sending patients back into society.



- Bangkok Premier Life Insurance Broker Co., Ltd., a subsidiary, changed its name to Bangkok Premier Insurance Broker Co., Ltd. and expanded the business from just being a life insurance broker to a full insurance broker.



- BDMS Emergency Services received a renewal of accreditation from The Commission on Accreditation of Medical Transport Systems (CAMTS), U.S.A. for the years 2015 – 2021. Also, the Company recently received CAMTS EU accreditation from The Commission on Accreditation of Medical Transport Systems Europe for the years 2018 – 2021, making us the first in the world to be accredited for patient transport via surface-boat by sea and the first in Asia to receive accreditation for all modes of patient transport, namely, Rotor Wing, Fixed Wing, Medical Escort, Surface Critical Care and Surface-boat. In addition, we are the second in Asia and the third in the world to receive dual accreditation under CAMTS-CAMTS EU.

A total of 13 network hospitals received dual accreditation for patient transfer by land, sea and air from CAMTS include 1. Bangkok Hospital, 2. Samitivej Sukhumvit Hospital, 3. Samitivej Srinakarin Hospital, 4. Bangkok Hospital Chiang Mai, 5. Bangkok Hospital Pattaya, 6. Bangkok Hospital Udon, 7. Bangkok Hospital Phuket, 8. Siriroj International Hospital, 9. Bangkok Hospital Samui, 10. Bangkok Hospital Sanamchan, 11. Bangkok Hospital Ratchasima 12. Phyathai Hospital 2 and Phyathai Hospital 3.

- Bangkok Heart Hospital opened the Preventive Heart and Lipid Clinic to identify patients with high risk and to prevent occurrence of coronary artery disease in the future by reducing the risk of side effects from coronary artery disease as much as possible. The clinic also provides information and knowledge in care and prevention of heart disease. Furthermore, the clinic has the objective to improve quality of service and diagnosis to meet international standards, as well as record new research on prevention of coronary artery disease. The highlights of the clinic are as follows:

1. One-stop service for heart check-up and preventive program – detect heart disease from the early stages and prevent disease from the first sign of plaque in the coronary arteries or other arteries in the body.

2. Personalized Medicine – the start of taking care of the heart in the new age, everyone has their own behavior, choosing medicine that suits the individual's genes, choosing the food that suits the individual, as well as differing exercise programs to rehabilitate the heart depending on personal cause and risks.

3. Registry and monitoring – health information, blood lab results and analysis of coronary artery are stored in the Preventive Heart and Lipid Clinic's database. The clinic will make patients aware of risk of disease in the future as well as provide periodic follow-ups.





2017

- Paolo Medic Co., Ltd., a subsidiary in which BDMS holds 99.99 percent which currently operates the Paolo Hospital Phaholyothin and Paolo Hospital Rangsit, entered an entire business transfer of Mayo Hospital on 18 January 2017. The transfer was paid in cash under the terms and conditions of the transfer agreement. Paolo Medic Co., Ltd. increased the registered capital from Baht 600 million to Baht 1,000 million to pay for the transfer. The Mayo Hospital was later changed to “Paolo Hospital Kaset”, making it the 44th hospital in the BDMS network.

Paolo Hospital Kaset is a secondary care hospital with 162 beds with high potential for growth. It is well situated along the MRT line and is a Referral Network Hospital for hospitals within the Group. The Hospital joined the list of Social Security Hospitals in 2018.

- Bangkok Surat Hospital Co., Ltd., a wholly owned subsidiary, officially opened Bangkok Surat Hospital in Muang district, Surat Thani province on 1 June 2017, making it the 45th hospital in the BDMS network. Bangkok Surat Thani Hospital is a secondary care hospital with a total of 150 beds and 31 beds were available at the beginning of its opening.

- Bangkok Chinatown Hospital on Yaowarat Road changed its name to “Samitivej Chinatown Hospital” and is deemed one of the hospitals under the management of the Samitivej Hospital group.
- The Company established the BDMS Alarm Center, a hub for BDMS network hospitals, to provide a 24-hour complete and efficient care that meet international standards to critical and emergency patients.
- Wattanosoth Hospital is employing the Precision Radiation Therapy for radiation treatment. This technology uses EDGE radiosurgery’s system which is accurate, fast and safe for each type of cancer. The radiosurgery delivers a high dose of radiation directly targeted to the tumor instantly and can replace surgery.
- Bangkok Hospital introduced the GI Motility Unit with the technology to treat constipation and gastro-esophageal reflux.
- The Company signed a memorandum of understanding with 4 other parties; namely, the Ministry of Tourism and Sports, the Tourism Council of Thailand, Viriyah Insurance and Angel Life for the project “Tourism Healthcare Emergency System”. The objective is to enhance the safety of Chinese tourists by providing them with complete emergency medical care, advice, recommendations on primary medical care through Angel Guard Application and 24-hour emergency services through BDMS Alarm Center. In addition, the Company has provided swift patient transfer by land, water and air.



Awards



- “The Best Managed Healthcare in Asia” organized by FinanceAsia magazine for 2 consecutive years from which the votes have come from more than 240 fund managers and analysts worldwide. The award is given to listed companies with outstanding financial performance, excellent management team as well as good investor relations activities and good corporate governance.
- Three awards from Asia’s Outstanding Companies hosted by Asiamoney magazine as listed below:
 1. Asia’s Outstanding Companies Poll-Thailand for 2020s
 2. Overall Most Outstanding Company in Thailand
 3. Most Outstanding Company in Thailand–Healthcare Sector
- Thailand’s Top Corporate Brands Hall of Fame 2019 from the Faculty of Commerce and Accountancy, Chulalongkorn University which granted such award to the companies listed on the Stock Exchange of Thailand that have received Thailand’s Top Corporate Brands award for 5 consecutive years.
- 2019 All-Asia Executive Team Awards – Healthcare & Pharmaceuticals Industry from Institutional Investor magazine held in Shenzhen, People’s Republic of China, with 3 awards in total and such awards have been granted by taking into consideration 2018 operational results. These 3 awards are:
 1. Most Honored Company
 2. Special Achievement Award : Best CEO-Health Care & Pharmaceuticals (Mr. Prasert Prasarttong-Osoth, M.D.) for 2018 performance year
 3. Special Achievement Award : Best CFO-Health Care & Pharmaceuticals (Mrs. Narumol Noi-am) for 2018 performance year
- The Company was granted the award in Thailand Corporate Excellence Awards 2019 held by Thailand Management Association (TMA) and Sasin School of Management. The awards are as listed below:
 1. The Royal Award of Thailand Corporate Excellence Award for organizations with income over Baht 10,000 million in 2 following areas:
 - Product/ service excellence
 - Corporate Improvement Excellence
 2. Distinguished Award in Human Resources Management



- Outstanding Investor Relations Awards for companies listed on the Stock Exchange of Thailand with market capitalization over Baht 100,000 million from SET Awards 2019 organized by the Stock Exchange of Thailand.
- Best in Country – Thailand Award in IR Magazine Forum & Awards – South East Asia 2019 held in Singapore by IR magazine to grant such award to SEA companies with outstanding investor relations.
- Bangkok Hospital was granted the Global Health and Travel Awards 2019 from the Global Health & Travel Award Ceremony 2019, organized by Global Health and Travel magazine, one of the leading magazines in promoting tourism and health in Asia Pacific and held in Malaysia with the total of 5 awards as follows:
 1. Hospital of the Year (Thailand) for 4 consecutive years
 2. 2019 Neurology Service Provider of the Year in Asia Pacific
 3. 2019 ENT Service Provider of the Year in Asia Pacific
- 4. 2019 Diabetes Service Provider of the Year in Asia Pacific
- 5. Health Screening Service Provider of the Year 2019
- BDMS Emergency Services (BES) Project by Emergency Medical Services of BDMS network was granted International Innovation Awards (IIA) 2019 in Services and Solution organized in Singapore. Enterprise Asia granted this award to commend the most outstanding innovation in product, service, organization and culture sections.
- BDMS Wellness Clinic under BDMS Group has been awarded the 2019 APAC Medical Aesthetics and Wellness Summit, organized by Global Health and Travel magazine, with the total of 3 awards as follows:
 1. Integrated Health and Wellness Service Provider of the Year in Asia Pacific 2019
 2. Best Anti-Aging of the Year in Asia Pacific 2019
 3. Integrated Health and Wellness Service Provider of the Year in Thailand



Medical Cooperation



1. Oregon Health & Science University (OHSU)

The Company has cooperated with Oregon Health & Science University (OHSU) with the purpose to develop the potential of medical personnel to have the same standard as most institutions in the U.S.A. To achieve this end, the Company and the University has developed and elevated the personnel's knowledge by providing them with training, expanding channels of medical treatment and research while closely working together to gear toward the excellence in every area such as:

Occupational Health: The Company and OHSU have mutually developed the Validated Health Risk Assessment online to assess the health of the organization's customers to become more systematic and speedy while providing physiatrists and trained rehabilitation personnel who later became Matheson's Certified Functional Capacity Evaluator and Matheson's Certified Ergonomic Evaluation Specialist from the U.S.A. This group of personnel are considered the first group in SEA who can assess patients before allowing them to get back to work after being affected by work-related injury and ergonomics. Both Company and OHSU also conducted researches and publicized them in foreign medical journal.

Rehabilitation: From their training at OHSU, the team responsible has brought back knowledge to develop and consistently provide treatment to patients. This team has employed various International Outcome Measurement Tools used for patients of each specific disease in order to measure the efficiency of rehabilitation treatment which encompasses the body, the capability in doing different

activities while improving their quality of life. Besides, multidisciplinary critical care rounding has been put in place for patients in the intensive care unit as well as developed and set up Early Mobilization Protocol to ensure the standards and guidelines of physical therapy and occupational therapy to enable their recovery as soon as possible and also in the safest manner. In addition, new treatment techniques have been used in BDMS such as the assessment of neurological patients with hard-to-swallow symptom performed by rehabilitation physicians with the use of Fiberoptic Endoscopic Evaluation of Swallowing (FEES) and modified barium swallowing study, coupled with the use of Cognitive Communication Therapy in treating patients with communication impairment etc.

Clinical simulation: With the main objective to safely treat the patients, BDMS Training Center for Clinical Skills or known as BDMS Simulation Center is the first and foremost training center of clinical skills by simulating medical situations in Thailand. The Center has been certified at an international level in Teaching/ Education section in December 2018 from Society for Simulation for Healthcare (SSH), the most acceptable organization in the world which is responsible for certifying Healthcare Simulation standard. In addition, BDMS Simulation Center has been approved by many medical associations and colleges, both domestic and abroad, such as the Heart Association of Thailand under the Royal Patronage, the Royal Congress of Surgeons of Thailand, American College of Surgeons etc. in terms of the readiness of the venue, tools and teaching equipment as well as experienced guest speakers who received their training from OHSU Simulation Center, U.S.A. Therefore, this enables BDMS Simulation Center to get its permission in organizing training programs concerning high-level medical revival: for example, Advanced Cardiac Life Support (ACLS), Pediatric Advanced Life Support (PALS), Advanced Trauma Life Support (ATLS) and Civil Aeromedical Transportation (CART). As for social responsibility, BDMS Simulation Center has served many medical institutions in Thailand by becoming a site for study visit and providing advice for the Faculty of Medicine, Chulalongkorn University, Chakri Naruebodindra Medical Institute, Faculty of Medicine Ramathibodi Hospital Mahidol University, Faculty of Nursing Burapha University as well as organized training program of Basic Life Support (BLS) for Sport Science Society of Thailand, skills training, simulation learning model for Simulation System for



Skills Training Center, Buddhachinraj Hospital, Phitsanulok. Furthermore, BDMS Simulation Center organized program for personnel of government sector in foreign countries such as Extra Corporeal Membrane Oxygenation (ECMO) for Myanmar's thoracic surgeons and nurses of the operation room as well as Trauma Simulation program for medical doctors and nurses of Cambodia.

Dentistry: After the completion of study visit in Digital Dentistry at OHSU, BDMS Wellness Center (BWC) Dental Lab was established. This lab was known for its complete dentistry service, especially in the digital area and also considered the most perfect In-house Dental Laboratory which can support crown without metal as a component. BWC is the only dental lab in Thailand where dentists of every field participate in each step of dental treatment, starting from setting up treatment plan, providing treatment and producing dental work as well as crowning the patients. Therefore, the patients can be certain that every dental work will be of good quality and bring them the satisfaction. BWC also collaborated with Straumann, the world's number one leader in dental implant. Besides, BWC also cooperated in other fields such as neurology, heart disease and nursing etc.

2. Sano Hospital

Samitivej PLC., a Company's subsidiary, signed an agreement with Sano Hospital, Japan for a cooperation in studying and developing projects on gastrointestinal tract disease with innovative endoscopy of the digestive and stomach cancer as well as patient referrals as deemed appropriate to the illness between these two hospitals.

3. MD Anderson

Bangkok Dusit Medical Services PCL., together with the Faculty of Medicine, Siriraj Hospital collaborated in becoming the Sister Institution of MD Anderson Cancer Center of the University of Texas, U.S.A. under the Global Academic Programs of MDACC. This is a cooperation between 3 institutions from public and private organizations in Thailand and U.S.A. to support basic research and development in safe and efficient treatment as well as an exchange of knowledge and case studies across the regions to prevent cancer and to provide these patients with happiness and quality of life.

4. Collaboration with world leading neurosurgeon

BDMS has collaborated with Dr. Keith L. Black, Director of the Maxine Dunitz Neurosurgical Institute at Cedars-Sinai in U.S.A. in researching and developing capabilities in treating diseases of the brain and nervous system, thus enabling BDMS to become one of the most up-to-date medical centers in the diseases of brain and nervous system (neuroscience) in Asia Pacific region.

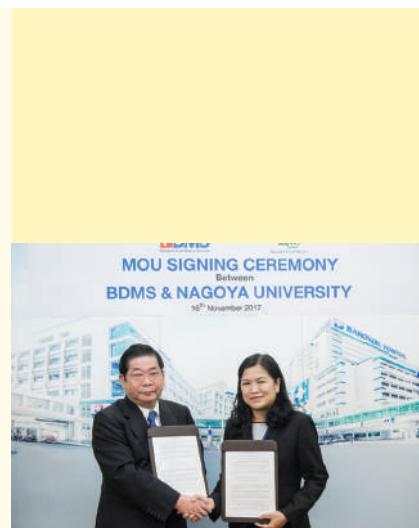


5. Nagoya University

The Company has cooperated with Nagoya University, Japan in 2 significant matters:

1. Cooperation in studies through medical personnel exchanges for training in every field of medicine.
2. Referrals of patients between the University and the Hospital in a case where a patient should be travelling to Thailand (and other neighboring countries) or travel to Nagoya (and nearby places).

This is considered a great opportunity to enhance the potential of Thai medical personnel in order to be able to provide more internationally standardized services. A representative from the Japanese Embassy in Thailand was also invited to witness the signing ceremony.



6. Cooperation with the Straumann Group

Bangkok Hospital Dental Center has worked in collaboration with the Straumann Group, a world-renowned expert in implant, restorative and regenerative dentistry in order to improve the efficiency in the dentistry implant and oral hygiene care. Bangkok Hospital Headquarter has been appointed Straumann partner in Thailand since 2015.

7. Doernbecher Children's Hospital

Samitivej PLC., a Company's subsidiary, signed an alliance agreement with Doernbecher Children's Hospital located in Oregon U.S.A., a well-known children's hospital awarded the highest rating for quality and safety in children's health care in 2014 from the University Health System Consortium of Hospitals for Pediatric Quality. The Hospital also opened Samitivej Children's Hospital of both Sukhumvit and Srinakarin campuses as well as developed this Hospital to become the Excellent Center. Samitivej Children's Hospital has a medical expertise in minimal invasive surgery, pediatric emergency and neonatal critical care management in which Thailand has experienced the shortage of skillful medical team at the moment. This Hospital shall become one of the organizations in supporting the country's policies and directions in becoming Asian Medical Hub in a sustainable manner.

8. Missouri Orthopedic Institute, University of Missouri, U.S.A.

The Company and Missouri Orthopedic Institute signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics through various activities such as academic conferences to continuously improve our personnel as well as supporting research in orthopedics and other medical cooperations. This collaboration shall improve the efficiency of orthopedic patient care.



[9. Hannover Medical School, Germany](#)

The Company and the Department of Orthopedics and Trauma at Hannover Medical School signed an agreement to collaborate in the exchange of knowledge and skills in orthopedics and trauma surgery. Through this agreement, we successfully organized various academic activities such as organizing medical seminars, encouraging both medical personnel and nurses to attend both short-term and long-term trainings at Hannover Medical School, Germany for an ongoing personnel development as well as promoting education and research in orthopedics and trauma to improve efficiency of orthopedics and trauma patient care.

[10. Takatsuki Hospital, Japan](#)

Samitivej Children's Hospital and Samitivej Hospital, the Company's subsidiaries, have signed an alliance agreement with Takatsuki Hospital, Japan in pediatrics and orthopedic surgery with the objective to mutually develop medical personnel, exchange experiences to further the potential of Samitivej Hospital which opened its Japanese Hospital by Samitivej in the mid 2019 to provide medical care to the Japanese living in Thailand or those referred from other neighboring countries.

[11. N Health Pathology Co., Ltd. together with the Royal College of Pathologists of Thailand organized the Interhospital Renal Clinicopathological Conference](#)

N Health Pathology Co., Ltd. together with the Royal College of Pathologists of Thailand has organized the Interhospital Renal Clinicopathological Conference since 2016 to provide the opportunity to over 50 kidney and pathology specialists as well as resident physicians from various medical schools and hospitals in Thailand to share interesting case studies to enhance diagnostic and treatment. The kidney academic conference shall be held three times a year.

[12. Icahn School of Medicine at Mount Sinai \(ISMMS\), U.S.A.](#)

Samitivej Allergy SAI has emphasized its leading role in providing allergy treatment at the international standard level by signing the MOU between Samitivej Allergy SAI, Faculty of Medicine of Siriraj Hospital and Icahn School of Medicine at Mount Sinai (ISMMS), U.S.A. which is a world-renowned medical institution specialized in allergy treatment, to collaborate in the area of medicine, study, research and development of innovation in treating allergy.

Quality of Service

At the end of 2019, BDMS Group had a total of 29 hospitals within the network receive accreditation from Hospital Accreditation Thailand (HA) and 14 hospitals receive accreditation from Joint Commission International (JCI). In addition, Bangkok Hospital Headquarter also received Advanced HA Accreditation. The accredited hospitals are listed below:



Hospital	Joint Commission International-JCI	Hospital Accreditation Thailand-HA	Advanced HA
1. Bangkok Hospital Headquarter - Bangkok Hospital - Bangkok Heart Hospital - Wattanosoth Hospital - Chiva Transitional Care Hospital - Bangkok International Hospital	↗		↗
2. Samitivej Sukumvit Hospital	↗	↗	
3. Samitivej Srinakarin Hospital	↗	↗	
4. Samitivej Thonburi Hospital		↗	
5. BNH Hospital	↗	↗	
6. Phyathai 1 Hospital		↗	
7. Phyathai 2 Hospital	↗	↗	
8. Phyathai 3 Hospital		↗	
9. Phyathai Hospital Nawamin		↗	
10. Paolo Hospital Phaholyothin		↗	
11. Paolo Hospital Chokchai 4		↗	
12. Paolo Hospital Kaset		↗	
13. Paolo Hospital Phrapradaeng		↗	
14. Paolo Hospital Samutprakarn		↗	
15. Bangkok Hospital Pattaya	↗	↗	
16. Samitivej Chonburi Hospital		↗	
17. Samitivej Sriracha Hospital	↗	↗	
18. Phyathai Sriracha Hospital		↗	
19. Bangkok Hospital Rayong	↗	↗	
20. Sri-Rayong Hospital		↗	
21. Bangkok Hospital Chantaburi		↗	
22. Bangkok Hospital Chiangmai	↗		
23. Bangkok Hospital Phitsanulok		↗	
24. Bangkok Hospital Khon Kaen		↗	
25. Bangkok Hospital Udon		↗	
26. Bangkok Hospital Ratchasima		↗	
27. Bangkok Hospital MuangRaj		↗	
28. Bangkok Hospital Hua Hin	↗		
29. Bangkok Hospital Samui	↗		
30. Bangkok Hospital Phuket	↗	↗	
31. Bangkok Hospital Siriroj	↗		
32. Bangkok Hospital Hat Yai		↗	
33. Dibuk Hospital		↗	
34. Royal Phnom Penh Hospital	↗		
35. Bangkok Hospital Trat		↗	



BDMS WELLNESS CLINIC



BDMS Wellness Clinic was founded on the principle of bringing advanced preventative care around the world. The acquisition of such an iconic property has allowed Bangkok Dusit Medical Services to fully recognize its ambition. By combining our expertise, extensive network and service, we hope to become Asia's first premier preventative care facility that will set the global standard in wellness.

BDMS Wellness Clinic has joined in collaboration with Mövenpick Hotels & Resorts to develop a world-class Wellness Resort – Mövenpick BDMS Wellness Resort Bangkok. The resort will offer 293 rooms amid a garden oasis in Bangkok. Individual health plan set to welcome Clinic's guest and accompany with healthy menus and short stay wellness program to help the body reach a state of optimal health.



BDMS Wellness Clinic is comprised of eight specialty clinics for complete healthcare in one location. Each clinic is led by professional doctors with their own dedicated team of physicians.



Regenerative Clinic

The Regenerative Clinic offers a comprehensive variety of genetic and molecular screening and serves as the foundation of all our other health diagnostic. Every guest undergoes a full health assessment at this unparalleled center before proceeding to the other BDMS Wellness Clinics of excellence. Personalised supplements are produced in our international standard compound pharmacy to match individual needs.



Musculoskeletal and Sports Clinic

Here is a full-service facility that focuses on manual therapy, physiotherapy, pre-operative training and rehabilitation, utilizing sophisticated medical technology and equipment and offering the only comprehensive DAVID center in Asia.



Neuroscience Clinic

The Neuroscience Clinic is designed to help early management of brain disorders such as Alzheimer's and Parkinson's. MRI and PET scans are used in tandem with a blood test to determine problem areas in the brain flagged by blood biomarkers.



Preventive Cardiology Clinic

The heart has always served as the symbolic center of our being. Guests undergo a suite of examinations to determine a customized care path. Cutting-edge technology and experienced team of experts design the ideal nutrition plan, lifestyle and exercise needed to best achieve good cardiac health and longevity.



Digestive Wellness Clinic

Early detection and elimination of the basic risks of GI and liver diseases is essential. Our doctors specialize in the most up-to-date genetic testing that specifically targets blood biomarkers in the intestines to identify gastrointestinal disorders.



Dental Clinic

The dental facility is equipped with best-in-class technologies with all the advancements in digitally assisted smile design to help create the most desirable smile for the patient's personality. The on-site digital lab allows us to create a masterpiece in a matter of hours rather than days. Our aim is to promote a healthy, beautiful smile that reboots self-confidence and leads to an improved quality of life overall.



Fertility Clinic & Research Lab

Our team of physicians will recommend a treatment plan and provide counseling to ensure all the information related to the treatment is carefully communicated and agreed upon. Combining with our advanced technology, Fertility & Research Lab will be operated by scientist teams who specialize in human reproduction and embryology, and a modern embryo lab has been developed with the latest advances in reproductive technology.



Women's Health Clinic

Because women understand women. We provide a full range of women's healthcare service by women specialists that consist of comprehensive care, diagnosis and consultation service for women of all ages. Various types of health check-up and observation on lifestyle are also included in the services of the clinic.

Nature of Business

The Company's main line of business is the private hospital business which is operated through the Company and its subsidiaries. Apart from the private hospital business, the Company has also invested in many other supporting or related businesses. Such businesses and their income structure according to the consolidated financial statements can be summarized as follows:

Income Structure of the Company and its Subsidiaries: Comparison between 2017-2019

(Unit: Million baht)

Type of revenue	Operated by	% of Holding	2019		2018		2017	
			Revenue	%	Revenue	%	Revenue	%
Patient revenue								
	Bangkok Dusit Medical Services PLC.	100.00	14,703.51	18.46	13,749.41	18.51	13,317.32	19.27
	Samitivej PLC.	95.76	12,449.03	15.63	11,506.83	15.49	10,723.45	15.51
	BNH Medical Center Co., Ltd.	91.48	2,990.17	3.76	2,946.40	3.97	2,903.41	4.20
	Prasit Pattana PLC.	98.60	13,506.70	16.96	12,887.95	17.35	11,986.51	17.34
	Paolo Medic Co., Ltd.	100.00	3,672.88	4.61	3,313.73	4.46	2,917.17	4.22
	Siam Medical Co., Ltd.	85.71	1,136.52	1.43	1,193.64	1.61	1,138.19	1.65
	Thai Medical Center PLC.	99.76	1,059.13	1.33	1,232.11	1.66	1,201.99	1.74
	Paolo Samut Prakran Co., Ltd.	93.65	1,339.45	1.68	1,334.79	1.80	1,269.80	1.84
	Paolo Hospital Prapradeng Co., Ltd.	84.00	400.93	0.50	324.57	0.44	295.04	0.43
	Bangkok Hospital Pattaya Co., Ltd.	97.27	4,069.42	5.11	3,936.28	5.30	3,755.54	5.43
	Bangkok Hospital Rayong Co., Ltd.	100.00	2,785.63	3.50	2,536.74	3.41	2,424.27	3.51
	Bangkok Hospital Trad Co., Ltd.	99.76	630.56	0.79	550.51	0.74	532.50	0.77
	Wattanavej Co., Ltd.	99.72	1,634.85	2.05	1,427.64	1.92	1,366.70	1.98
	Bangkok Hospital Hat Yai Co., Ltd.	98.82	1,664.75	2.09	1,636.09	2.20	1,525.54	2.21
	Bangkok Hospital Samui Co., Ltd.	100.00	774.38	0.97	715.52	0.96	654.96	0.95
	Bangkok Hospital Phuket Co., Ltd.	99.70	3,028.52	3.80	2,900.54	3.90	2,697.15	3.90
	Bangkok Hospital Ratchasima Co., Ltd.	91.45	1,893.11	2.38	1,721.00	2.32	1,602.62	2.32
	Bangkok Hospital Udon Co., Ltd.	100.00	1,026.76	1.29	956.59	1.29	870.29	1.26
	Bangkok Hospital Phitsanulok Co., Ltd.	100.00	767.19	0.96	728.95	0.98	642.90	0.93
	Thonburi Medical Centre PLC.	63.45	944.11	1.19	761.32	1.02	668.49	0.97
	Bangkok Hospital Chiangmai Co., Ltd.	100.00	1,181.62	1.48	977.96	1.32	798.60	1.16
	Bangkok Hospital Khon Kaen Co., Ltd.	100.00	742.13	0.93	671.67	0.90	536.08	0.78
	Bangkok Hospital Sanamchan Co., Ltd. (BSN)	100.00	1,559.35	1.96	1,365.49	1.84	1,145.66	1.66
	Tepakorn Hospital Co., Ltd. (held by BSN)	50.03	150.94	0.19	142.57	0.19	146.44	0.21
	Bangkok Hospital Phuket International Co., Ltd.	100.00	1,158.88	1.46	1,197.63	1.61	1,204.02	1.74
	Samitivej Chonburi Co., Ltd.	100.00	898.17	1.13	729.72	0.98	541.54	0.78
	Bangkok Hospital Muang Raj Co., Ltd.	100.00	648.21	0.81	586.54	0.79	508.52	0.74
	Bangkok Hospital Surat Co., Ltd.	100.00	316.37	0.40	249.12	0.34	100.57	0.15
	BDMS Wellness Clinic Co., Ltd.	100.00	239.06	0.30	102.91	0.14	0.21	0.00
	Bangkok Hospital Chiangrai Co., Ltd.	100.00	126.46	0.16				
	Angkor Pisith Co., Ltd.	80.00	199.38	0.25	178.94	0.24	174.51	0.25
	Phnom Penh Medical Services Co., Ltd.	100.00	940.37	1.18	789.02	1.06	618.21	0.89
	Total		78,638.54	98.75	73,352.18	98.74	68,268.20	98.76

Type of revenue	Operated by	% of Holding	2019		2018		2017	
			Revenue	%	Revenue	%	Revenue	%
			Other revenue which related to patient revenue					
	National Healthcare Systems Co., Ltd.	98.69	945.33	1.19	896.41	1.21	821.35	1.19
	N Health (Cambodia) Co., Ltd.	100.00	4.26	0.01	0.70	0.00	2.19	0.00
	N Health Pathology Co., Ltd.	95.00	-	0.00	0.11	0.00	0.24	0.00
	N Health Myanmar Co., Ltd.	60.00	42.17	0.05	36.80	0.05	30.02	0.04
	Bio Molecular Laboratories (Thailand) Co., Ltd.	95.00	-	0.00	-	0.00	0.92	0.00
	Total		991.75	1.25	934.02	1.26	854.72	1.24
	Total revenue from operation		79,630.29	100.00	74,286.20	100.00	69,122.92	100.00

Remark : Apart from main operations revenue in accordance with the revenue structure mentioned above, the Company also generates revenue from the sale of saline, medicine and medical supplies by subsidiaries, which are presented as revenue from sales of goods in the income statements as follows:

Operated by		% of Holding	2019		2018		2017	
A.N.B. Laboratory Co., Ltd.		100.00	1,408.71		1,418.35		1,240.37	
Medicpharma Co., Ltd.		87.05	824.70		758.66		616.68	
Save Drug Center Co., Ltd.		100.00	735.01		791.76		839.43	
First Health Food Co., Ltd.		95.76	123.92		117.98		113.10	
Total			3,092.35		3,086.75		2,809.58	

1. Products and Services

Healthcare Business

No.	Hospital	Operated By	Size (Beds)	Total Beds	% of Holding
Bangkok Hospital Group					
1	Bangkok Hospital	Bangkok Dusit Medical Services PCL.	373		
2	Bangkok Heart Hospital	Bangkok Dusit Medical Services PCL.	97		
3	Wattanosoth Cancer Hospital	Bangkok Dusit Medical Services PCL.	48		
4	Chiva Transitional Care	Bangkok Dusit Medical Services PCL.	52		
5	Bangkok International Hospital	Bangkok Dusit Medical Services PCL.	172		
6	Bangkok Hospital Hua Hin	Bangkok Dusit Medical Services PCL.	64		
7	Bangkok Hospital Sanamchan	Bangkok Hospital Sanamchan Co., Ltd.	210		100.00
8	Bangkok Hospital Muangraj	Bangkok Hospital Muangraj Co., Ltd.	142		100.00
9	Bangkok Hospital Phetchaburi	Bangkok Hospital Sanamchan Co., Ltd.	255		100.00
10	Bangkok Hospital Pattaya	Bangkok Pattaya Hospital Co., Ltd.	400		97.27
11	Bangkok Hospital Rayong	Bangkok Rayong Hospital Co., Ltd.	220		100.00
12	Bangkok Hospital Chantaburi	Wattanavej Co., Ltd.	170		99.72
13	Bangkok Hospital Trat	Bangkok Trat Hospital Co., Ltd.	114		99.76
14	Bangkok Hospital Chiangmai	Bangkok Hospital Chiangmai Co., Ltd.	175		100.00
15	Bangkok Hospital Ratchasima	Bangkok Hospital Ratchasima Co., Ltd.	180		91.45
16	Bangkok Hospital Pakchong	Bangkok Hospital Ratchasima Co., Ltd.	31		91.45
17	Bangkok Hospital Udon	Bangkok Hospital Udon Co., Ltd.	120		100.00
18	Bangkok Hospital Phitsanulok	Bangkok Hospital Phitsanulok Co., Ltd.	195		100.00
19	Bangkok Hospital Khon Kaen	Bangkok Khon Kaen Hospital Co., Ltd.	140		100.00
20	Bangkok Hospital Phuket	Bangkok Phuket Hospital Co., Ltd.	266		99.70
21	Bangkok Hospital Had Yai	Bangkok Had Yai Hospital Co., Ltd.	200		98.82
22	Bangkok Hospital Samui	Bangkok Samui Hospital Co., Ltd.	52		100.00
23	Bangkok Hospital Surat	Bangkok Surat Hospital Co., Ltd.	150		100.00
24	Bangkok Hospital Chiangrai	Bangkok Hospital Chiangrai Co., Ltd.	80		100.00
25	Bangkok Hospital Siriroj	Bangkok Phuket International Hospital Co., Ltd.	151	4,057	100.00
Samitivej Group					
26	Samitivej Sukumvit Hospital	Samitivej PCL.	311		95.76
27	Samitivej Srinakarin Hospital	Samitivej PCL.	400		95.76
28	Samitivej Sriracha Hospital	Samitivej Sriracha Co., Ltd.	184		67.18
29	Samitivej Thonburi Hospital	Thonburi Medical Center PCL. (1)	150		63.45
30	Samitivej Chonburi Hospital	Samitivej Chon Buri Co., Ltd.	220		100.00
31	Samitivej Chinatown Hospital	Bangkok Dusit Medical Services PCL.	59	1,324	

No.	Hospital	Operated By	Size (Beds)	Total Beds	% of Holding
BNH					
32	BNH Hospital	BNH Medical Center Co., Ltd.	144	144	91.48
Royal Hospital Group					
33	Royal Angkor Pisith	Angkor Pisith Co., Ltd.	30		80.00
34	Royal Phnom Phen Hospital	Phnom Penh Medical Services Co., Ltd.	100	130	100.00
Phyathai Hospital Group					
35	Phyathai 1 Hospital	Phyathai 1 Hospital Co., Ltd. (2)	224		98.60
36	Phyathai 2 Hospital	Phyathai 2 Hospital Co., Ltd. (2)	260		97.79
37	Phyathai 3 Hospital	Phyathai 3 Hospital Co., Ltd. (2)	267		97.56
38	Phyathai Sriracha Hospital	Phyathai Sriracha Hospital PCL. (2)	350		74.23
39	Phyathai Hospital Nawamin	Thai Medical Center PCL.	140	1,241	99.76
Paolo Hospital Group					
40	Paolo Hospital Phaholyothin	Paolo Medic Co., Ltd.	267		100.00
41	Paolo Hospital Rangsit	Paolo Medic Co., Ltd.	150		100.00
42	Paolo Hospital Kaset	Paolo Medic Co., Ltd.	162		100.00
43	Paolo Hospital Samutprakarn	Paolo Samut Prakran Co., Ltd.	200		93.65
44	Paolo Hospital Chokchai 4	Siam Medical Co., Ltd.	169		85.71
45	Paolo Hospital Phrapradaeng	Paolo Hospital Phrapradaeng Co., Ltd.	60	1,008	84.00
Community Hospitals					
46	Sri Rayong Hospital	Bangkok Rayong Hospital Co., Ltd.	195		100.00
47	Thepakorn Hospital	Thepakorn Hospital Company Limited (3)	100		50.03
48	Dibuk Hospital	Bangkok Phuket Hospital Co., Ltd.	100	395	99.70
Total Number of Beds					
8,299					
Investment in Other Hospitals which BDMS has not managed					
1	Aek Udon International Hospital	Udon Pattana (1994) Co., Ltd. (4)	350		25.11
2	Bumrungrad Hospital	Bumrungrad Hospital PCL.	538	888	24.99

Remark : (1) 34.43% held by BDMS and 29.02% held by Royal Bangkok Healthcare Co., Ltd., a 100% subsidiary of BDMS

(2) Held by Prasit Pattana PCL., a 98.60% subsidiary of BDMS

(3) Held by Bangkok Hospital Sanamchan Co., Ltd., a 100% subsidiary of BDMS

(4) 15.26% held by BDMS and 10.00% held by Phyathai 1 Hospital Co., Ltd.

Business Related to Medical Services

Nature of Business	Operated By	% of Holding
1. Wellness Clinic	BDMS Wellness Clinic Co., Ltd.	100.00
2. Manufacture saline and medical equipment	A.N.B. Laboratories Co., Ltd. (1)	100.00
	Medic Pharma Co., Ltd.	87.05
	General Hospital Products PCL. (2)	46.87
3. Pharmaceuticals	Save Drug Co., Ltd. (3)	100.00
4. Medical Lab and Share Services (central procurement)	National Healthcare Systems Co., Ltd. (4)	98.69
	N Health Pathology Co., Ltd. (1)	95.00
	N Health Cambodia Pte. Ltd. (Cambodia) (5)	100.00
	N Health Myanmar Co., Ltd. (Myanmar) (5)	60.00
5. Bio Molecular Lab	Bio-Molecular Laboratories (Thailand) Co., Ltd.	95.00
6. Information and technology for company and the Subsidiaries Shared service	Greenline Synergy Co., Ltd.	100.00
7. Medical evacuation	Bangkok Helicopter Services Co., Ltd. (6)	100.00
8. Catering and general support for company and the subsidiaries	Irving Sheridan SE Co., Ltd. (7)	95.74
	First Health Food Co., Ltd. (7)	95.76
9. Land holding company in Cambodia	S.R. Property Investment Co., Ltd.	49.00
	Siem Reap Land Investment Co., Ltd.	49.00
	Phnom Penh First Property Co., Ltd	49.00
10. Healthcare business (Holding Company)	Royal Bangkok Healthcare Co., Ltd.	100.00
	Bangkok Save Drug Co., Ltd.	100.00
	BDMS Inter Pte. Ltd. (Singapore)	100.00
	N Health Asia Pte. Ltd. (Singapore)	100.00
11. Training	BDMS Training Co., Ltd.	100.00
12. Health insurance	Bangkok Health Insurance Co., Ltd.	100.00
	Bangkok Premier Life Insurance Co., Ltd.	100.00
13. Accounting	BDMS Accounting Co., Ltd.	100.00
14. Property management	BDMS Property Management Co., Ltd.	100.00
15. Hotel	BDMS Wellness Resort Co., Ltd.	100.00

Remark : (1) Held by Royal Bangkok Healthcare Co., Ltd.

(2) 46.58% held by Royal Bangkok Healthcare Co., Ltd. and 0.33% held by Medic Pharma Co., Ltd.

(3) Held by Bangkok Save Drug Co., Ltd.

(4) 74.02% held by BDMS, 21.04% held by Samitivej PCL. and 4.93% held by BNH Medical Center Co., Ltd.

(5) Held by N Health Asia

(6) 87.25% held by BDMS, 12.75% held by Royal Bangkok Healthcare Co., Ltd.

(7) Held by Samitivej PCL.

2 Market Outlook and Competition

2.1 Overview of Private Hospital Industry in Thailand

The need for services relating to healthcare has increased consistently in various forms or more specialized manners, resulting from people's increased awareness in taking good care of their health, coupled with an increasing rate of complicated diseases especially when Thailand has moved forward to aging society. Besides, an increasing number of middle-class people with higher income resulting in an increasing need to use services provided by private hospitals, both Thai customers and foreign customers. These foreign customers prefer to get their medical service in Thailand more and more because of some supporting factors such as the country's tourism policies as well as the promotion of Thailand to become a Medical Hub in the region.

Krungsri Research, Bank of Ayudhya expects that the private hospital business in Thailand will continue to grow during 2020-2022 with various supporting factors as follows:

- **Increased customer demands resulting from**
 - Structural changes such as 1) aging society with the requirements for continued and complex treatment. The Office of National Economic and Social Development Board predicts that the number of people with the age over 60 will rise from 11.2 million in 2017 to 13.1 million in 2021. 2) middle class citizens will increase from 36 percent in 2015 to 41 percent in 2020 that in turn, reflects their increased purchasing power and 3) the expansion of urban community in which the United Nations forecasts that the urbanization of Thailand will increase from 50.4 percent in 2015 to 60.4 percent in 2025.



- Other supporting factors which include 1) increased rate of illness and death rate from non-communicable diseases 2) entrepreneurs plan to expand the customer base with customers with potential to afford high expenditures, both domestic and overseas such as customers who prefer high coverage health insurance and foreign customers, including beauty conscious group and infertile group 3) alliance for patient referrals, both domestic and international and 4) the policy supporting Thailand to become a hub of the world's health within 2026.

- **Both old and new hospital operators are likely to continue to expand their investments** to meet an increasing demand of the customers in the future, including opening new branches, expanding services to other big cities and special economic zone, renovating service areas and adjusting service patterns such as setting specialized centers as well as expanding services to completely respond to the needs and requirements of customers such as elderly care center, rehabilitation hospitals, complete health care services center, dietary supplements and cosmetics, all of which have played a significant role in providing the hospital with higher incomes. In addition, it is expected that during 2020-2022, the number of patient beds in private hospitals will increase up to 2,000 beds from the existing number of 40,000 beds at the end of 2019.

- **Challenging factors confronting the entrepreneurs of private hospitals** such as a lack of medical doctors and medical personnel, control of the medicine prices and service fees of the government agency with other private hospitals, including foreign competitors which position themselves as the medical hub just like Thailand.



2.2 Marketing Strategies

In 2019, The Company expanded its network hospitals from 46 hospitals to 48 hospitals and since the Company has elevated its 10 network hospitals to become the Center of Excellence while expanding curative services to encompass preventive services through BDMS Wellness Clinic and Chiva Transitional Care Hospital which provides medical care to patients during their recovery, physical therapy or transitional stages, thus enabling the Company to possess complete medical services in every stage; that is, the preventive stage to take good care of one's health before getting sick, during illness, after treatment service, physical therapy and recovery. These 3 major tasks illustrate the Company's development of medical quality while simultaneously expanding more network hospitals and services. The Company has utilized every capability and potential to provide the utmost benefits to both Thai and foreign patients alike, enabling the Company to become the world's leading and famous hospital in Asia Pacific region as well as being ranked 1 out of 5 among the world's leading private hospitals according to market capitalization.

The above mentioned policies correspond with the Thai government's visionary economic development policy which aims to push Thailand forward as a center of the world's medical and health services or Thailand Medical Hub to respond to medical and health requirements of both Thais and foreigners which have increased constantly. People are more interested in looking after their health, including the health of their family members. Projects and activities which support Thailand to become the medical hub are:

- Organize "BDMS Academic Meeting" whereby the world-renowned medical experts, dentists, nurses and medical personnel of both inside and outside BDMS network, domestic and foreign, attended this event more than 1,200 persons.
- Bring in medical experts or specialists in various fields to give lectures and present their works in foreign countries.
 - World's academic seminars in the area of brain, heart, cancer, bones and children etc.
 - Medical tourism in Europe, China, Indonesia etc.
- Collaborate with leading hospitals worldwide to exchange knowledge, organize seminars and conduct researches.
- Use of famous foreign media such as CNN to promote Thailand and the Company in the area of medical services.
 - CNN Live Longer program concerning medical treatment and healthcare.



When combining such works and projects of the Company with the works performed by the Faculty of Medicine and government hospitals nationwide, Thailand will; therefore, be deemed credible in that the quality of treatment provided is equivalent to that of the international standard as well as can be insured as set forth in the Company's mission "BDMS: Your Trusted Healthcare Network".

For marketing activities which emphasize on expanding business alliances and communication channels, the Company has performed the following activities:

1. Insurance marketing

The Company has fostered alliances with insurance companies, both domestic and international, as follows:

1.1) Domestic insurance companies: In 2019, the Company collaborated with other leading insurance companies in providing and developing insurance coverage plans in various projects; for example,

- Collaborate in issuing insurance plans called "BDMS exclusive product" to employ within BDMS network.

This insurance plan covers various markets and currently has 4 products in total as follows:

1. "My First-Class Health Care" with Allianz Ayudhya Assurance PCL., a health insurance plan for high-end customers with an insurance coverage up to Baht 80-100 million.

2. "Oon Jai Rak Gold" with Viriyah Insurance PCL. with an insurance coverage of Baht 1.5 million.

3. "Oon Jair Rak Deductible Plan" with Viriyah Insurance PCL. with an insurance coverage of Baht 400,000-800,000.

4. "Oon Jair Rak Delight" health insurance with Viriyah Insurance PCL. with an insurance coverage of Baht 450,000-1,500,000.

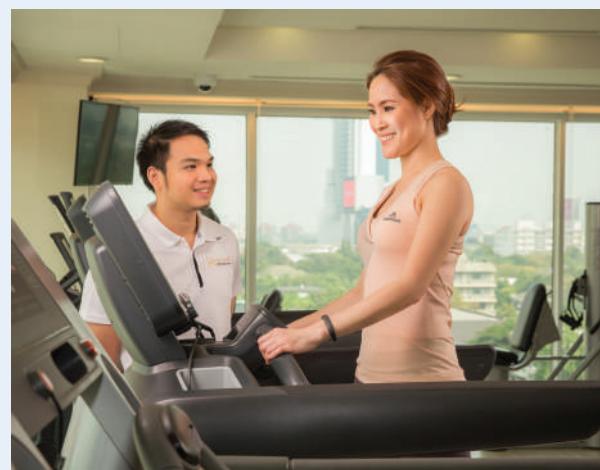
- The Company has organized marketing campaigns with health insurance companies and life insurance companies such as AIA, Muang Thai Life Assurance, Allianz Ayudhya and Viriyah Insurance etc.

1.2) The Company has benefited from a team of experienced and knowledgeable personnel, coupled with a network of hospitals, medical transportation network, service network to provide speedy and complete assistance to critical patients in all areas according to international standards which in turn, enabling the Company to be well accepted by international insurance companies. Assistance Company and Third-Party Services Providers have transferred their foreign patients, whether working in the region or travelling, who became sick or injured from the accident to

get medical treatment from the network hospital. Consequently, the Company has been granted with the world-class award such as Medical Provider of the Year 2019 from ITIJ (International Travel & Health Insurance Journal) at ITIC International Travel & Health Conference, known as an event concerning with travel and health insurances in which more than 1,000 senior executives from world-renowned insurance companies worldwide have attended.

In terms of fostering alliances and cooperation with other insurance companies, the Company has collaborated with the following insurance companies:

- AIA to take care of the health insurance policy holders from China, Hong Kong, Singapore and Indonesia.
- Ping An Health, a health insurance company from China under Ping An Group.
- MSH to take care of the health insurance policy holders from China.



2. Digital Expansion

At present, the Company and its subsidiaries has used digital channels to communicate via website and social media such as Facebook, Instagram, Line etc. Each network hospital has proposed health information and answered various health problems.

Nonetheless, many network hospitals have developed a step further by initiating health application; for example, Samitivej Hospital has introduced Virtual Hospital Application in which patients can learn about doctors' schedules and can make appointment with the doctor as well as being able to search for their own health and medical records.

Besides, the Company has joined well-known online healthcare platform of various countries such as:



- Ping An Good Doctor, a subsidiary of Ping An Group which is the largest online healthcare platform in China, with approximately 289 million members. The Company has proposed products, health check-up program and medical treatment packages, including tele-consultation.
- Alodoctok, the largest online healthcare platform in Indonesia in which almost 18 million members have used this service monthly.

According to the fact that the Company has brought its products and services into these online healthcare platform mentioned above, it is considered as an expansion of marketing channels to encourage Chinese and Indonesian people to acknowledge the information and have an easy access into the Company's network hospital 24 hours.

2.3 Product Procurement

1. Medical Personnel

The Company has the policy to recruit physicians who are experts in each field as well as nurses and other medical personnel, in order to provide quality service that covers all areas. Such recruitment is carried out for all companies within the group. The recruitment of physicians and nurses is conducted by selecting candidates from leading medical and nursing schools. Every physician and nurse have been selected and approved by the Medical Committee of the respective hospital.

As medical personnel are essential to the Company's hospital business and in order for medical personnel to develop their knowledge and medical advancement techniques both in terms of profession and technology, the Company supports medical research and academic conferences. The Company also organizes continuous training programs for physicians and nurses to develop medical knowledge of related personnel. This includes training for nurses so that they have expertise in providing patient care prior to starting work. Furthermore, the Company recognizes the importance of investments in medical technology, medical tools and equipment which can indirectly attract capable and expert medical

personnel to remain with the hospital for a longer time period. Such technology and equipment also help to foster experiences and skills in medical diagnoses and treatments.

2. Procurement of Medicine and Medical Supplies

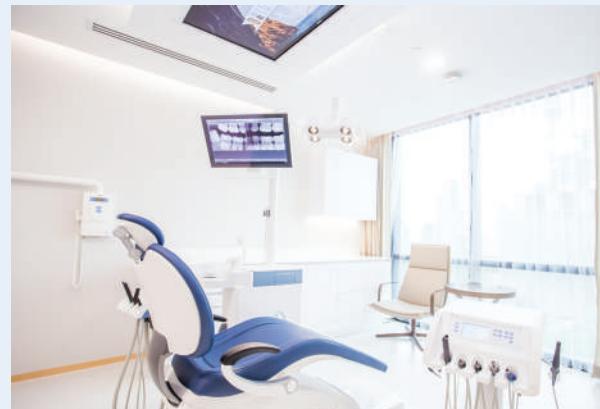
The Company has the policy to foster good relationship with business partners as well as recognizes the importance of building sustainable value to these business partners by realizing the concrete management of the supply chain. Besides, the Company has consistently emphasized on procurement of medicine and medical supplies since they are considered a key factor for the Company's business operations. The Company has established the policy to procure medicines and medical supplies from qualified manufacturers and distributors while ensuring high safety and certified standard as well as taking into consideration an affordable price and being able to deliver products within the time specified. Moreover, the Company also provides an after-sales services, including prepares product inventory constantly to ensure that the products will not be out of stock in case of urgent necessity or emergency in order to provide patients with continuous and efficient care. The Company also stresses on the complete inventory management by employing state-of-the-art technology and innovation to enhance efficiency and effectiveness of its business operations while being able to control the inventory, having an appropriate number of products as well as minimizing the management cost in a more efficient manner.

During the previous year, the Department of Internal Trade, Ministry of Commerce issued the notification on medicine price control which has a direct impact on the hospital business, especially in the private sector. Therefore, the Company has adjusted its strategic plan in price negotiation and relationship management with business partners, particularly with its major partners. The Company



has gathered and analyzed data on medical purchasing behavior of its network hospitals and has segregated information to find out the relationship and classification to increase its negotiation power. This in turn enables the Company to be more competitive, resulting from a decreased product cost or known as economies of scale and the control of the quantity of product to be varied more suitably.

In addition, the Company has reviewed and developed appropriate operational procedures and risk management to minimize time in waiting for medicines and medical supplies while being able to enhance the efficiency of IT system by emphasizing on data which can be employed in an analysis and development of services to achieve the Company's sustainable growth. Furthermore, the Company has realized the significance of a competition that is fair, transparent, verifiable, ethical and also emphasized on the code of conduct regarding concrete procurement. Also, the Company has clearly determined the policy in the procurement of medicines and medical supplies and employed e-sourcing system to facilitate every procurement procedure to be verifiable while providing an opportunity for potential vendors to become the Company's business partners.



As for the strategy in procurement of medical equipment and tools, the Company shall consider different dimensions, comprising of the qualifications and quality of equipment, treatment benefits, safety, delivery period, cost of ownership as well as report on the comparison between tools from the world's leading institute of medical equipment. Besides, the procurement of medical equipment and tools in the digital era must take into consideration the security of information and cyber stability which may affect these medical equipment and tools. The Company has procured medical equipment and tools manufactured both domestically and abroad. In a case where medical equipment and tools manufactured abroad, the Company shall make orders with domestic agents and enter into the purchase agreement with the distributor. The agreements shall clearly state the price denominated in Thai baht as well as the requirements on an after-sales service.

The Company not only recognizes the importance of the procurement of medical equipment and tools, but also realizes the significance in providing training for the employees to enable them to use these equipment and tools correctly, efficiently and in a safe manner for both users and patients. Besides, the Company also emphasizes on the maintenance of such equipment and tools to ensure their safety, ready to use and durability throughout its useful life. The Company has set up the management system in predicting the depreciation of equipment that in turn enabling the Company to get information that are predictable and can forecast their current defect more accurately. The Company has also set up the warning system to check-up the condition of every equipment and tool as well as established the monitoring system to retrieve the equipment and tools from the manufacturing company and domestic and foreign institutes of medical equipment.



3. Procurement of Medical Equipment and Tools

As medical equipment and tools are important factors in providing high-quality and efficient medical services to the patients, the procurement of medical equipment and tools within the Company and its network hospitals is therefore delegated to the Medical committee for the Procurement of Medical Equipment. This Medical Committee shall carefully consider the necessity, required quality and safety of such medical equipment and tools to suit the needs of and the services provided by the hospital group.



BDMS
MEDEVAC CENTER

Comprehensive Modes of
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BDMS MEDEVAC CENTER ... READY AND FAST

Our team of aviation medicine specialists and other specialties in ACLS, cardiology, pediatrics and a special team for Extra-Corporeal Membrane Oxygenator (ECMO) stand-by in round-the-clock readiness to medically evacuate patients in critical condition with state-of-the-art transportation and equipment by land, sea, or air such as Ground Ambulance, Helicopter Emergency Medical Service (Sky ICU), Air Ambulance, Commercial Flight and (Hydrolance) to ensure continuity of care.

Securities and Shareholders

1. Registered Capital and Paid-up Capital

As of 31 December 2019, the Company reported a registered capital of Baht 1,758,223,567.20 and paid-up capital of Baht 1,589,200,189.50 which can be divided into 15,892,001,895 common shares with a par value of Baht 0.10 per share.

Note: On 18 September 2014, the Company issued convertible debentures containing obligations and certain limitations, the convertible debentures were listed on the Singapore Exchange Securities Trading Limited under the name "Zero Coupon THB10.0 billion USD Settled Convertible Bonds due 2019" These debentures' maturity date was on 18 September 2019. At present, the Company has no outstanding liabilities of the debentures.

2. Shareholder Structure

Top ten shareholders of the Company as of the latest registrar closing date on 30 December 2019 are as follow:

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and spouse Miss Poramaporn Prasarttong-Osoth, M.D. Miss Somrutai Prasarttong-Osoth Mr. Puttipong Prasarttong-Osoth and spouse Mrs. Ariya Prasarttong-Osoth	2,589,322,740 551,377,610 36,800,000 19,326,660 13,102,800	16.29 3.47 0.23 0.12 0.08
	Total	3,209,929,810	20.20
2	Thai NVDR Co., Ltd.	1,394,618,571	8.78
3	Bangkok Airways PCL (1) Bangkok Airways Holding Co., Ltd. (2)	828,418,690 205,000,000	5.21 1.29
	Total	1,033,418,690	6.50
4	Mr. Wichai Thongtang Mr. Att Thongtang and Spouse Mr. Itti Thongtang and Spouse Miss Viorn Thongtang Mr. Atikhun Thongtang	32,531,753 212,744,295 309,275,544 240,525,494 188,409,604	0.20 1.34 1.95 1.51 1.19
	Total	983,486,690	6.19
5	The Viriyah Insurance PCL (3)	948,283,830	5.97
6	Mr. Chirochana Suchato and Spouse Mr. Chanat Suchato Mrs. Nasuda Darnchaivijitr and Spouse Mrs. Ranitha Thongdee and Spouse	393,151,090 3,952,260 5,654,000 7,286,930	2.47 0.02 0.04 0.05
	Total	410,044,280	2.58
7	Social Security Office	397,203,500	2.50
8	Southeast Asia UK (Type C) Nominees Limited	382,113,387	2.40

No.	Top 10 Major Shareholders	Number of Shares	Percentage of Shareholding
9	Miss Napamas Ladpli Mrs. Atinuch Malakul na Ayudhaya, D.D.S. Mr. Parameth Ladpli, M.D.	168,172,300 131,708,020 65,290,150	1.06 0.83 0.41
	Total	365,170,470	2.30
10	State Street Europe Limited	330,528,242	2.08
	Grand Total	9,454,797,470	59.49

Source : Thailand Securities Depository Company Limited

Note :

(1) Top 5 shareholders of Bangkok Airways Public Company Limited as of the latest registrar closing date on 13 March 2019 are as follows:

No.	Name – Last Name	Number of Shares	Percentage of Shareholding
1	Mr. Puttipong Prasarttong-Osoth and spouse	524,187,900	24.96
2	Mrs. Ariya Prasarttong-Osoth	243,440,900	11.59
3	Mr. Prasert Prasarttong-Osoth, M.D. and spouse	223,027,500	10.62
4	Miss Poramaporn Prasarttong-Osoth, M.D.	136,250,000	6.49
5	Bangkok Bank Public Company Limited	105,000,000	5.00
	Total	1,231,906,300	58.66

(2) Bangkok Airways Public Company Limited hold 99.99% of Bangkok Airways Holding Company Limited

(3) Top 5 major shareholders of the Viriyah Insurance PCL, as of 22 April 2019 are as follows:

No.	Name – Last Name	Number of Shares	Percentage of Shareholding
1	Viriyah Property Co., Ltd.	8,000,000	40.00
2	Viriyabhun Family	5,745,836	28.73
3	The Ancient City Co., Ltd.	2,000,000	10.00
4	Mrs. Orawan Pongpipat and family	1,641,668	8.21
5	Mrs. Suvaporn Thongthew and family	1,641,666	8.21
	Total	19,029,170	95.15

3. Other Securities

The Company has issued 10 debentures with a total of Baht 19,600 million under the name of Bangkok Dusit Medical Services Public Company Limited. Details are as indicated below:

No. of Debenture	Debenture's Name	Issued Date	Maturity Date	No. of Unit	Issued Value (Million Baht)	Outstanding Value (Million Baht)	Interest Rate (percentage per Year)	Latest Credit Rating
1/2012	BDMS228A	6 Aug 2012	6 Aug 2022	500,000	500	500	4.50	
2/2012	BDMS228B	8 Aug 2012	8 Aug 2022	100,000	100	100	4.50	
1/2013	BDMS233A	14 Mar 2013	14 Mar 2023	4,000,000	4,000	4,000	4.63	AA
2/2013 Series 1	BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000	2,000	4.19	
2/2013 Series 2	BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000	1,000	4.39	
1/2015	BDMS256A*	25 Jun 2015	25 Jun 2025	2,000,000	2,000	2,000	3.95	AA
1/2016	BDMS266A	24 Jun 2016	24 Jun 2026	3,000,000	3,000	3,000	2.99	AA
1/2017 Series 1	BDMS202A	8 Feb 2017	8 Feb 2020	3,000,000	3,000	3,000	2.41	AA
1/2017 Series 2	BDMS222A	8 Feb 2017	8 Feb 2022	2,500,000	2,500	2,500	2.97	AA
1/2017 Series 3	BDMS242A	8 Feb 2017	8 Feb 2024	1,500,000	1,500	1,500	3.46	AA
Total					19,600	19,600		

* Only debentures with the credit rating by TRIS Rating Company Limited

4. Dividend Payment Policy

4.1 Dividend Payment Policy of the Company

The Company has prescribed a material dividend payment policy since the Annual Shareholders' Meeting in 2009. The Company's policy is to pay dividends at no less than 50% of the company profits in the separate financial statements, depending on business expansion and capital requirements of the Company in each year, as approved by the shareholders, except for dividends within accounting periods which may be approved by the Board of Directors if the Board deems that the Company has had good operating results and sufficient liquidity. On 28 February 2018, the Board of Directors approved the amendment of the dividend rate from not less than 50% of net profit of the Company's separate financial statements to not less than 50% of net profits of the consolidated financial statements.

Historical dividend payment from the Company's operations for the last 5 years is summarized as follows:

Annual Dividend Payment	2014	2015 (Restated)	2016	2017	2018	2019(1) (Jan-Jun)
Net profit per share (Consolidated Financial Statements)	0.48	0.52	0.54	0.66	0.59	0.66
Net profit per share (Separate Financial Statements)	0.21	0.29	0.45	0.46	0.43	0.95
Dividend per share (Baht/Share)	0.23	0.26	0.29	0.36	0.32	0.25
Par value of common share (Baht/Share)	0.10	0.10	0.10	0.10	0.10	0.10
Dividend payout ratio (%)						
- Consolidated financial statements	48%	50%	54%	55%	54%	38%
- Separate financial statements	109%	90%	64%	78%	74%	26%
Date of dividend payment	6/05/15	4/05/16	26/04/17	26/04/18	26/04/19	27/09/19

Note : (1) The Board of Directors' meeting no.8/2019 on 28 August 2019 resolved to approve the interim dividend payment from the performance during the period of January – June 2019.

4.2 Dividend Payment Policy of the Company

In a case of subsidiaries which are not listed on the Stock Exchange of Thailand, the Company has set up the policy for such subsidiaries to allocate profits as reserves prescribed by law as well as cash reserves as deemed necessary for business operations. Subsequently, the subsidiaries may allocate the dividends to the shareholders.

For subsidiaries which are listed on the Stock Exchange of Thailand, the dividend payment policy shall be determined by the Board of Directors of each Company as deemed appropriate and in line with the policy that each subsidiary had announced to the investors.

Risk Factors

1. Risk from economic volatility

The National Economic and Social Development Council (February 2020) estimates that the Thai economy (GDP) is likely to grow by only 1.5-2.5% in 2020 according to the restrictions from the outbreak of the Covid-19, drought and delay of budget. Nonetheless, the Thai economy is supported by a gradual improvement of world trade and economy as a result of reduced pressure from trade sanction and risks from the UK separation without an agreement, including an expansion at a satisfactory level of household spending, the investment of private and government sectors, a propulsion by government measures, and a low base of growth in the last quarter of year 2019.

Even though health care is one of the four requisites of life, economic impact can affect the consumers' purchasing power and customers of some private hospitals may choose to delay or lessen their visit to the hospitals; for example, delay of treatment, postponement of visit for elective procedures, shortening their hospital stays and reducing their medical expenditures by visiting public hospitals or other less expensive private hospitals. Nonetheless, the Company has closely monitored such situation in order to analyze and evaluate risks that may affect the Company's operations as well as made any necessary preparations and determined measures to manage such risks accordingly. The Company has also set up the strategy to expand its network to various provinces that have potential and are in need of the private hospitals to encompass every region. This expansion shall provide a variety of services to various customer groups in order to distribute risks and minimize impact of the situation that may arise.



2. Risk from operation

2.1 Risk from government measures

According to the notification issued by the Central Committee on Prices of Goods and Services, regarding the Determination of Goods and Services under control, dated 22 January 2019, medicines, medical supplies used in disease treatment, medical care, medical service and other services relating to disease treatment must be controlled goods and services. This is to ensure the transparency of medicines and medical supplies costs, treatment fees, medical service fees and other relevant fees of the hospital will remain at an appropriate level and fair to all parties as well as to provide customers with more alternatives. Consequently, the Central Committee on Prices of Goods and Services issued a notification on 29 May 2019 to enforce the hospitals to report the purchase and sale price of medicines that have been listed in the Universal Coverage Emergency Patients (UCEP) as well as other medicines specified by Thai Medicines Terminology (TMT). In a case where the hospital intends to sell medicines at the price different from prior notification, such changes must be informed no less than 15 days in advance. The Department of Internal Trade has prescribed that each hospital must disclose medicine prices via QR code to ensure transparency and to add more alternatives to the customers and the customers must show their QR code in an open manner. Besides, in a case where medicines are sold to the outpatients, the hospital must issue the prescription based on the standard of medical profession and the quotation for prior acknowledgement of the patient. This notification shall be in full effect for the period of 1 year, starting from the date of notification onwards.

The Company has strictly conformed to such notification of the Central Committee on Price of Goods and Services and has closely monitored the situations to evaluate risks that may affect the Company's business operations.

2.2 Risk from future changes in the standards or regulations governing the Company

The Company operates its business under the supervision of the Ministry of Public Health and other related government agencies. Furthermore, the Company must have a license to operate a health care business and health clinics as stipulated by the law governing health clinics. Besides, the Company must comply with laws relating to health clinics, companies and other laws.

Any changes in the interpretation of current regulations, law enforcement or new regulations and policies that are likely to become stricter may impact the Company's operations, including the deliberation of the draft Patient Protection Act which aims to protect the individuals who have been wronged or received damages from health care services with the goal to compensate the patients in a timely manner without having to prove any wrongdoings, all of which may affect health care providers, including the Company. There is also a consideration of setting up patient protection fund to compensate for damages to the patients whereby health care clinics (including the Company as one of the health care business operators) are responsible for contributing money to such fund in accordance with the rules, procedures and rate determined by the Patient Protection Committee. Therefore, the Company may not be able to guarantee that future change of laws and regulations or the issuance of new regulations or policies relating to the Company's business will not affect the Company's operations and business opportunities.

The Company and network hospitals operate in compliance with various quality standards such as Joint Commission International (JCI) and Hospital Accreditation (HA) to operate and comply with HA system requires that a committee must be established to monitor the quality of patient care and ensure that it meets the standard of safety and environmental conservation as well as monitor various risks, especially risk in providing medical care. These actions may lessen potential impact arising from legal changes concerning health and environment.

2.3 Risk from competition

Private hospital business is highly competitive. Apart from competing with other hospitals of the same level, the Company must also compete with mid-level and lower level private hospitals which have constantly improved and developed their medical services while simultaneously acquiring state-of-the-art medical equipment in order to expand their customer base.

It was forecasted that there will be an opening of 5-6 private hospitals in Bangkok and suburban area, resulting in approximately 2,000 more beds compared to the current situation where more than 340 private hospitals nationwide report a total of 40,000 beds or more. Besides, the Company has closely monitored different situations and acknowledged that the requirement for domestic treatment has consistently grown. Therefore, the Company has put in place a team of expert doctors and nurses who are ready to provide medical services of every area. The Company also established 10 centers of excellence where medical services have been improved according to the international standard of Joint Commission International (JCI). The Company has well received a cooperation from leading medical institutions and has successfully set up network hospitals in every region with the purpose to facilitate the customers and provide them with more alternatives while being able to transfer them to other network hospitals in case of potentially complicated treatment procedures.

2.4 Risk in retaining medical personnel or key executives

Private hospital business must depend on skillful medical personnel such as physicians, professional nurses, pharmacists and technicians; thus, any failure to retain medical personnel or key executives and not being able to replace them with qualified or suitable personnel may incur a negative impact on the Company.

At present, the hospital business in Thailand is faced with the lack of medical personnel. A major reliance is placed upon the public sector to develop medical personnel and there have not been sufficient medical personnel to meet such demand. Therefore, the Company must compete with other hospital business operators in retaining and attracting skillful medical personnel that in turn, may affect the Company's operating costs.

However, BDMS is a large hospital network and has consistently provided educational and research funding to medical personnel. The Company established BDMS Simulation Center to improve skills and expertise in clinical operation, specialized skills as well as medical knowledge in various fields in order to become “Knowledge Organization”. In addition, the Company constantly seeks state-of-the-art technology and medical equipment to facilitate medical examination and diagnosis, to enhance treatment and surgery accuracy. The Company also set up measures to give a fair compensation compared to other operators in private hospital business. Furthermore, the Company has taken good care of every staff, starting from maintaining their good health, providing treatment when being sick, promoting healthy body and mind and most importantly, becoming the network hospital which encompasses almost every area of the country so that the Company’s personnel can return to their previous hometown and being able to work and take care of their family at the same time. Another important strategy is to encourage medical personnel under BDMS network to assist the government agency within their own community, whether they will be a teacher, lecturer, project consultant and a learning center that provides treatment and service of international standard, all of which will promote good relationship between public and private hospitals as well as a coordination in program development to ensure that the personnel are able to respond to the Company’s requirements. Consequently, this risk the Company is being confronted nowadays is not so severe and is still manageable.

2.5 Legal risk

At present, people are more aware of news and their rights, especially with the issuance of the Act on Court Proceedings for Consumer Cases B.E.2551 that enables the consumers and patients to file suit against health care service providers more easily. This law may affect these health care service providers and medical personnel that in turn, will put the Company at risk of being sued for medical services it provides.

The Company realizes such risk factors; therefore, risk management measures have been set up to supervise, inspect and control the quality of medical services, screen the physicians, respect patients’ rights in explaining necessary

information to patients, manage patients’ expectations, evaluate customers’ satisfaction as well as improve reporting procedures and problem solving when they file complaints, constantly promote the standard of service according to international practice to ensure that the treatment provided is of good quality and safe while preventing any legal disputes.

Nonetheless, the Company has gone through a lawsuit by the ex-member of Life Privilege Project in which details and progress can be found in the footnotes to financial statement, clause 22.

2.6 Risk of reliance on revenues from foreign patients

The Company earns some incomes partly from foreign patients, including persons living or working in Thailand or tourists traveling to Thailand for pleasure or specifically to receive medical care as well as staffs of foreign governments or agencies or employees of foreign companies. This customer group chooses to come to Thailand for health care services because of our internationally recognized standards and quality of medical services, reasonable medical fees and Thailand’s renowned tourism industry.

Therefore, the Company is facing risks from different crises that may affect the patients’ confidence in visiting Thailand for health care services which is beyond the Company’s control such as domestic politics as well as natural disasters and increased competition. All of these factors will directly impact the number of foreign patients who will travel to Thailand for medical service purpose. Thus, the Company has specified the policy to diversify and lessen this risk by expanding the hospital network to other provinces across the country which have potential and require medical services. In addition, the Company has expanded its foreign patient base to encompass more countries to reduce the concentration risk of patients in any specific group.

2.7 Risk from foreign investment

As of 31 December 2019, the Company has made foreign investments with a total value (in the form of paid-up capital, loans to subsidiaries and loan guarantee with financial institutions for subsidiaries) of USD 76.5 million or equal to Baht 2,539.7 million or 1.9 percent of the Company’s total assets.

The Company's foreign investment, including the majority shares held currently are as follows:

- Angkor Pisith Co., Ltd. which manages Royal Angkor International Hospital at the rate of 80 percent.
- Phnom Penh Medical Services Co., Ltd. which manages Royal Phnom Penh Hospital at the rate of 100 percent.
- BDMS International Medical Services Co., Ltd. at the rate of 100 percent.
- N-Health Asia Pte.Ltd. has invested in N-Health Cambodia Co., Ltd. and N-Health Myanmar at the rate of 100.0 percent and 60.0 percent respectively to provide central lab business.

Factors that may negatively impact the Company's foreign investments are as follows: foreign laws, regulations or government policies which govern the Company's offshore business or political and economic conditions, foreign currency exchange volatility or higher than expected capital costs or operations. The aforementioned factors may result in the Company's failure in achieving returns on investment as expected or may impact the Company's financial status and performance.

3. Financial risk

3.1 Risk in receiving payment of medical fees

In providing a medical care before collecting fees and expenses creates a potential risk that the Company may be unable to collect payment for such services. However, the Company has established the following policies to minimize such risk:

1. In providing services to patients who are responsible for their own expenses, the Company has set up the policy to assess the expenses before providing any medical services so that the patients will be aware of the budget and able to make payment or a deposit in advance.

2. The Company has the policy to notify the party responsible for the payment of medical expenses of the expenses incurred throughout the course of treatment and allow for the payment by installments to minimize the burden of one-time payment at the end of treatment.

3. For payment made by the third parties, the Company also has a policy to provide credit for payment of medical services with caution by analyzing the third party's credit history and financial status as well as regularly reviewing the relationship. When the outstanding credit exceeds

the limit, the Company will suspend the credit which in turn, helps lessen the risk of non-payment.

The Company has set up the Debtor Management Committee, comprising of the management from finance and operations and has organized the meeting on a regular basis. The Committee shall consider risks that already took place, review, determine measures as well as find appropriate solutions for the Company and patients when there is a default of payment to minimize such risk.

3.2 Risk from interest rate volatility

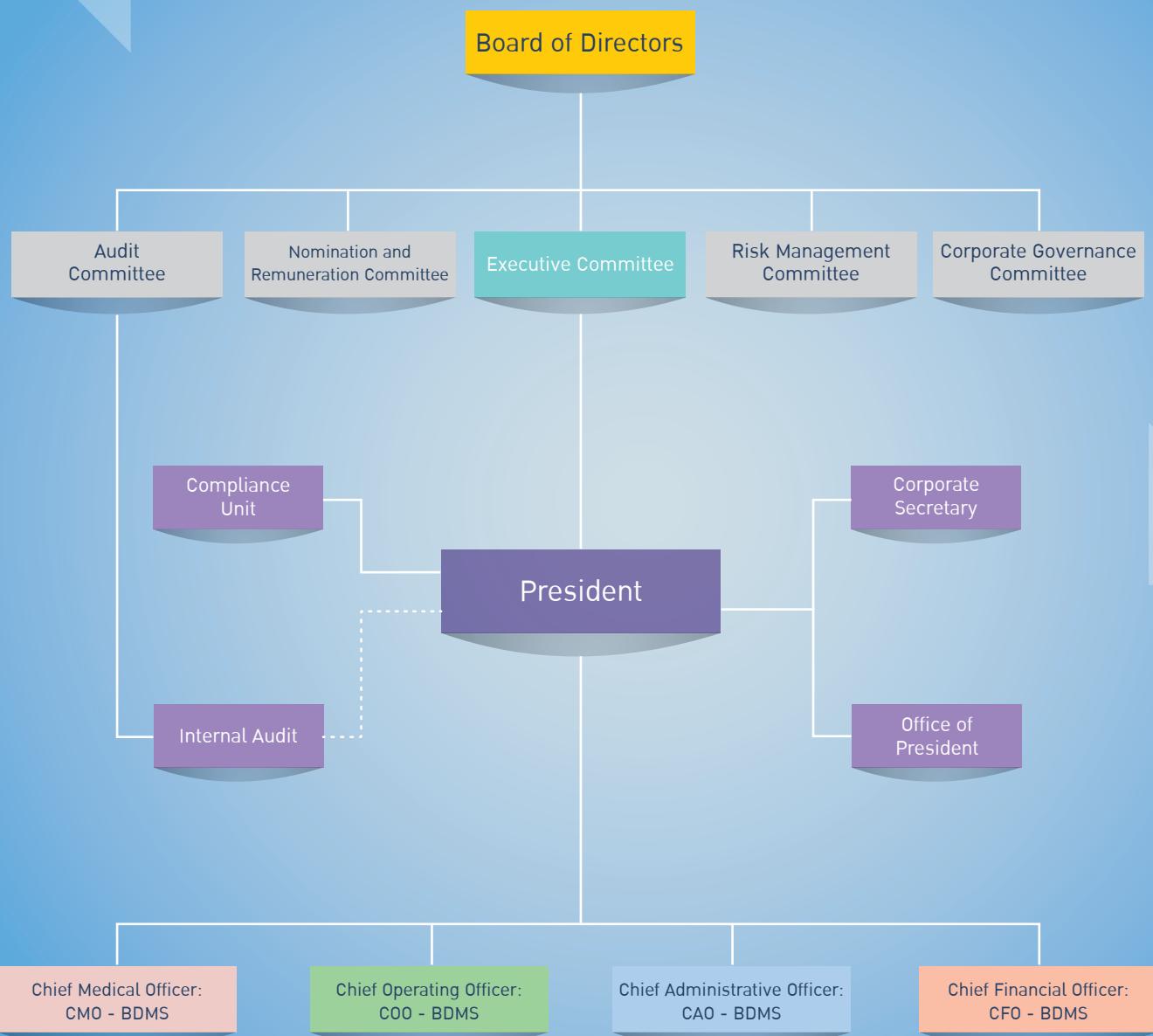
As of 31 December 2019, the Company reported liabilities with floating interest rate of 22.1 percent of all financial liabilities. Therefore, these interest rate fluctuations may affect the Company's financial costs. However, the Company has set up the policy to prevent the risk of interest rates, including entering into Interest Rate Swap agreement as deemed appropriate according to the market situation.

3.3 Impacts of global economy and volatility of foreign currency exchange

The Company's revenues partly derive from services provided to foreigners who travel to Thailand. Therefore, the economic status of the country of origin of foreign patients incurs an impact on the number of local patients. Thus, the Company's business, financial status, operation results and business opportunities may be affected by the economic condition of the countries of origin of foreign patients.

Besides, the volatility of foreign currency against Thai baht, one of the determining factors in setting competitive pricing compared to health care providers in other countries, is another factor that may affect the Company's revenues. The Company thus may face the risk of the volatility of foreign currency exchange which is considered an external factor beyond the Company's control. In such case, the Company has tried to maintain an appropriate ratio of domestic and foreign patients in order to minimize this risk. In 2019, the Thai baht fluctuated between Baht 29.87 – 32.11 per US dollar.

Management Structure



as of 31 December 2019

1. Board of Directors

Name of the members of the Board of Directors as of 31 December 2019 and the number of meeting attendances in the Board meetings as Sub-Committee meetings in 2019 are as follows:

Directors' Name	Title	Number of Meeting Attendances					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
1. Professor Emeritus Arun Pausawasdi, M.D.	Chairman of the Board/ Independent Director	13/13					
2. Mr. Chuladej Yossundharakul, M.D.	Vice Chairman/ Chairman of Executive Committee/ Member of Nomination and Remuneration Committee	13/13		3/3	14/14		
3. Mrs. Narumol Noi-am (1)	Director/ Acting President/ Member of Executive Committee/ Member of Risk Management Committee	11/11			13/13	2/2	
4. Professor Emeritus Santasiri Sornmani, M.D.	Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	13/13	10/10	3/3			
5. Mr. Pradit Theekakul	Director/Member of Executive Committee/Member of Risk Management Committee/Member of Corporate Governance Committee	13/13			14/14	2/2	2/2
6. Mr. Sripop Sarasas	Director/Member of Nomination and Remuneration Committee/ Member of Risk Management Committee/Member of Corporate Governance Committee	13/13		3/3		2/2	2/2
7. Mr. Chavalit Sethameteekul	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee/ Chairman of Risk Management Committee	13/13	10/10	3/3		2/2	
8. Mr. Thongchai Jira-alongkorn	Director/Member of Executive Committee	12/13			13/14		
9. Mr. Weerawong Chittmittrapap	Independent Director/ Member of Audit Committee/ Chairman of Corporate Governance Committee	12/13	9/10				2/2
10. Mr. Att Thongtang	Director	13/13					
11. Mr. Kan Thakulhoon	Independent Director	12/13					
12. Mr. Arsa Sarasin	Independent Director	12/13					
13. Mr. Puttipong Prasarttong-Osoth (2)	Director	11/11					
14. Mr. Chairat Panthuraamphorn, M.D. (3)	Director/Member of Executive Committee	9/9			8/8		

Note:

- (1) Mrs. Narumol Noi-am was appointed as Acting President and member of Executive Committee to replace a director who had resigned as resolved by the Board of Directors' meeting no.1/2019 held on 23 January 2019.
- (2) Mr. Puttipong Prasarttong-Osoth was appointed as director to replace a director who had resigned as resolved by the Board of Directors' meeting No.1/2019 held on 23 January 2019.
- (3) Mr. Chairat Panthuraamphorn, M.D. was appointed as director as resolved by the 2019 shareholders' meeting on 12 April 2019 and was also appointed as a member of Executive Committee as resolved by the Board of Directors' meeting no.4/2019 on 24 April 2019.

Authorized Directors and Conditions

1. Mr. Chuladej Yossundharakul, M.D. 2. Mr. Pradit Theekakul 3. Mrs. Narumol Noi-am and 4. Mr. Sripop Sarasas.

Two out of four directors sign jointly and affix the Company's seal.

Names of Independent Directors of the Company who are Independent Directors of the Subsidiaries

Professor Emeritus Santasiri Sornmani, M.D., the Independent Director of the Company who also holds a position of the Independent Director of 5 subsidiaries as follows:

1. Medic Pharma Co., Ltd.
2. Paolo Medic Co., Ltd.
3. Paolo Samutprakarn Co., Ltd.
4. Siam Medical Co., Ltd.
5. Paolo Hospital Phrapadaeng Co., Ltd.

Duties and Responsibilities of The Board of Directors

1. The Board of Directors must perform their duties by using their knowledge and expertise for the benefit of the Company's operations and in accordance with the regulations of the Company and the resolution of the shareholders' meeting. The Board of Directors are authorized to perform actions as indicated in the Articles of Association, the Public Company Act or other relevant rules.
 2. Comply with the provisions and good practices of the directors of listed company in accordance with the Stock Exchange of Thailand.
 3. Set up policies and ensure that the management acts in accordance with such policies as well as approve business plans, annual budgets, investment and make financial decisions.
 4. Supervise the operations of the management, follow up the operations of the Company and its subsidiaries to ensure that they are in line with established goals and operation plans.
 5. Establish an efficient internal control system and audit system for the purpose of auditing, supervise the operation and coordinate with the Audit Committee.
 6. Be responsible to shareholders, protect the interests of shareholders, provide suitable and regular communications with shareholders as well as practice standardized and transparent information disclosure.
 7. Manage conflicts of interest.
 - 7.1 Report the conflicts of interest of oneself, spouse and other related persons as prescribed in the Securities and Exchange Act as well as report securities held of oneself, spouse and children (not yet of legal age) to the Company.
 - 7.2 Ensure compliance with laws and regulations of the Stock Exchange on procedures and complete disclosure of transactions with potential conflicts of interest.
 - 7.3 Report to the Company on any conflicts of interest which pertain to the management of the Company or its subsidiaries. However, to illustrate transparency, such transactions must be reported to the Board of Directors whenever there are any changes.
- The Board of Directors had appointed the Sub-Committees to ensure good corporate governance as well as to perform the audits, study and filter the Company's operations. Currently, there are 5 Sub-Committees in total, comprising of the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance Committee. Details on the structure of the committees, including the duties and responsibilities of the Board of Directors and the Sub-Committees can be found under the section entitles "Corporate Governance"

Approval Authority of the Board of Directors

The Board of Directors has an approval authority on various matters of the Company according to the scope of authority as stipulated by law and the Company's regulations, the charter of the Board of Directors and the resolution of the shareholders' meeting. This also encompasses the specification and review of visions, missions, strategies, goals and operation plans, budget plan and investment plan, policies of the organization as well as follow-up and evaluate operation results to be in line with the established plan. The scope of authority of the Board of Directors on various matters as mentioned earlier shall conform to the specifications of the regulatory body and relevant laws.

Duties and Responsibilities of the Chairman of the Board of Directors

1. Act as Chairman of the Board of Directors' meetings and shareholders' meetings.
2. Conduct Board meetings and ensure that the meetings conform to the Articles of Association as well as provide an opportunity and encourage the directors to express their opinions freely.
3. Encourage and promote the Board of Directors to perform their duties to the best of their ability within the scope of defined duties and responsibilities in accordance with good corporate governance.
4. Supervise and follow-up the performance of the Board of Directors in order to attain the specified objectives.
5. In acting as Chairman of the Board meeting, in the case that there is a draw vote, the Chairman shall cast an additional vote as the deciding vote.

2. Executives

List of executives as of 31 December 2019 comprises of:

Executive's Name	Title
1. Mrs. Narumol Noi-am	Acting President and Chief Financial Officer
2. Mr. Trin Charumilind, M.D.	Chief Medical Officer
3. Mr. Chairat Panthuraamphorn, M.D.	Chief Operating Officer
4. Mr. Sripop Sarasas	Chief Administrative officer

Duties and Responsibilities of the Executive Management

1. Operate and/or manage the Company in accordance with the policies, operation plans goals, guidelines, provisions and good corporate governance as stipulated by the Company as well as strictly abide by relevant laws and regulations.
2. Manage the Company in accordance with the resolution of the shareholders' meetings, the Board of Directors, meetings and/or the Sub-Committees' meetings (as the case may be) within the approved duties, responsibilities and authorization. The executive management shall carry their duties with integrity and care for the best interest of the organization and shareholders while taking into consideration fairness to every stakeholder.
3. Report results and progress of the Company regularly at the meeting of the Board of Directors to ensure practical results and to be certain that the Company's operations are in line with specified goals and operation plans.
4. Report to the Board of Directors and/or Sub-Committees (as the case may be) immediately should there be a situation or suspicion of a situation where there may be a violation of laws or regulations or a wrongdoing act which may significantly affect the Company's reputation and financial status.
5. Report any significant faults or errors as well as a course of remedy to the Board of Directors or Sub-Committees (as the case may be) for their consideration in a timely manner. Report updates on significant adjustment to such fault or error to the relevant committee.

6. Report conflicts of interest of oneself, spouse and related persons as stipulated in the Securities and Exchange Act as well as report securities holdings of oneself, spouse and children (not yet of a legal age) to the Company Secretary for further reporting of any changes at the Board of Directors' meetings.
7. Consider and review matters for consideration of the Executive Committee and/or the Board of Directors (as the case may be) as well as consider solutions to the problems that the Company faces.
8. Perform other duties as assigned from time to time by the Board of Directors and/or the Executive Committee (as the case may be).

The authority and duties mentioned above shall not be exercised with any persons with potential conflict, stakes or conflicts of interest in any form with the Company or its subsidiaries. In addition, it does not include connected transactions and acquisitions, sales of important assets of the listed company in accordance with regulations of the Stock Exchange of Thailand or other relevant notifications on the related matter.

Report on Changes in Shares Held by Directors and Executives in 2019

Name	Number of shares held as of 30 Dec. 2019	Number of shares held as of 31 Dec. 2018	Changes in number of shares
1. Professor Emeritus Arun Pausawasdi, M.D.	2,818,710	2,818,710	
Spouse	1,000,000	1,000,000	
Total	3,818,710	3,818,710	0
2. Mr. Chuladej Yossundharakul, M.D.	49,530,490	49,530,490	
Spouse	530,000	530,000	
Total	50,060,490	50,060,490	0
3. Mrs. Narumol Noi-am	5,500,000	5,000,000	500,000
4. Professor Emeritus Santasiri Sornmani, M.D.	15,651,270	15,651,270	0
5. Mr. Pradit Theekakul	12,000,000	12,000,000	0
6. Mr. Chavalit Sethametheekul	0	0	0
7. Mr. Sripop Sarasas	0	0	0
8. Mr. Thongchai Jira-alongkorn	7,373,360	11,373,360	(4,000,000)
9. Mr. Weerawong Chittmittrapap	0	0	0
10. Mr. Att Thongtang	212,694,295	346,874,295	(134,180,000)
Spouse	50,000	0	50,000
Total	212,744,295	346,874,295	(134,130,000)
11. Mr. Kan Trakulhoon	0	0	0
12. Mr. Arsa Sarasin	0	0	0
13. Mr. Puttipong Prasarttong-Osoth	19,026,660	28,026,660	(9,000,000)
Spouse	300,000	300,000	0
Total	19,326,660	28,326,660	(9,000,000)
14. Mr. Chairat Panthuraamphorn, M.D.	0	0	0
15. Mr. Trin Charumilind, M.D.	0	0	0
Spouse	35,900	27,400	8,500
Total	35,900	35,900	8,500

3. Company Secretary

To Company with Securities and Exchange Act, the Board of Directors appointed Mr. Kessara Wongsekate, Vice President, as the Company Secretary to perform duties in accordance with relevant laws. The duties and responsibilities of the Company Secretary are listed below:

1. Perform duties in line with the Securities and Exchange Act, notifications of the Capital Market Supervisory Exchange Act as well as ensure disclosure and reporting of information under responsibility to the regulatory body in accordance with the laws and regulations on disclosure of Company's information.
2. Coordinate and monitor to ensure that the Company, directors and other relevant persons act in compliance with the resolutions of the Board of Directors' and the shareholders' meeting as well as good corporate governance.
3. Encourage the directors and executives to receive training as required of directors and Sub-Committee members.
4. Provide necessary information to enable existing directors and newly appointed directors to carry out their duties.
5. Provide advice on regulations and guidelines for directors and Sub-Committees' acknowledgement.
6. Arrange for performance evaluation of the Board of Directors and Sub-Committees.
7. Maintain important documents of the Company such as directors' register, meeting invitations and minutes of the Board of Directors' meetings, shareholders' meetings, annual reports and reports on conflicts of interest of the directors and the management.
8. Perform other duties as assigned.

Profile of the Company Secretary

Title	Vice President and Company Secretary (Bangkok Dusit Medical Services PCL.)
Education and Training	<ul style="list-style-type: none"> • Directors Certification Program class 166/2012, Thai Institute of Directors Association • Anti-corruption: The Practical Guide class 28/2016 • Role of the Nomination and Governance Committee class 5/2013, Thai Institute of Directors Association • Role of the Compensation Committee class 16/2013, Thai Institute of Directors Association • Company Secretary Program, Thai Institute of Directors Association • Bachelor of Business Administration, Majoring in Banking and Finance from Chulalongkorn University
Experience	<ul style="list-style-type: none"> • Finance Manager, Bangkok Dusit Medical Service PCL. • Senior Credit Manager, Bangkok Metropolitan Bank PCL., Headquarter • Finance Manager, Bangkok Entertainment PCL. • Assistant Credit Manager, Nava Banking Finance and Securities Limited
Position in other listed companies	None
Positions in other subsidiaries of BDMS	<ol style="list-style-type: none"> 1. Director, Bangkok Hospital Rayong Co., Ltd. 2. Director, Bangkok Hospital Chiangrai Co., Ltd. 3. Director, Samitivej Sriracha Co., Ltd. 4. Director, Samitivej Chonburi Co., Ltd. 5. Director, Prasit Pattana PCL. 6. Director, Phyathai 1 Hospital Co., Ltd. 7. Director, Phyathai 2 Hospital Co., Ltd. 8. Director, Phyathai 3 Hospital Co., Ltd. 9. Director, Sriracha Nakorn Hospital PCL. 10. Director, Paolo Medic Co., Ltd. 11. Director, Paolo Samutprakarn Co., Ltd. 12. Director, Siam Medical Co., Ltd. 13. Director, Thai Medical Center PCL. 14. Director, Save Drug Center Co., Ltd. 15. Director, The Medic Pharma Co., Ltd. 16. Director, Royal Bangkok Healthcare Co., Ltd. 17. Director, Bangkok Health Insurance PCL. 18. Director, Bangkok Premier Insurance Broker Co., Ltd.

4. Remuneration of Directors and Executives

4.1 Monetary Remuneration (For the Year Ending 31 December 2019)

Remuneration of the board of directors and sub-committees in 2019, the Company had paid remuneration to directors and sub-committees in a form of annual allowance and meeting allowance for the total of Baht 103.41 million which can be illustrated as follows:

Name of Director	Director's Annual Allowance	Meeting Allowance of Director/Sub-Committee Received from the Company						Total Remuneration as a Director received from the Company(1)	Annual Allowance and Meeting Allowance as a Director and Sub-Committee Member received from subsidiaries [2]	Grand Total (1) + (2)
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee			
1. Professor Emeritus Arun Pausawasdi, M.D.*	8,219,900	975,000						9,194,900	0	9,194,900
2. Mr. Chuladej Yossundharakul, M.D.	5,480,000	650,000	150,000	1,230,000				7,510,000	3,631,413	11,141,413
3. Mrs. Narumol Noi-am	1,182,840	550,000		780,000	100,000			2,612,840	6,037,899	8,650,739
4. Professor Emeritus Santasiri Sornmani, M.D.*	5,480,000	650,000	1,050,000	225,000				7,405,000	1,148,080	8,553,080
5. Mr. Pradit Theekakul	5,480,000	650,000		840,000	100,000	100,000		7,170,000	5,385,932	12,555,932
6. Mr. Chavalit Sethameteekul*	5,480,000	650,000	700,000	150,000		150,000		7,130,000	0	7,130,000
7. Mr. Sripop Sarasas	5,480,000	650,000		150,000		100,000	100,000	6,480,000	0	6,480,000
8. Mr. Thongchai Jira-alongkorn	5,480,000	600,000		780,000				6,860,000	0	6,860,000
9. Mr. Weerawong Chittmittrapap*	5,480,000	600,000	630,000				150,000	6,860,000	0	6,860,000
10. Mr. Att Thongtang	5,480,000	650,000						6,130,000	1,423,765	7,553,765
11. Mr. Kan Thakulhoon*	5,480,000	600,000						6,080,000	0	6,080,000
12. Mr. Arsa Sarasin*	5,480,000	600,000						6,080,000	0	6,080,000
13. Mr. Puttipong Prasarttong-Osoth	1,182,840	550,000						1,732,840	0	1,732,840
14. Mr. Chairat Panthuraamphorn, M.D.		450,000		480,000				930,000	3,609,685	4,539,685
Total	65,385,580	8,825,000	2,380,000	675,000	4,110,000	450,000	350,000	82,175,580	21,236,774	103,412,354

*independent directors

Note:

- (1) Directors' annual allowances for 2019 were paid to directors who perform their respective duties between the 2018 AGM (11 April 2018 – 12 April 2019) according to the proportion of their directorship duration.
- (2) Mrs. Narumol Noi-am was appointed by the Board Meeting no.1/2019 on 23 January 2019 to hold the positions of director and member of the Executive Committee to replace the director who resigned from the position.
- (3) Mr. Puttipong Prasarttong-Osoth was appointed by the Board Meeting no.1/2019 on 23 January 2019 to hold the position of director to replace the director who resigned from the position.
- (4) Mr. Chairat Panthuraamphorn, M.D. was appointed by Shareholders' Meeting held on 12 April 2019 to hold the position of director to replace the director who resigned from the position. He was appointed as a member of Executive Committee at the Board of Directors' Meeting no.4/2019 held on 24 April 2019.

Remuneration of directors who expired from the director's term and resigned during the year.

No.	Directors who completed the term of directorship and resigned during the year of directorship	Date of Resignation/Completion of the term of directorship	Directors' Allowance	Meeting allowance for director	Meeting allowance for the member of the Executive Committee	(Unit : Baht)
1	Mr. Prasert Prasarttong-Osoth, M.D. (resigned)	21/1/2019	4,267,210	50,000	90,000	
2	Miss Poramaporn Prasarttong-Osoth, M.D. (resigned)	21/1/2019	4,267,210	50,000	60,000	
3	Mr. Chatree Duangnate, M.D. (expired from his term)	12/4/2019	5,480,000	200,000	-	
	Total		14,014,420	300,000	150,000	

Note:

- (1) Director's annual allowances for 2019 were paid to directors who perform their respective duties between the 2018 AGM and the 2019 AGM (11 April 2018 – 12 April 2019) according to the proportion of their directorship duration.

Remuneration of the Company's independent director received from subsidiaries

No.	Independent Director Who holds a position in the subsidiary	Annual allowance from 5 subsidiaries	Meeting allowance from 5 subsidiaries	Total	(Unit : Baht)
1.	Professor Emeritus Santasiri Sornmani, M.D.	856,080	292,000	1,148,080	

Remuneration for the Executive Management

In 2019, the members of the Executive Committee and the executives who were given the remuneration from the Company and its subsidiaries, including the directors who received remuneration as the executive of the subsidiaries were 7 in total and the total amount of remuneration was reported at Baht 105.92 million. Such remunerations were in the form of salary, bonus and meeting allowance.

In addition, the Company made contributions to the provident funds at the total amount of Baht 1.45 million. Such provident fund rate conforms to the Company's regulations and similar to the rate paid to general employees.

4.2 Other Remunerations

Medical Benefits for External Directors

External directors, referring to directors who are not an employee or executive according to the employment agreement, receive a medical fee budget of Baht 3 million per person per year. These medical fees are to be used only at Bangkok hospital and hospitals within the group as approved by the 2019 Annual General Meeting. Such budget mentioned earlier is from the date of the 2019 AGM to the date of the AGM of the following year.

As of 12 April 2019 (Date of 2019 AGM), the Company had 8 external directors who are not the Company's employees or executives according to the employment contract. These directors are: Professor Emeritus Arun Pausawasdi, M.D., Professor Emeritus Santasiri Sornmani, M.D., Mr. Chavalit Sethameteekul, Mr. Weerawong Chittmittrapap, Mr. Karn Trakulhoon, Mr. Thongchai Jira-alongkorn, Mr. Arsa Sarasin and Mr. Puttipong Prasattong-Osoth. Starting from the 2019 AGM until the end of 2019, the Company had expenses for medical fees of these 8 of external doctors at the amount of Baht 322,512.67.

Directors and Sub-Committee Members

Apart from compensation in the form of meeting allowances, annual allowances, and medical benefits for external directors as approved by the shareholders, the Company does not provide any other remuneration to the Board of Directors and Sub-Committees.

Executives

Apart from compensation in the form of Company's car and mobile phone, the executives also receive medical benefits according to the Company's policy, similar to general employees of the Company.

5. Personnel

Number of Personnel

As of 30 November 2019, the Company and subsidiaries had a total of 33,251 employees and 2,987 full-time physicians 7,047 part-time staffs and 9,975 consulting physicians. Details are as follows:

Type	Employee/ Full-Time	Part-Time Employee/ Consulting Physician	(Unit : Person)
Nurses	9,048	2,528	
Employees	24,203	4,519	
Total Employees	33,251	7,047	
Doctors	2,987	9,975	

Note:

Full-time physicians refer to doctors who work for the Company more than 40 hours of more per week but they are not considered employees of the Company.

Human Resources Development Policy

The Company has consistently specified human resources development policy for employees of every level to respond to business requirements and to support business expansion. Human resources development planning and training programs will emphasize on the development of skills, knowledge and capabilities while simultaneously instilling culture and morality. This is to ensure that the human resources development policy is in line with the Company's established strategies and business operation guidelines and continue sustainably both at present and in the future. Besides, the Company has provided the executives and employees of every level with training course on the environment, good corporate governance as well as the use of inside information.

1. Development of Leaders within the Company

The Company has continued the development program for senior executives called "BDMS Leader Trains Leaders 2" which was initiated last year. Our senior executives can have a chance to share their administrative experiences with the executives at the director level. Such training program can serve as a forum to exchange opinions and ideas in the management between executives of every hospital and subsidiary.

Furthermore, the Company realizes the importance of mid-level executives by establishing the development program called "BDMS Managerial Leadership Program" for these executives for 6 consecutive years. The program was designed by Faculty of Commerce and Accountancy, Chulalongkorn University in order to develop mid-level executives' knowledge and understanding of business management. And there were 160 participants in this year.

2. Creation of Awareness on the Environment

The Company constantly creates awareness on the environment at the managerial level to act as a good example in environmental conservation as well as to manage and design the environment within the agency and organization more efficiently. The Company has specified a mandatory training under the topic of "Environmental Management" for employees who are managers and department heads and had invited Professor Pisuth Pienmonkul, Ph.D., Deputy Dean of Faculty of Engineering, Chulalongkorn University and the executive director of Electricity Generating Authority of Thailand (EGAT) as a guest speaker. The program was held in 3 batches with a total of 160 employees attending the training.

3. Creation of Good Corporate Governance Culture

As a leading organization, The Company has consistently emphasized on good operation practices to set an example for every personnel. The Company has arranged for trainings for all department managers and department heads and specified the topic of "Governance in Administration and Management" mandatory training. Such training has been conducted by expert speakers and there were approximately 200 employees attending this training. Besides, the Company also organized "Employee Policies" program in which the Company's speaker was responsible for training employees of every level. Such policies comprise of 4 major policies follows:

1. Fraud prevention and anti-corruption policy to prevent any misconducts or to refrain from supporting any misuses of authority in every form.
2. Policy and guidelines on human rights to realize the importance of respect of human rights while participating in human rights and rights at the workplace.
3. Supervision of inside information usage policy and corporate information disclosure policy to prevent any transactions with potential conflict of interest and to create fairness to every stakeholder of every sector in acknowledging the Company's information in an equal manner. This will ultimately support and promote the Company to become corporate governance organization with credibility and transparency in operation.
4. Policy on non-infringement of intellectual property rights and copyrights to comply with relevant law of intellectual property rights and copyrights such as laws concerning trademark, patent, copyright and other related laws.

4. Providing Knowledge of Inside Information Usage

Apart from providing training programs for personnel of the organization which include supervision of inside information usage policy and corporate information disclosure policy to ensure that every stakeholder of every sector can get an equal and fair access to the Company's information. Besides, the Company has consistently emphasized on business administration of the hospital that must be systematic as well as ensured that the Company's online data. Advertisement and e-commerce must be conducted legally. The management of customers' information must be within the criteria prescribed in Personal Data Protection Act B.E. 2562 (PDPA) in which the Company organized the training for every executive and staff under the topic of "Knowledge sharing session on the legal requirements for compliance with the Personal Data Protection Act B.E. 2562 (PDPA)".

5. Knowledge Development and Management within the Organization

For long-term personal development, the Company has employed information technology system to enhance the efficiency of human resources development and to promote knowledge management as well as to consistently improve training channel also initiates via E-learning. In addition, to further the development of the previous year, the Company's online media and short animation film to instill knowledge of code of conduct for the employees, make viral clip to foster employees' engagement as well as provide online media for new employees' orientation. This is to enable new employees to understand organizational culture, administration and management structure to be well-equipped for further operation of the organization.

6. Outside Training

Apart from internal training, the Company has encouraged executives and staffs to receive training from leading and famous institutions and organizations. The Company has stressed on skills development, especially in the area of functional competencies to develop knowledge and potential and to exchange new administrative viewpoints and insights with other speakers and organizations. For this year, the Company sent more than 100 executives and staffs to get trainings from external organizations; for example,

- Forget Ex-Growth, Focus Next-Growth
- Global Business Dialogue 2019: Designing New Growth Model towards Sustainability
- The HR Challenges: Deal with People of the Future
- Employee Fraud Detection Investment and & Litigation

In addition, The Company has organized training on e-Commerce, online media via hospital's website and other social media as well as sold medicines and medical supplies through the Company's website or other social media channels. The Company has also arranged for general knowledge training and legal knowledge concerning e-Commerce, especially in the area of health and medical business. Besides, the Company has emphasized on online business transactions, legal knowledge in personal data protection, cyber practices and safety, including knowledge pertaining to cybercrime.

On this occasion, the Company invited speakers from Office of the Consumer Protection Board to provide knowledge to executives and employees at every level. The topic under discussion includes consumer protection law to foster accurate knowledge and understanding of advertising and public relations of products and services provided by hospitals and subsidiaries as well as to promote marketing strategies that comply with consumer protection law and subordinate legislation.

Information on personnel training of the Company and subsidiaries during 2017-2019

Details	2019	2018	2017
Total number of training hours of all employees	1,554,222 hours	1,604,649 hours	1,392,616 hours
Total hours per person	41 hours/person	43 hours/person	48 hours/person

Labor dispute issues during the last 3 years

There have been no significant labor disputes during the last 3 years.

Total compensation of employees

In 2019, the Company and its subsidiaries paid the employee compensation which comprises of salaries, overtime, social security, provident funds, medical fees and other welfares totaling Baht 20,704 million, among which Baht 3,832 million was allocated to the Company's expenditures and Baht 16,872 million to those of its subsidiaries.

Biography of Directors and Executives

Professor Emeritus

Arun Pausawasdi, M.D.

Chairman of the Board of Directors/Independent Director
Age 81 years

Education

- Dr. Med, Hamburg University, German
- Facharzt fur Chirurgie, The Medical Council of Hamburg, German
- Certificate of Medical Clinic, Mahidol University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

- Director Accreditation Program Class 45, Thai Institute of Directors Association (IOD)

Experience

- Assistant to Ministry of Public Health
- Executive Advisor to Ministry of Public Health
- President, Royal College of Surgeons of Thailand
- Secretary General, Royal College of Surgeons of Thailand
- Chairman of Scientific Session Medical, The Medical Association of Thailand
- Dean, Faculty of Medicine Siriraj Hospital, Mahidol University
- Director of the Medical Association
- Advisor to the Minister of Public Health
- Vice President, The Prince Mahidol Award Foundation
- Chairman, Centre for Continuing Medical Education of Thailand

Other Positions in Listed Company

- None

Other Positions

1. 1st Vice President, Siriraj Foundation
2. Director, Chao Phya Hospital PLC.
3. Director, Chao Phya Medical Center Co., Ltd.

Period of Directorship Duration

- 21 years and 4 months (Since September 1998)

Board of Directors' meeting attendance in Year 2019

- 13/13

Shareholding in the Company*

- Total 3,818,710 shares (0.02%)

Professor Emeritus	2,818,710 shares
Arun PaUSA.wasdi, M.D.	
Spouse	1,000,000 shares

Relationship among other management

• No
Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Chuladej Yossundharakul, M.D.

Vice Chairman of the Board of Directors/Authorized Director/Chairman of Executive Committee/Member of Nomination and Remuneration Committee

Age 87 years

Education

- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate of American Board of Surgery
- Fellow American College of Surgeons
- Fellow American College of Chest Physicians
- Fellow Royal College of Surgeons of Thailand

Training

- Director Accreditation Program Class 45, Thai Institute of Directors Association (IOD)

Experience

- Head, Surgical Unit, National Cancer Institute
- Hospital Director, Karuna Pitak Hospital
- Hospital Director, Bangkok Hospital

Other Positions in Listed Company

- None

Other Positions

1. Chairman, Bangkok Hospital Pattaya, Co., Ltd.
2. Chairman, Bangkok Hospital Trat Co., Ltd.
3. Chairman, Wattanavej Co., Ltd.
4. Chairman, Phyathai 1 Hospital Co., Ltd.
5. Chairman, Phyathai 2 Hospital Co., Ltd.
6. Chairman, Phyathai 3 Hospital Co., Ltd.
7. Chairman, Thai Medical Center PLC.
8. Chairman, Sriracha Nakorn Hospital PLC.

Period of Directorship Duration

• 25 years (Since 1994)

Board of Directors' meeting attendance in Year 2019

- 13/13

Executive Committees' meeting attendance in Year 2019

- 14/14

Shareholding in the Company*

- Total 50,060,490 shares (0.32%)

Mr. Chuladej Yossundharakul, M.D.	49,530,490 shares
Spouse	530,000 shares

Relationship among other management

• No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mrs. Narumol Noi-am

Authorized Director/
Acting President/
Member of Executive Committee/
Member of Risk Management Committee/
Chief Financial Officer/
The person taking the highest responsibility
in finance and accounting (Starting Date 1/4/2008)
Age 62 years

Education

- MBA Banking and Finance, from North Texas State University, USA.
- Bachelor of Economics (second class honors) Faculty of Economics from Chulalongkorn University, Thailand

Training

- CEO CLUB 2019 "GLOBAL RISKS: WHAT ARE THE IMPLICATIONS FOR YOUR BUSINESS" by The Stock Exchange of Thailand
- CEO CLUB 2019 "Business Agility and Intrapreneurship" by Mr. William Malek, Senior Executive Director for Leadership and Innovation, SEAC Lifelong Learning Center
- TLCA CFO Professional Development Program(TLCA CFO CPD) No. 5/2019 "The CFO's role in stakeholder communications" (English Session)
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 3/2019 "Review Quarterly financial statements"
- TLCA CFO Professional Development Session (TLCA CFO CPD) No.1/2019
- Institute of business and industrial development Class 3
- Leader Program Capital Market Academy Class 15 by Capital Market Academy (CMA) The Stock Exchange of Thailand
- TLCA Leadership Development Program "Enhancing Competitiveness" by Thai Listed Companies Association & IMD
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, class 13 by King Prajadhipok's Institute
- Successful Formulation & Execution of Strategy Class 6/2010 by Thai Institute of Directors Association
- Director Certification Program Class 107, Thai Institute of Directors Association (IOD)
- Financial Executive Development Program Class 12, The Thai Institute of Banking and Finance for Executives from Financial Institutions
- Applied International Management Program, Sweden by Government of Sweden

Honor Award

- The Foundation for the Thai Society According to the One Million Dares Goodness Project in Return of The Land
 1. Executive of the year 2019
 2. Women's Exemplified Award 2019
- Institutional Investor All-Asia Executive Team 2019
- Special Achievement Awards: Best CFO Healthcare & Pharmaceutical Industry

Experience

- Senior Vice President, Investment Banking Department TMB Bank PCL.
- Senior Vice President, Finance Department Industrial Finance Corporation of Thailand

Other Positions in Listed Company

- 1. Director, Samitivej PLC.
- 2. Director, Bangkok Airways PLC.

Other Positions

- 1. Director, Thai Listed Company Association
- 2. Director, Bangkok Hospital Pattaya Co., Ltd.
- 3. Director, Bangkok Hospital Phuket Co., Ltd.
- 4. Director, Prasit Patana PLC.
- 5. Director, Phyathai 1 Hospital Co., Ltd.
- 6. Director, Phyathai 2 Hospital Co., Ltd.
- 7. Director, Phyathai 3 Hospital Co., Ltd.
- 8. Director, Sriracha Nakorn Hospital PLC.
- 9. Director, Paolo Medic Co., Ltd.
- 10. Director, Paolo Samutprakarn Co., Ltd.
- 11. Director, Siam Medical Co., Ltd.
- 12. Director, Thai Medical Center PLC.
- 13. Director, Phnom Penh Medical Services Co., Ltd.
- 14. Director, BDMS Wellness Clinic Co., Ltd.
- 15. Director, BDMS Wellness Resort Co., Ltd.
- 16. Chairman, BDMS Accounting Co., Ltd.
- 17. Chairman, Bangkok Health Insurance PLC.
- 18. Chairman, Bangkok Premier Insurance Broker Co., Ltd.
- 19. Chairman, National Healthcare Systems Co., Ltd.
- 20. Director, Bangkok Media & Broadcasting Co., Ltd.

Period of Directorship Duration • 1 year (Since January 2019)

Board of Directors' meeting attendance in Year 2019

- 11/11

Executive Committees' meeting attendance in Year 2019

- 13/13

Shareholding in the Company* • 5,500,000 Shares (0.03%)

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Pradit Theekakul

Authorized Director/
Member of Executive Committee/
Member of Risk Management Committee/
Member of Corporate Governance Committee
Age 61 years

Education

- Bachelor Degree of Law Chulalongkorn University
- The Thai Barrister
- Bachelor Degree of Arts (Political Science) Ramkamhaeng University

Training

- Director Certification Program Class 29, Thai Institute of Directors Association (IOD)

Other Positions in Listed Company

1. Director, Samitivej PLC.
2. Director, Thonburi Medical Centre PLC.
3. Director, Member of Executive Committee, Bangkok Airways PLC.

Other Positions

1. Chairman, Prasit Patana PLC.
2. Director, Phyathai 1 Hospital Co., Ltd.
3. Director, Phyathai 2 Hospital Co., Ltd.
4. Director, Phyathai 3 Hospital Co., Ltd.
5. Director, Sriracha Nakorn Hospital PLC.
6. Director, Paolo Medic Co., Ltd.
7. Director, Paolo Samutprakarn Co., Ltd.
8. Director, Siam Medical Co., Ltd.
9. Director, Thai Medical Center PLC.
10. Director, Bangkok Hospital Chaingmai Co., Ltd.
11. Director, National Healthcare Systems Co., Ltd.
12. Chairman, Royal Bangkok Healthcare Co., Ltd.
13. Chairman, A.N.B. Laboratories Co., Ltd.
14. Chairman, Bangkok Save Drug Co., Ltd.
15. Chairman, Save Drug Center Co., Ltd.
16. Director, General Hospital Products PLC.
17. Director, BDMS Wellness Clinic Co., Ltd.
18. Chairman, BDMS Training Co., Ltd.
19. Chairman, BDMS Property Management Co., Ltd.
20. Director, BDMS Accounting Co., Ltd.
21. Director, Bangkok Helicopter Services Co., Ltd.
22. Director, Bangkok Airways Holding Co., Ltd.
23. Director, Bangkok Air Catering Co., Ltd.
24. Director, Bangkok Airways Ground Services Co., Ltd.
25. Director, WFS – PG Cargo Co., Ltd.
26. Director, The Sahakol Estate Co., Ltd.
27. Director, Thai Petroleum Service Co., Ltd.
28. Director, Prasarthong - Osoth Co., Ltd.
29. Director, Sabai Sabai Niwet Co., Ltd.
30. Director, Sabai Sabai Sukhothai Co., Ltd.
31. Director, The One Enterprise Co., Ltd.
32. Director, BDMS Wellness Resort Co., Ltd.

Period of Directorship Duration

- 11 years and 9 months (Since April 2008)

Board of Directors' meeting attendance in Year 2019

- 13/13

Executive Committees' meeting attendance in Year 2019

- 14/14

Shareholding in the Company*

- 12,000,000 Shares (0.08%)

Relationship among other management

- No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board

- Yes

Dispute in the 10 preceding years

- No

Professor Emeritus Santasiri Sornmani, M.D., Ph.D.

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

Age 85 Years

Education

- Ph.D. (Tropical Medicine), Liverpool University
- Medical Doctor, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

Certificate from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 43
- Role of Compensation Committee

Experience

- Vice President for Administration, Mahidol University
- Dean, Faculty of Tropical Medicine, Mahidol University
- Member, Expert Committee on Food Borne Parasitic Diseases, WHO

Other Positions in Listed Company

- None

Other Positions

1. Vice Chairman, Medic Pharma Co., Ltd.
2. Chairman, Paolo Medic Co., Ltd.
3. Chairman, Paolo Samutprakarn Co., Ltd.
4. Chairman, Siam Medical Co., Ltd.
5. Chairman, Paolo Hospital Phrapradaeng Co., Ltd.

Period of Directorship Duration

• 25 years (Since 1994)

Board of Directors' meeting attendance in Year 2019

- 13/13

Shareholding in the Company*

• 15,651,270 shares (0.10%)

Relationship among other management

• No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board

• Yes

Dispute in the 10 preceding years

• No

Mr. Sripop Sarasas

Authorized Director/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee/Member of Risk Management Committee/Chief Administrative Officer

Age 63 years

Education

- Master Degree in Business Administration (Finance) University of Southern California, USA.
- Bachelor of Science in Medical Technology Chulalongkorn University

Training

- Certificate, Audit Committee Certified Program – ACP 1/2004 Thai Institute of Directors Association (IOD)
- Certificate, Director Certification Program 22/2002, Thai Institute of Directors Association (IOD)
- Diploma, Thai Institute of Directors Association (IOD)

Experience

- Independent Director/ Member of Audit Committee, The Royal Ceramic Industry PLC.
- Independent Director/ Member of Audit Committee, Living Land Capital PLC.

Other Positions in Listed Company

1. Independent Director/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee, Bangkok Airways PLC.
2. Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee, Advanced Information Technology PLC.
3. Independent Director/ Chairman of Audit Committee, Kiattana Transport PLC.
4. Chairman of the Board/ Independent Director/ Chairman of Audit Committee, Golden Lime PLC.

Other Positions

1. Director, BDMS Property Management Co., Ltd.
2. Director, BDMS Training Co., Ltd.
3. Director, Khan Co., Ltd.
4. Director, Parute (2008) Co., Ltd.
5. Director, the Vejdsit Foundation under the Patronage of Her Royal Highness Princess Galyani Vadhana

Number year of services

• 11 years and 9 months (since April 2008)

Board of Directors' meeting attendance in Year 2019

- 13/13

Number of company shares*

• None

Relationship among other management

• No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board

• Yes

Dispute in the 10 preceding years

• No

Mr. Chavalit Sethameteekul

Independent Director/Member of Audit Committee/Member of Nomination and Remuneration Committee /Chairman of Risk Management Committee
Age 72 years

Education

- Master of Political Science (M.Pol.Sc), Public Administration, Thammasat University
- Diploma from National Defence College of Thailand, Class 40
- Barrister at Law, Institute of Legal Education, Thai Bar Association
- Bachelor of Laws (LL.B.) (Second Class Honors), Thammasat University

Training

- Certificate from Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program Class 28/2018
 - Financial Statements of Directors Program Class 35/2018
 - Director Accreditation Program Class 6/2003
 - Director Certification Program (DCP) Class 74

Experience

- Director, General of The Thai Customs Department, Ministry of Finance
- Deputy Permanent Secretaries of Ministry of Finance
- Inspector of Ministry of Finance
- Deputy Director-General : The Excise Department of Ministry of Finance
- Chairman, The Board of Small Business Credit Guarantee Corporation
- Vice Chairman, The Board of Metropolitan Electricity Authority
- Vice President, The Board of Airports of Thailand PLC.
- Vice President, TOT PLC.
- Director, Office of The council of State
- Director, The Thai BAR

Other Positions in Listed Company

- None

Other Positions

1. President, Sriracha Harbour PLC.
2. Director, WHA Industrial Development PLC.

Period of Directorship Duration • 8 years and 9 months
(Since April 2011)

Board of Directors' meeting attendance in Year 2019
• 13/13

Shareholding in the Company* • None

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Thongchai Jira-alongkorn

Director/Member of Executive Committee
Age 60 years

Education

- Bachelor of Business Administration (Marketing), Bangkok University

Training

- Directors Accreditation Program Class 107, Thai Institute of Directors Association (IOD)

Other Positions in Listed Company

1. Director, Sansiri PLC.
2. Director, Property Perfect PLC.

Other Positions

1. Deputy Managing Director, The Viriyah Insurance PLC.
2. President, S.V.T. Property 2003 Co., Ltd.
3. Chairman, V.M.S.Car Sale Co., Ltd.
4. Chairman, Viriyah Auto Sale Co., Ltd.
5. Chairman, V.S.T.Auto Sale Co., Ltd.
6. Chairman, V.S.R.Auto Sale Co., Ltd.
7. Chairman, V.S.K.Automobile Co.,Ltd.
8. Chairman, V.Group Mitsu Auto Sale Co., Ltd.
9. Chairman, VMD Auto Sale Co., Ltd.
10. Chairman, V.G.Car Co., Ltd.
11. Chairman, V Perfect Auto Car Co., Ltd.
12. Chairman, VHD Auto Sales Co., Ltd.
13. Director, Viriyah Property Co., Ltd.

Period of Directorship Duration • 7 years and 9 months
(Since April 2012)

Board of Directors' meeting attendance in Year 2019
• 12/13

Executive Committees' meeting attendance in Year 2019
• 13/14

Shareholding in the Company* • 7,373,360 shares (0.05%)

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

*Outstanding shares held as of 30 December 2019.

Mr. Weerawong Chittmittrapap

Independent Director/
Member of Audit Committee/
Chairman of Corporate Governance Committee
Age 62 years

Education

- LL.B., Chulalongkorn University, Thailand (Outstanding Alumnus 2013, Faculty of Law, Chulalongkorn University)
- LL.M., University of Pennsylvania, USA.
- Thai Barrister-at-Law, and the first Thai lawyer to be admitted to the New York State Bar

Training

- Director Certification Program (DCP),
Thai Institute of Directors Association (IOD)
- Senior Executive Program (CMA 12), Capital Market Academy

Experience

- Director and Member of Audit Committee, GMM Grammy PLC.
- Director, Minor International PLC.
- Director and Chairman of Audit Committee,
Golden Land Property Development PLC.
- Director, Fraser and Neave,
Limited (Listed Company In Singapore)
- Director and Chairman of Audit Committee,
Thai Airways International PLC.

Other Positions in Listed Company

1. Director and Member of Nomination and Remuneration Committee, Siam Commercial Bank PLC.
2. Director, Berli Jucker PLC.
3. Director and Chairman of Nomination and Remuneration Committee,
Siam Commercial Life Assurance PLC.
4. Director, Big C Supercenter PLC.
5. Director, Frasers Centrepoint Limited
(Listed Company in Singapore)
6. Director and Member of Corporate Governance Asset World Corp PLC.

Other Positions

1. Senior Partner, Weerawong, Chinnavat & Partners Co., Ltd.
2. Special Speaker, Thai Institute of Directors Association
3. Special Speaker, King Prajadhipok's Institute

Period of Directorship Duration • 4 years and 3 months
(Since October 2015)

Board of Directors' meeting attendance in Year 2019
• 12/13

Shareholding in the Company* • None

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Kan Trakulhoon

Independent Director

Age 65 years

Education

- B.E. Electrical First Class Honours, Chulalongkorn University
- M.S. Engineering, The Georgia Institute of Technology, USA.
- M.S. Management, The Georgia Institute of Technology, USA.

Training

- Advanced Management Program (AMP),
Harvard Business School, USA.
- Director Certification Program (DCP) Class 29/2003,
Thai Institute of Directors Association (IOD)

Experience

- President & Chief Executive Officer, The Siam Cement PLC.
- Outside Director, Kubota Corporation (Japan)

Other Positions in Listed Company

1. Director, The Siam Cement PLC.
2. Independent Director, The Siam Commercial Bank PLC.
3. Chairman, Advanced Info Service PLC.
4. Independent Director, Intouch Holdings PLC.

Other Positions

- None

Period of Directorship Duration

- 2 years (Since December 2017)

Board of Directors' meeting attendance in Year 2019

- 12/13

Shareholding in the Company* • None

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

*Outstanding shares held as of 30 December 2019.

Mr. Att Thongtang

Director/Chief Executive Officer Group 5

Age 45 years

Education

- Bachelor's Degree of Science, Business Administration (Finance) San Francisco State University USA.
- Advanced Executive Program (AEP), Kellogg School of Management, Northwestern University, IL, USA.
- Executive Program for Senior Management (EXPSM), Fiscal Policy Research Institute Foundation, Thailand

Training

- Certificate from Thai Institute of Directors Association (IOD)
 - Director Accreditation Program (DAP)
 - Director Certification Program (DCP)
 - Monitoring the Internal Audit Function (MIA)
 - Audit Committee Program (ACP)
 - Monitoring the System of Internal Control and Risk Management (MIR)
- Senior Executive Program (CMA 13), Capital Market Academy
- Certificate Course in governance for Medical Practice Executive, King Prajadhipok's Institute (MDKPI)
- Top Executive Program in Commerce and Trade Class 10, Commerce Academy (TEPCOT)

Experience

- Director, Health Network PLC.
- Director, Paolo Samutprakarn Hospital Co., Ltd.
- Director, Paolo Medic Co., Ltd.
- Director, Thai Medical Center PLC.
- Director, Phyathai 1 Hospital Co., Ltd.
- Director, Sikarin PLC.

Other Positions in Listed Company

- None

Other Positions

1. Director/Chief Executive Officer, Prasit Patana PLC.
2. Director/Chief Executive Officer, Phyathai 2 Hospital Co., Ltd.
3. Director/Chief Executive Officer, Phyathai 3 Hospital Co., Ltd.
4. Director/Chief Executive Officer, Sriracha Nakorn Hospital PLC.
5. Director/Chief Executive Officer, Siam Medic Co., Ltd.
6. Chief Executive Officer, Phyathai 1 Hospital Co., Ltd.
7. Chief Executive Officer, Paolo Samutprakarn Co., Ltd.
8. Chief Executive Officer, Paolo Medic Co., Ltd.
9. Chief Executive Officer, Siam Medic Co., Ltd.
10. Director, Saithong Property Co., Ltd.
11. Director, Saithong Turakij Co., Ltd.
12. Director, Wichai Thongtang Law Office Co., Ltd.

Period of Directorship Duration • 3 years and 9 months

(Since April 2016)

Board of Directors' meeting attendance in Year 2019

- 13/13

Shareholding in the Company*

- Total 212,744,295 shares (1.34%)

Mr. Att Thongtang

212,694,295 shares

Spouse

50,000 shares

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Arsa Sarasin

Independent Director

Age 83 years

Education

- Honorary Doctoral Degree in Political Science (International Affair), Thammasat University, Thailand
- Bachelor of Business, Boston University, USA.

Training

- Certificate from Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) 5/2003
 - Audit Committee Program (ACP) 19/2007
 - Finance for Non-Finance Directors 39/2008
 - Role of Chairman Program 32/2013

Experience

- Chairman of the CSR Committee for Sustainable Development and Member of the Governance and Nomination Committee, Siam Cement PLC.
- Chairman, Masod Clean Energy Co., Ltd.
- Vice Chairman, Chairman of Audit Committee, Chairman of the Remuneration and Nominating Committee, Chairman of the Corporate Governance Committee, Charoen Pokphand Foods PLC.
- His Majesty's Principal Private Secretary
- Vice Chairman of the Board of Directors and Advisor, Bangkok Bank PLC.
- Director, Vinythai PLC.
- Chairman of the Thai-Laos Association
- Chief Executive Officer, Padaeng Industry PLC.
- The Minister of Foreign Affairs
- Thai Ambassador to the USA.
- The Permanent Secretary of The Ministry of Foreign Affairs
- Thai Ambassador to Belgium & Chief of Mission to the European Community

Other Positions in Listed Company

1. Chairman/Independent Director, Dusit Thani PLC.
2. Chairman Padaeng Industry PLC.

Other Positions

1. Chairman, Mitsubishi Elevator Asia Co., Ltd.
2. Chairman of Advisor, Thai-Laos Association
3. Chairman of the Board of Govenor, Amata Spring Country Club
4. Director, Thai Pure Drinks Co., Ltd.
5. Chairman, Amata City Co., Ltd.
6. Chairman, Thai Asia Pacific Brewery Co., Ltd.

Period of Directorship Duration • 1 year and 10 months
(since March 2018)

Board of Directors' meeting attendance in Year 2019

- 12/13

Shareholding in the Company* • None

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Puttipong Prasarttong-Osoth

Director

Age 55 Years

Education

- Bachelor of Accounting Degree, Chulalongkorn University
- Diploma Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Diploma, National Defense College, The joint State - Private Sector Course Class 24, Thailand National Defense College (TNDC)
- Diploma from Judicial Training Institute
- Diploma, Commercial Pilot License, Civil Aviation Training Center

Training

- Certificate from Thai Institute of Directors Association (IOD)
- Directors Accreditation Program (DAP) 100/2013
 - Directors Certification Program (DCP) 241/2017
 - Boards that Make a Difference (BMD) 9/2019

Experience

- Senior Vice President - Operation, Bangkok Airways PLC.
- Vice President - Planning, Bangkok Airways PLC.

Other Positions in Listed Company

1. Director, Bangkok Aviation Fuel Services PLC.
2. Vice Chairman, Bangkok Airways PLC.

Other Positions

1. Chairman, Bangkok Air Ground Services Co., Ltd.
2. Chairman, Bangkok Air Catering Phuket Co., Ltd.
3. Chairman, BAC Gourmet House Co., Ltd.
4. Chairman, Bangkok Air Catering Samui Co., Ltd.
5. Chairman, Gourmet Primo Co., Ltd.
6. Chairman, Bangkok Air Catering Co., Ltd.
7. Chairman, Bangkok Air Catering Chiangmai Co., Ltd.
8. Director, The Sahakol Estate Co., Ltd.
9. Director, Aeronautical Radio of Thailand Co., Ltd.
10. Director, Bangkok Media & Broadcasting Co., Ltd.
11. Director, WFS-PG Cargo Co., Ltd.
12. Director, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
13. Director, Fuel Pipeline Transportation Co., Ltd.
14. Director, Bangkok Airways Holding Co., Ltd.

Period of Directorship Duration • 1 year (since January 2019)

Board of Directors' meeting attendance in Year 2019

- 11/11

Shareholding in the Company* • Total 19,326,660 Shares (0.12%)

Mr. Puttipong Prasarttong-Osoth	19,026,660 Shares
Spouse	300,000 Shares

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

*Outstanding shares held as of 30 December 2019.

Mr. Chairat Panthuraamphorn, M.D.

Director/ Member of Executive Committee/

Chief Operating Officer (COO)

Age 65 years

Education

- Bachelor of Science (Medical Science), Faculty of Science Siriraj Hospital, Mahidol University
- Doctor of Medicine (M.D.), Faculty of Medicine Siriraj Hospital, Mahidol University
- Diplomate Thai Board of Obstetrics and Gynaecology, Faculty of Medicine Siriraj Hospital, Mahidol University

Training

- Certificate from Thai Institute of Directors Association (IOD)
 - Director Certification Program (DCP) 99
 - Risk Management Program for Corporate Leaders (RCL) 5/2016
- Advanced Executive Program, Kellogg, School of Management
- Good Governance for Medical Executives batch 1, King Prajadhipok's Institute and the Medical Council of Thailand
- Leader Program batch 19, Capital Market Academy
- Senior Executives on Justice Administration batch 23, National Justice Academy, Judicial Training Institute, Office of the Judiciary

Experience

- Deputy Hospital Director, Samitivej Srinakarin Hospital
- Hospital Director, Samitivej Sriracha Hospital
- Hospital Director, Samitivej Srinakarin Hospital
- Deputy CEO, Samitivej PLC.
- Director, Samitivej Chonburi Co., Ltd.
- Managing Director, Samitivej Sriracha Co., Ltd.
- Managing Director, Thonburi Medical Centre PLC.
- Managing Director, BNH Medical Center Co., Ltd.
- Director, Digital Ventures Co., Ltd.

Other Positions in Listed Company

1. Managing Director and CEO, Samitivej PLC.
2. Chairman, Thonburi Medical Centre PLC.

Other Positions

1. Director, Samitivej Sriracha Co., Ltd.
2. Director, Irving Sheridan SE Co., Ltd.
3. Director, First Health Food Co., Ltd.
4. Director, SV Holding Co., Ltd.
5. Director, BNH Medical Center Co., Ltd.
6. Chairman, Samitivej Chonburi Co., Ltd.
7. Director, National Healthcare Systems Co., Ltd.
8. Director, Bio Molecular Laboratories (Thailand) Co., Ltd.
9. Chairman, Greenline Synergy Co., Ltd.

Period of Directorship Duration • 9 months (since April 2019)

Board of Directors' meeting attendance in Year 2019

• 9/9

Executive Committees's meeting attendance in Year 2019

• 8/8

Shareholding in the Company* • None

Relationship among other management • No

Directorship Qualifications according to applicable laws and does not have prohibited qualifications according to the announcement of the Capital Market Supervisory Board • Yes

Dispute in the 10 preceding years • No

Mr. Trin Charumilind, M.D.

Chief Medical Officer

Age 69 years

Education

- Diplomate American Board of Allergy and Immunology, USA.
- Diplomate American Board of Pediatrics, USA.
- Faculty of Medicine Siriraj Hospital/
Mahidol University, Thailand

Experience

- Chief Medical Officer, Bangkok Hospital Medical Center
- Director of Bangkok Allergy and Asthma Center

Other Positions in Listed Company

- None

Other Positions

1. Director, Bangkok Hospital Sanamchan Co., Ltd.
2. Director, Bangkok Hospital Muangraj Co., Ltd.
3. Director, Bangkok Hospital Khon Kaen Co., Ltd.
4. Director, Bangkok Hospital Pitsanulok Co., Ltd.
5. Director, The Medic Pharma Co., Ltd.
6. Director, National Healthcare Systems Co., Ltd.
7. Director, N Health Pathology Co., Ltd.
8. Director, Bangkok Hospital Phuket International Co., Ltd.
9. Member of the committee to develop the master of science program (Emergency Medical Technician Program) Rangsit University

Shareholding in the Company*

- Total 35,900 Shares (0.00%)

Mr. Trin Charumilind, M.D.	0 Shares
Spouse	35,900 Shares

Relationship among other management

- No

Mrs. Wannapa Pavavech

Assistant Chief Financial Officer

The person supervising accounting

(Starting Date 12/11/2007)

Age 51 years

Education

- Master of Science (Finance):–Milwaukee, USA
- Graduate Diploma in Auditing : Thammasat University
- Bachelor of Science (Accounting)
with second class honors : Kasetsart University

Training

- Director Certification Program 109/2018
- Strategic CFO in Capital Market Program 6/2018
- TFRS All 2/2562 (2019)
- 2019 Tax Planning
- TFRS 15 and TFRS 16 (2019)

Experience

- Senior Manager Audit Department, PricewaterhouseCoopers
- Senior Manager Transaction Services Department,
PricewaterhouseCoopers

Other Positions in Listed Company

- None

Other Positions

1. Managing Director, BDMS Accounting Co., Ltd.
2. Director/Chief Financial Officer, A.N.B. Laboratories Co., Ltd.
3. Director/Chief Financial Officer, Save Drug Center Co., Ltd.
4. Director/Chief Financial Officer, The Medic Pharma Co., Ltd.
5. Director, Bangkok Hospital Muangraj Co., Ltd.
6. Director, Bangkok Hospital Sanamchan Co., Ltd.
7. Director, Bangkok Save Drug Co., Ltd.
8. Director, Royal Bangkok Healthcare Co., Ltd.
9. Director, General Hospital Products Public Co., Ltd.
10. Director, BDMS Training Co., Ltd.
11. Director, N Health Asia Co., Ltd.
12. Director, One Enterprise Co., Ltd.
13. Director, One 31 Co., Ltd.
14. Director, Exact Scenario Co., Ltd.
15. Director, Acts Studio Co., Ltd.
16. Director, Prananporn Co., Ltd.

Shareholding in the Company*

- 40,000 Shares (0.00%)

Relationship among other management

- No

Corporate Governance

The Company recognizes its role, duty and responsibility in practicing good corporate governance and believes that corporate governance shall determine the structure and relationship among shareholders, the Board of Directors, the management and every shareholder with the aim to increase the competitiveness and business value for the shareholders in the long run as well as to consider the benefits of other stakeholders which in turn will ensure the Company's continuous and sustainable growth.

The Board of Directors plays many significant roles, one of which is to ensure corporate governance and to assign such duty to the President and the management to comply with corporate governance policies approved by the Board of Directors as well as to conform to the guidelines set forth by the Securities and Exchange Commission. The Company has consistently monitored new regulations that have been put into practice and has adjusted the Company's practices to be in line with such regulations.

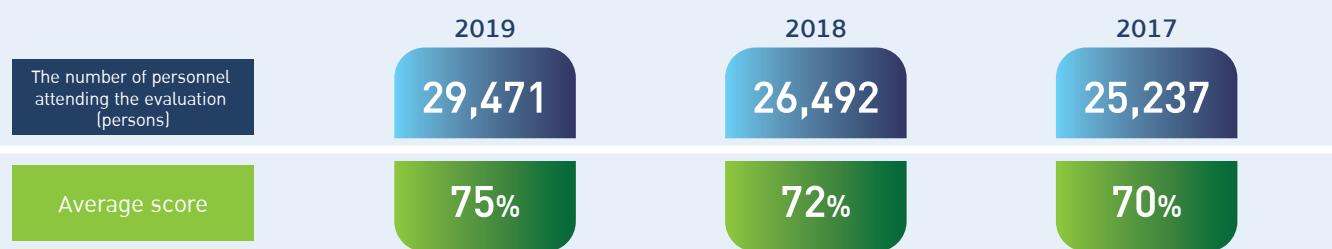
1. Corporate Governance Policy

The Board of Directors has determined good corporate governance policy as guidelines for all directors, executives and employees of the Company Group. Therefore, the Board of Directors appointed the Corporate Governance Committee to supervise and filter matters relating to corporate governance, including monitoring, review and revision of the existing corporate governance policy to ensure that it is up-to-date and consistent with current situation. The Committee shall also ensure that the policy is in line with good corporate governance as determined by the regulatory body as well as international standards. Besides, the Committee shall propose such policy to the Board for review and approval at least once a year. Nonetheless, the Board of Directors has constantly emphasized good corporate governance through integration of policies and business directions as well as sufficient internal control and auditing. In addition, the Board assigned the Audit Committee the task of drafting the internal audit plan to ensure that the organization has complied with all policies. Moreover, the Board of Directors has supervised the management to act efficiently under the established policies to ascertain that the Company's operations are transparent, ethical and abide by governing laws and regulations.

For corporate governance policy, the Board of Directors has consistently reviewed the policy's appropriateness once a year. The Board of Director has reviewed and approved the current policy at the meeting no 1/2020 on 29 January 2020 in which the contents of such policy encompass and are in compliance with good corporate governance principle for listed companies 2020 under the following topics:

1. Sustainable value creation
2. Roles and responsibilities of the Board of Directors
3. Rights and equal treatment of shareholders
4. Policies and treatment of stakeholders
5. Information disclosure and transparency

In addition, the Board determined and declared various issues of business ethics policies such as the Company's Codes of Conduct, Whistleblower Policy, Corporate information disclosure Policy, Supervision of Using Inside Information Policy, Fraud Prevention and anti-corruption Policy, Policy and Guidelines on Human Rights, Policy on Non-Infringement of Intellectual Property Rights and Copyrights, etc. The Board shall ensure that the executives and staffs strongly adhere to these established policies and practice them throughout the organization. Besides, the Board shall follow-up the compliance and evaluate results regularly in which the Company has specified every executive and staff to complete the test at least once a year to ascertain whether they understand various policies of the Company. The average scores from the evaluation of awareness on ethics and corporate governance policies of the Company's personnel and those of its subsidiaries during 2017-2019 are as follows:



Sustainable Value Creation

The Board of Directors has the intention to promote the Company and its subsidiaries in becoming the efficient organization in terms of good corporate governance, management excellence and business operation with responsibility, ethics, fairness, transparency and accountability. Nonetheless, the Board, the management and every staff are jointly responsible for creating a sustainable value by carrying out their duties with determination and to the fullest extent of their ability. They must express the duty of care and duty of loyalty to achieve the organization's established goals and objectives under laws, rules and business ethics which in turn, promote the organization's competitiveness and good performance by taking into consideration long-term impacts, benefits to the society, responsibility to the shareholders and stakeholders as well as adaptability to changes. Thus, the Board of Directors has approved the sustainable development policy and announced the concrete use of such policy to determine guidelines on the organization's management in accordance with the principles of sustainable development and involvement with every group of stakeholders.

Roles and Responsibilities of the Board of Directors

Board Structure

As of 31 December 2019, the Board of Directors comprise of 14 members, 6 being the executive directors, 2 non-executive directors and 6 independent directors.

Executive Director

Executive Directors are directors who are involved full-time with the management and receive monthly compensation from the Company in a form of salary or other compensations as identified in the Company's regulations or benefit plans.

Non-Executive Director

Non-executive directors are directors who are not involved with full-time management of the Company nor they receive compensation in a form of salary. However, these non-executive directors may be appointed or act as a representative of major shareholder.

Independent Director

Independent directors are directors who are not involved in the management of the Company, its subsidiaries, affiliates or other related companies. They are also independent of the management, major shareholders or any persons with an authority to take over the business. These independent directors must not possess any businesses or have any relations in terms of business interest with the Company, its subsidiaries, affiliates or other relevant companies which may affect the interest of the Company and/or the shareholders.

Qualifications of Independent Directors, which the Company has set according to regulations of the SEC, are as follows:

1. Hold less than 1.0 percent of the voting shares of the Company, the parent company, its subsidiaries, affiliates or any legal entities with potential conflicts of interest. This also includes shares held by related persons of such independent director (related persons mean persons as defined in Section 258 of the Securities and Exchange Act).
2. Is not/has not been an executive director, employee, staff, salaried consultant or person with a controlling power of the Company, its subsidiaries, affiliates, same level subsidiaries, major shareholders or person with a controlling power, unless such status has ended no less than 2 years prior to the appointment. This restriction shall not apply to an independent director who used to be a civil servant or a consultant of the government authority that is a major shareholder or person with a controlling power of the Company (same level subsidiaries mean subsidiaries with the same parent company).
3. Is not a blood relative or has a legally registered relationship as father, mother, spouse, sibling and child as well as spouse of a child, the management, major shareholder, person with a controlling power or persons to be proposed as the management or person with a controlling power of the Company or its subsidiaries.

4. Does not have/has not had any business relations with the Company, the parent company, subsidiaries, affiliates, major shareholders or person with a controlling power in a manner that may hinder one's independent judgment. In addition, the individual must not be or has never been a substantial shareholder or person with a controlling power or any entities with business relation with the Company, the parent company, subsidiaries, affiliates or person with a controlling power of the Company unless that status has ended no less than 2 years prior to the appointment.
5. Is not/has not been an auditor of the Company, the parent company, subsidiaries, affiliates, major shareholders or person with a controlling power of the Company and is not a substantial shareholder, person with a controlling power or partner of the audit team which employs the auditor of the Company, the parent company, subsidiaries, affiliates, major shareholders or person with a controlling power unless such status has ended no less than 2 years prior to the appointment.
6. Is not/has not been any professional service providers which include legal consultant or financial advisor who receives service fees exceeding Baht 2 million per year from the Company, the parent company, subsidiaries, affiliates, major shareholders or person with a controlling power of the Company and is not a substantial shareholder, person with a controlling power or partner of the professional advisor unless such status has ended no less than 2 year prior to the appointment.
7. Is not a director who has been appointed as a representative of the Company's directors, major shareholders or any shareholders relating to a major shareholder.
8. Apart from the directors' qualifications concerning business operation of the similar nature with that of the Company and its subsidiaries, the independent directors must not be an employee, staff, salaried advisor or holds more than 1 percent of the total shares with voting right of other companies whose business is of the same nature and deemed as a significant competition with that of the Company or its subsidiaries.
9. Does not possess any other characteristics which may render such person incapable of expressing his/ her opinions independently with regard to the Company's business operations.

Independent directors may be assigned by the Board of Directors to make decisions regarding the operations of the Company, its subsidiaries, affiliates, same level subsidiaries or any legal entities with potential conflicts of interest through a collective decision.

Separation of Positions

1. At present, the Chairman of the Board of Directors is an independent director. The Company has stipulated that the Chairman and the President must not be the same person so that the Chairman can perform his duties independently from the management and can make any decisions freely, including the responsibility in monitoring the directors to carry out their respective duties transparently and without bias. Besides, the Chairman shall act fairly in using policy and active strategy to ensure that the Board meetings are held and all directors participate and independently raise questions at each meeting.
2. The Company has determined that the Chairman of the Board must not be a member of the Nomination and Remuneration Committee so that the Committee shall be free to make decisions independent of the Board of Directors.

Separation of Duties between Directors and the Management

The Company has clearly separated the responsibility of the Board of Directors from that of the management whereby the Board of Directors shall determine the policy and supervise the management's operations at the policy level. The Board of Directors shall meet on a monthly basis to follow-up and support strategic policies of the Company. At the same time, the Board of Directors shall not interfere with day-to-day operations or business activities under the responsibility of the Executive Committee and the President while the management under the supervision of the President shall perform their respective duties in compliance with established policies and objectives as only the President can be assigned such tasks by the Board of Directors and the Executive Committee. Therefore, the management efficiently responds to the power and authority of the President, the Sub-Committees and every level of the management.

Term of Directorship

In principle the directors should not serve for a long and continuous period of time; however, there is a shortage of experienced personnel with knowledge and understanding of healthcare as well as the limitations in finding suitable personnel for replacement. In addition, the Company must take into consideration the management risks that may arise due to lack of knowledge and understanding of healthcare business which is deemed an important factor in selecting directors with specialized expertise and can truly understand the Company's business. Thus, the Company has not officially determined the time limit concerning the term of directors.

Determining the Number of Companies which will be held the Director of Listed Companies on the Stock Exchange of Thailand

The Company has set up the policy that each director can hold no more than 5 directorships of the companies listed on the Stock Exchange of Thailand (including directorship of the Company) as it may result in a lack of complete performance in one of those companies.

Orientation of New Directors

The Company recognizes the importance of new directors in performing their respective duties; therefore, the Company has provided overall operational guidelines of the Company, the structure of subsidiaries, affiliates and other business-related companies to foster work procedures and the shareholding structure within the Group. In addition, the directors must be informed of significant information required for their duties such as the Charter of the Board of Directors and the Sub-Committees, overall business operation of the Company, internal organization chart, the Articles of Association, the Company's objectives, business ethics of the Board of Directors as well as corporate governance policies that govern and practiced within the Group.

Roles and Duties of Directors

Every director has the duty and responsibility to determine and monitor the operational policies of the Company. Apart from the duties and responsibilities of the Board as stated in "the Management Structure", other respective duties are as follows:

1. Directors shall have sufficient access to financial information and other business-related information to ensure their efficient operation.
2. Directors shall attend every Board meeting as well as Sub-Committee meetings and raise important questions to protect and maintain the rights and interests of the shareholders and stakeholders and also to ensure the Company's compliance with good practices.
3. Directors shall attend every shareholders' meeting, especially directors who have been appointed to the Audit Committee in order to answer and provide explanations to the shareholders as well as acknowledge recommendations from the shareholders.
4. Directors shall possess the ability and have an intention to learn about the Company's business as well as express their opinions independently by devoting adequate time and interest to each significant matter.
5. Independent directors shall submit a confirmation letter to ensure their independence according to the Company's definition on the day that such independent director has been appointed and every year following that appointment.
6. Assess the performance of the Board of Directors and Sub-Committees whereby the assessment shall be conducted as a whole and as an individual basis.
7. Any other duties of the directors as stipulated in the notification, regulation, act or other laws governing the Company.

In 2019, the Board of Directors considered and reviewed the Company's strategies, goals and directions to be appropriate and pertinent to its business operation as well as monitored the practice of such strategies to ensure its compliance with policies, rules, laws and other relevant regulations. Besides, the Company has specified its risk management policy to remain at an appropriate level within prescribed law, objectives and the resolution of the Board's meeting with honesty, care as well as taken into consideration the Company's best interest and responsibility to every shareholder and stakeholder.

Meetings of the Board of Directors and Sub-Committees

The Company has specified the dates for the meetings of the Board of Directors and the executives in advance throughout the year and may set additional meetings as deemed necessary. The regular Board meeting shall be held on the last Wednesday of each month and the Executive Committee meeting shall be held on the Tuesdays prior to the Board meetings to enable the directors and every member of the Executive Committee to acknowledge the meeting dates beforehand. The agenda of each meeting will also be set in advance as well as continuing agendas to follow-up the tasks already assigned. The Company Secretary shall send the meeting invitations and the agenda at least 7 days prior to the meeting so that the directors shall have adequate time to review the information before attending the meeting.

For the meetings of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee, the Company has not specified meeting schedules in advance. However, the meetings of these four Sub-Committees are held as deemed appropriate and when there are matters that need to be considered. After the Sub-Committee meetings, the Chairman of such committee or an assigned person shall report the result of such meeting to the Board of Directors at the next Board meeting.

Meeting of Non-executive Directors without Presence of Management

For the business operation during 2019, non-executive directors organized 1 meeting among themselves and without the presence of the Management in order to discuss as well as to summarize opinions and suggestions relating to the business operation of the past year. Such meeting was held in accordance with the Company's corporate governance policy which has determined that non-executive directors should have a meeting without the management at least once a year to summarize opinions, from an independent perspective of directors who are not involved in management, that are beneficial to the Company's business operations.

Specification of the Minimum Quorum and Meeting Attendance of the Director

The Company has set a policy that the minimum quorum of the board of directors should not less than two-thirds of the total number of the company directors and that directors and sub-committee members should attend meetings in each group not less than 75 percent.

Performance assessment of the Board of Directors and Sub-Committees

The Board of Directors and the Sub-Committees have performed the self-assessment, both as a whole and as an individual, on an annual basis and at least once a year to improve the utmost efficiency and effectiveness of the operation. The assessment form encompasses the following topics:

1. Assessment of the structure's efficiency and qualifications of the Board and the Sub-Committees
2. Adequacy and appropriateness of meeting agendas and the number of meetings
3. Efficiency and operational performance of the Board and the Sub-Committees

The process of performance assessment is as indicated below:

1. The Company Secretary shall propose the performance assessment form of the Board of Directors and the Sub-Committees to the Corporate Governance Committee for consideration and review.

2. The Company Secretary shall submit the assessment form which has already been considered according to clause 1 to every director and member of the Sub-Committees to perform the annual assessment.

3. The Company Secretary shall gather all assessment forms from the directors to summarize the assessment results and then propose to the Board meeting for acknowledgement.

Performance Assessment of President

The Board of Directors assigns the Nomination and Remuneration Committee to assess the performance of the President by considering various criteria such as leadership qualifications, established strategies, business performance of the Company, compliance with policies as stipulated by the Board of Directors, coupled with an overall economic and social condition. The Nomination and Remuneration Committee will employ the information to consider the remunerations for the President in which current information and past information in terms of various factors shall be taken into consideration:

1. Operating results by considering the income growth, percentage of EBITDA and profits compared to financial objectives and established strategies.
2. Compare business performance with the same industry of both domestic and foreign markets.
3. Capability in business development and improvement of operational efficiency of the Company Group.

Policy on Directors' Remuneration

At present, the Company has assigned the Nomination and Remuneration Committee to determine the remuneration of directors fairly and appropriately with the duties and responsibilities of directors by comparing with the remuneration of other leading companies listed on the Stock Exchange of Thailand as well as those companies of a similar size within the same industry. Besides, the remuneration must be in line with the Company's operational results and must be approved at the shareholders' meeting. The structure of the remuneration for the Board of Directors and the Sub-Committees comprise of:

- 1) annual allowance which shall be allocated according to business performance of each year and,
- 2) meeting allowance in which the directors and Sub-Committees will be paid at the rate approved by the Shareholders' Meeting and based on their actual meeting attendance.

Policy on Executives and Employees Remuneration

The Company has established the policy on the determination of remuneration for its personnel to be in the same level of other companies within the same industry in a fair manner. The Board of Directors has realized the importance of fair employment by considering the capability and operational efficiency of personnel in different positions as well as the principle of equality and fairness, appropriate qualifications and obligations with the Company. To promote the personnel's career advancement and sustainable growth with the Company; therefore, the Company has specified the remuneration policy in accordance with the organizational performance and connected various operations of employees as follows:

1. Short-term remuneration: The Company has determined remuneration payment which is appropriately comparable to general payment rate of other organizations within the same business so as to maintain and promote the competitiveness in human resources for the organization. Besides, the Company has specified bonus payment from the business performance of each year by connecting with the performance of the employees to encourage them to perform their respective duties as stipulated in the organization's annual goals and objectives.

2. Long-term remuneration: The Company has determined remuneration payment to maintain and encourage employees to perform their respective duties that in turn, shall enable the organization to achieve its established goals in the long run such as guidelines on annual increase of wages, medical welfare and provident funds which fluctuate depending on job duration etc. In addition, the Company has adhered to the remuneration principles as follows:

- The Company has determined the remuneration which is comparable to the standard payment rate of other organizations within the same industry to maintain and promote the competitiveness in human resources for the organization.
- The Company has connected corporate performance with individual performance under transparent criteria in determining appropriate remuneration according to performance.
- The Company has specified the framework in planning and control of remuneration payment which must be pertinent to the organization's annual budget plan and such remuneration payment can be determined from its ability to pay, both short-term and long-term. Moreover, the Company shall possess the flexibility in improving the budget during the year to be in line with the organization's performance in a timely manner.

Knowledge Enhancement of Directors

The Company realizes its roles, duties and responsibilities towards the Company; therefore, the Company has emphasized on knowledge development of the directors and the management to ensure that they possess knowledge, capability, skill and potential. To achieve this end, the Company has consistently organized seminars and trainings beneficial to their operation, both inside and outside the Company. The programs will promote the directors' understanding of efficient corporate governance while enabling them to use such knowledge for continuous good corporate governance policy. All 14 members of the Board and the Company Secretary attended and already passed the Director Certification Program and/or Director Accreditation Program on regulations, policies and specifications of the Stock Exchange of Thailand and SEC as well as important programs organized by Thai Institute of Directors (IOD) that will be beneficial to their operation. These programs are as listed below:

- Advanced Audit Committee Program (AACP)
- Finance Statements for Directors Program (FSD)
- Roles of Compensation Committee Program (RCC)
- Roles of the Nomination and Governance Committee (RNGC)
- Anti-Corruption the Practical Guide (ACPG)
- Ethical Leadership Program (ELP)

In 2019, the Company's directors attended the seminars and trainings as follows:

Director	Seminar/ Training/ Activity
Mrs. Narumol Noi-am	<ul style="list-style-type: none"> • CEO Club 2019 under the topic of "Global risks: What are the implications for your business" held by the Stock Exchange of Thailand • CEO Club 2019 under the topic of "Business agility and intrapreneurship" • TLCA CFO Professional Development Program (TLCA CFO CPD) no.5/2019 "The CFO's role in stakeholder communications" • TLCA CFO Professional Development Program (TLCA CFO CPD) no.3/2019 "Review on corporate governance of a quarterly financial statement" • TLCA CFO Professional Development Session (TLCA CFO CPD) no.1/2019 under the topic of "SEC's policies for the development of capital market and operational support of listed companies"
Mr. Sripop Sarasas	<ul style="list-style-type: none"> • "Business sustainability in the digital era: Know fast – Use wisely", held by EY Office on 25 November 2019

In addition, the Company has assigned the Company Secretary to summarize any significant changes of regulations and specifications and report to the President for further reporting to the Board of Directors for their acknowledgement and put into practice. In some cases, the Company may invite experts on a specialized field to provide training and disseminate such information or specifications at the Board meeting for their acknowledgement to further put into practice.

Rights and Equitable Treatment of Shareholders

1. General Rights and Equality

The Company is responsible for the shareholders in information disclosure, preparation of financial statements, use of inside information and resolution on conflicts of interest. The management must be ethical and any decisions made must be made with honesty and fairness to both major and minor shareholders for the utmost benefits of all related parties.

The Company is well aware of its significant responsibility in assigning rights without prejudice and equal treatment to every shareholder. It is the Company's duty to protect the interests and the right of shareholders, including the right to receive dividends and adequate information relating to the Company on a regular basis. Besides, the Company has the duty to disseminate information transparently and shows its responsibility as the management by holding the shareholders' meetings.

The Company has the policy to support disclosure of information and business transactions to ensure that the shareholders shall have a clear understanding of the Company's business operations. The Company is determined to create equality among every group of shareholders whether they be major shareholders, minor shareholders, institutional investors or foreign shareholders. Each group of shareholders shall equally have the information pertaining to business operations, management policies and report of financial statements as well as the rights to be treated fairly.

At each shareholder's meeting, the Company has distributed the meeting invitation including details of each meeting agenda, supporting reason, the Board's opinions as well as other documents for consideration on each agenda item so that the shareholders shall be well informed and to facilitate each shareholder to receive clear and adequate information as well as have sufficient time to study the information prior to the shareholders' meeting. The Company has published the meeting invitation and supporting documents of each agenda item, including other relevant documents such as an identification document needed to present before attending the meeting, proxy procedures, registration, proxy form, map of meeting venue, both in Thai and English, which shall be published via SETLINK system on the SET portal and on the Company's website 30 days prior to the meeting. Such documents must be sent at least 10 days in advance for general agenda items, which is more than the number of days required by law and at least 14 days in advance in a case where an approval of connected transactions or special resolutions are required.

To provide convenience to the shareholders who are unable to attend the meeting, such shareholders may appoint proxy to attend the meeting and vote on their behalf. The Company has prepared detailed proxy form (proxy form B) which will be sent together with the meeting invitation, including a list of identification documents and evidences required to attend the meeting, proxy procedures and registration form or the shareholders can download the proxy form from the Company's website. Moreover, to provide another channel in maintaining the rights of shareholders, the Company suggests another option that the shareholders can appoint an independent director of the Company as proxy to attend the meeting and vote on their behalf. To achieve this end, the Company has provided information on the independent director whom the Company proposes as a proxy for such shareholder with the meeting invitation so that the shareholders can consider appointing the independent director as proxy to attend the meeting and vote on their behalf in case they are unable to attend the meeting in person.

The Company also sets the policy to provide an opportunity to the shareholders to propose important agenda items for the Annual General Meeting of the Shareholders as well as to nominate qualified and competent persons as directors prior to the AGM. Therefore, the Company has given an opportunity for the shareholders to propose the agenda items and nominate directors 45 days in advance. Besides, the shareholders can access information on guidelines and conditions in proposing

the agenda items and nominees on the Company's website. In a case where the Board of Directors has considered that the proposed agenda is appropriate, constructive and beneficial to the organization, the Board will include such agenda items in the meeting to propose to the shareholders' meeting for further approval. However, if the Board deems that such agenda item is inappropriate, the Board will prepare a summary report of such agenda item for the shareholders' meeting for acknowledgement. For the 2020 Annual General Meeting, the Company provided the opportunity for the shareholders to propose agenda items in advance as well as to nominate qualified and competent persons as directors to the Board prior to the meeting which was held from 2 December 2019 to 15 January 2020.

During the shareholders' meeting, each shareholder has an equal right to express his/her opinion independently and to ask questions within an appropriate time frame. The voting and vote counting process will be carried out openly and in a timely manner. Nonetheless, each share equals one voting right and no shareholder has any privileged rights above any other shareholders and one share equals one vote whereby the majority vote will decide the resolution (for general agenda items which the law does not specify otherwise)

As for details of vote counting results in each agenda item, the Company shall gather voting results and inform such results to the meeting after the voting of each agenda item. In a case where some agenda items require more time in counting the votes, the Chairman of the meeting may request to consider other agenda items while the votes are being counted to facilitate the continuity of the meeting. To record the meeting resolution, the Company will record the voting by separating the number of votes into "Agree", "Disagree" and "Abstain" for each agenda item. After that, voting results will be recorded in a written form in the meeting report. Besides, questions, explanations and opinions of the meeting are also recorded for verification. In a case where any shareholders have a specific stake in a particular agenda item, such shareholder will be prohibited from voting on that agenda.

2. Shareholders' Meetings

The Company's policy is to convene the shareholders' meetings as stipulated by law and provide the shareholders the opportunity to be fully informed before exercising their rights. To achieve this end, the Company has organized the Annual General Meeting of the Shareholders within 4 months from the end of the accounting year. The meetings shall be held in compliance with the laws and regulations of the Stock Exchange of Thailand, starting from the meeting announcement, meeting arrangement and process after the meeting.

One or more shareholders with combined shares of no less than one tenth of total outstanding shares may petition the Board of Directors to arrange an extraordinary general meeting at any time as stated in the Company's regulations but must clearly state the agenda item and the reason for convening such meeting in the petition. The Board of Directors must convene the extraordinary general meeting within 45 days after receiving the petition. Details for procedures of such shareholders' meeting shall be as follows:

- Prior to the Meeting

The Company has sent letters of notification to every shareholder by registered mail no less than 10 days in advance for general matters, which is higher than the law specified and at least 14 days in advance in a case where an approval on connected transaction or special matter is required. The meeting notification shall be published at least in one daily Thai newspaper and one daily English newspaper for 3 consecutive days prior to the shareholders' meeting.

The Company has announced the shareholders' meeting and accompanying documents both in Thai and English on the Company's website : <http://bangkokhospital.com> under the menu item "Investor Relations" as an additional mode of dispensing information to ensure shareholder equality and in support of shareholders' rights to receive information. Moreover, the Company has posted the meeting invitation in both Thai and English on the Company's website 30 days prior to the meeting date.

The meeting invitation shall include details of the meeting such as time and meeting venue, agenda items as well as objectives, reasons and opinions of the Board on such agenda item and accompanying documents (if any) so that the shareholders shall have adequate information for decision making, the Company's annual report, proxy form and list of documents needed to attend the meeting. Besides, the Company has sent details on meeting procedures and appointment of proxy as well as recommended the shareholders to appoint an independent director to act as proxy, facilitate the shareholders' acknowledgement and consideration before the meeting. This shall assist the shareholders to exercise their rights and voting more prudently.

For the convenience of shareholders, the Company provides registration at the shareholders' meeting by using barcode system and also prepares separate ballots for each agenda item to ensure speed and verification, especially for the appointment of directors whereby the Company has prepared ballots for the voting of individual directors. However, the shareholders or proxies shall receive the ballots at the registration stage.

- During the Meeting

The Company has assigned the Chairman of the meeting the duty of notifying and explaining the voting procedures of various agenda items before the meeting starts. The President is responsible for answering questions of the shareholders and after each agenda, the voting result will be announced and duly recorded.

To facilitate the shareholders and for clarity, the Company has used multimedia facilities to present information and voting results of each agenda item during the meeting. The Company has established the policy to hold the meeting according to an order of the agenda items clearly specified while giving the shareholders an equal opportunity to cast their votes.

To honor the rights of all shareholders, the Company has put in place a policy that requires every director, including the Sub-Committees, the auditor and other relevant executives such as Chief Financial Officer, Assistant Chief Accounting and Financial Officer and the executive responsible for investor relations to attend every shareholders' meeting. If any directors or executives cannot attend such meeting, he/she must submit a written explanation of such absence to the Chairman of the Board (in the case of directors) or the President (in the case of executives) for their acknowledgement.

The Chairman of the meeting has provided sufficient time for shareholders to raise questions and give recommendations on the Company's operations and annual financial report without infringing the shareholders' rights. The Chairman of the Board and the President will clarify every information during the meeting and give all directors an opportunity to unofficially meet with the shareholders after each meeting.

- After the Meeting

The Company has prepared minutes of the meeting as well as recorded in writing the meeting resolution for voting in which the votes can be divided into "Agree", "Disagree" and "Abstain", including any questions, explanations and opinions of the meeting. Such meeting report must then be submitted to the Stock Exchange of Thailand within 14 days after the meeting has ended. Besides, the Company has published the minutes of the shareholders' meetings on the Company's website <http://bangkokhospital.com> under the menu item "Investor Relations" so that the shareholders and general investors will be informed of the minutes of the meeting in a timely and verifiable manner.

Policy and Treatment of Stakeholders

The Company recognizes the significance of every stakeholder group, whether they are internal personnel or external stakeholders such as shareholders, customers, creditors, business partners, communities, government agencies and other related organizations. The Company also realizes that the support of each stakeholder group will ensure long-term sustainability and existence of the organization.

Consequently, the Company has set its policy to protect the rights of these stakeholders through a strict compliance with relevant laws and regulations as well as taking into consideration the interest of all related parties as follows:

1. Policy on Transactions which may cause Conflict of Interest and Transactions between Companies

The Board of Directors realizes that transactions that may lead to conflicts of interest and/or transactions with related parties must be thoroughly contemplated to ensure compliance with relevant laws and regulations of the Securities and Exchange Commission, the Capital Market Committee, policies and internal guidelines of the Company. In addition, such transaction must be strictly carried out in the same manner with other transactions with external parties without any relationship with the Company. Furthermore, such transactions must fully provide benefits to the Company and every shareholder. The terms and conditions of such transaction must comply with the terms and conditions according to generally acceptable business standards.

The Company has put in place the policy to prevent any directors, executives and staffs from exploiting their status for their personal gain. The directors, executives and staffs must refrain from engaging in any transactions relating to conflicts of interest. Besides, these directors, executives and staffs with potential stakes in any transactions are not allowed to participate in the decision-making process. Specifically, the directors shall be prohibited to consider or vote on any matters in which they have an interest, including transactions between companies and those between subsidiaries and stakeholders.

2. Policy on Shareholders

The Company aims to achieve the utmost benefits in the long run for every shareholder through a stable growth and sustainable capability in generating profits under good corporate governance and social responsibility as well as maintaining the competitiveness by taking into consideration both current and future business risks. The Company emphasizes on business operations to ensure consistent profits through continued business development in the long run, efficient internal control, audit system and solid risk management as a way to show gratitude and responsibility to every shareholder.

Apart from fundamental rights of the shareholders such as right to verify the number of shares, right to receive share certificate, right to attend the shareholders' meetings and to vote, right to freely express opinions and make suggestions pertaining to the Company's operations at the shareholders' meetings, right to receive fair returns and other legal rights of the shareholders. The Company also sets up the policy to disclose all information fairly and transparently in a timely manner under business limitations so that every shareholder will equally receive the information.

3. Policy on Employees

Employees are deemed valuable assets of the Company. The Company thus has taken good care of competent and experienced personnel consistently according to the Company's strategic and operational plans. The Company also ensures an equal employment opportunity and suitable compensation. Besides, the Company has arranged for necessary training programs provided by internal and external persons to constantly enhance skills and capability of personnel while simultaneously promoting organizational culture and good environmentas well as treat every employee equally and justly. Employees are encouraged to express their opinions and make suggestions directly to the management via the Company's internal website.

In addition, the Company has provided employees with benefits and safety, including various benefits such as medical welfare and provident funds. Furthermore, the Company has reviewed employees' compensation and welfare to ensure that they are competitive with other organizations within the same industry. Furthermore, academic scholarships are also provided to medical doctors, nurses and staffs so that they will enhance their knowledge that in turn assists in the development of the organization. The Company aims to make the organization a place of learning for personnel as well as to motivate knowledgeable and capable personnel to remain with the organization in the long run. Therefore, the Company has specified the following guidelines in human resources management, starting from recruitment, training, development and maintenance of qualified personnel:

- Recruitment and career advancement

The Company recognizes the importance of personnel development, starting from the recruitment process onwards. To achieve such purpose, the Company clearly defines the level of education, experience, expertise and other qualifications of each position in order to recruit the most suitable candidates. In recruiting for a particular position, the Company shall give priority to internal staffs in order to provide an opportunity for career advancement. If there are no appropriate internal candidates, the Company then shall consider recruiting external candidates. New employees are required to attend the orientation to be well informed of the working procedures of various departments within the organization. This will enable employees to plan and act according to the established objectives. Besides, the Company also realizes the importance of career advancement as a way to retain capable and outstanding employees.

- Employee training

The Company has the policy to support personnel training and development. In order to continuously and regularly develop and enhance employees' skills, the Company has organized both internal and external training programs. Apart from training on work skills organized internally, the Company also encourages employees to exchange knowledge and experience among various departments, whether through meetings or information exchange via intranet. For external training, the Company encourages employees to fill out questionnaires on preferred training and shall send them to attend such training courses as deemed appropriate. The Company shall monitor results or measure the knowledge gained in each training course for greater benefits of the Company and the employees.

- Performance evaluation of employees

The Company has evaluated employees' operational capability and skills by clearly and concretely determining the evaluation criteria for employees of every level. The evaluation criteria comprise of 4 major areas: skill, knowledge, attributes and performance. In addition, the Company has communicated other evaluation criteria to the personnel in advance for their acknowledgement. In determining the remunerations for employees, apart from taking into consideration the Company's overall performance and annual economic condition, the evaluation results are deemed an important factor in specifying employees' remuneration. This performance evaluation of employee and the determination of remuneration according to such evaluation results shall encourage these employees to work and develop their skills and competency more efficiently and effectively.

Corporate KPI shall be established by using Balanced Scorecard (BSC) in which the consideration shall cover each dimension such as finance, customer, internal operation procedures, risk management and human resources management etc. and then taken into consideration together with Core Competency and BDMS Core Values of the organization. Various factors mentioned earlier can be adjusted for appropriateness with strategies of each time period. Performance evaluation shall be conducted by every sector of the organization and then summarized by the management. Afterwards, corporate KPI shall be transferred from top to bottom or from the Chairman and/or the President to the management, division managers, department manager and every employee respectively. Each employee shall have his/her own KPI which is in compliance with KPI of the department, division and organization. The evaluation results shall be used for consideration based on Forced Ranking principle as specified by the Company. However, the supervisor or the chief shall provide advice and recommendations to his/her personnel to improve their performance as well as to foster and encourage them for their dedication which in turn shall be linked to the consideration for employees' remunerations and rewards from their performance.

Performance evaluation system is a continued process in measuring and assessing personnel's knowledge and capability as well as evaluating the effectiveness of the operation according to established goals which are relevant to those of the agency and the organization (Corporate and functional KPI). Performance evaluation system is also considered a tool to measure the personnel's current performance and to assess their readiness in terms of knowledge and skill whether they are ready for career promotion. The system also helps identify the level of knowledge, capability and skills required for a higher position in the future. The evaluation results will be employed for appropriate short-term and long-term career development plans. In addition, the performance review will be conducted at the end of each year whereby the supervisor will review the personnel's performance and then set up an individual career plan on an annual basis. The supervisor shall consider future career path of the personnel while identifying various forms of development programs such as training programs, on-the-job training and job assignment etc.

- Equal treatment of employees

The Company recognizes the significance of fair and equal treatment of every employee within the organization, starting from recruitment to career promotion in which the performance evaluation, opinion suggestions and operational guidelines must be conducted without bias or nepotism.

- Employee satisfaction survey

To enable the Company to be well aware of the employee satisfaction and happiness in the workplace, the Company thus has conducted surveys for employees at all levels to gather opinions and suggestions. The information gathered can be used to correct and/or improve any shortcomings in the management of the organization and personnel both in the short term and long term. In addition, the Company has established guidelines on submitting grievances as a way to fairly and justly alleviate any frustrations or dissatisfactions in the workplace.

- Provide better quality of life for employees

The Company also realizes the importance of good quality of life of every personnel which in turn will encourage them to work more efficiently. We; therefore, have provided annual medical check-ups and vaccinations for employees as deemed appropriate. Furthermore, the Company has consistently paid close attention to ensuring that the workplace is safe and hygienic for the health and benefit of our employees by organizing regular training programs and promoting knowledge through various media channels within the organization such as:

- Fire extinguishing and evacuation procedures
- New employee orientation, training on tools and equipment use in the workplace and work processes for learning and prevention of errors
- Analysis of accidents and illness in the workplace
- First-aid and rescue procedures
- Fitness room and exercise programs to improve the employees' health
- Mental health promotion programs for both employees and their families.

In a case where the number of employees in any department are insufficient for the increased amount of work, the Company shall employ additional employees to leverage such amount of work and ensure that the amount of work in each department is suitable for the number of employees so that they will have a better quality of life.

- Build solid management and co-working system

The Company recognizes the importance of continuous work process from beginning to end to ensure qualified and standardized outputs while eliminating and minimizing potential conflicts. To achieve this end, every department

must collaborate in preparing the Operational Manual to be used as guidelines in communicating and coordinating among various departments within the organization. This Operational Manual shall be accessible by all employees via intranet and shall be reviewed and revised as the Company deems appropriate.

- Build good relationship between the management and employees

The Company realizes the importance of good working relationship between the management and employees which directly affects their operational efficiency. Consequently, the Company has organized various activities between the management and employees which help improve their relationship and promote contentment in the workplace. Such activities include New Year's party, merit making and sports events. In addition, the management meets regularly with employees in order to exchange opinions which will ultimately lead the entire organization towards the same goals in an efficient and effective manner.

- Build good and ethical employees for the organization and the society

For employees to conform to collective disciplines and for the benefits of all concerned parties, when any employees evades or violates work regulations, such employee shall be considered to be at fault and this misconduct must be deliberated and rectified according to the regulations by considering good corporate governance principle as defined and stipulated by the Company for the management and every employee. The Company strongly believes that the development of employees to become good and ethical person will ensure the organization's stable and sustainable growth.

4. Policy on Management

The Company realizes that the management is an important part of its success. Thus, the Company has set up an appropriate compensation structure which is comparable to the management at the same level of healthcare business. In addition, the management has the opportunity to carry out their respective duties and responsibilities independently without any interventions and with the objective of mutual interest of the organization and all relevant parties.

5. Policy on Counter-Parties

The Company operates its business with partners, competitors, creditors, business partners and others according to trade terms and conditions or contractual agreements which are fair and ethical by taking into consideration the suitability of price, quality and services provided. Clear guidelines are provided on procurement, employment and other procedures. No benefits can be requested from the business partners. In addition, the procurement of products or services which infringe on human rights or intellectual property rights or are derived from any illegal acts must be avoided. The Company has the policy to avoid any actions which are dishonest or infringe on the rights according to the law or as mutually agreed upon the business partner as well as to ensure that business transactions are ethically conducted.

6. Policy on Competitors

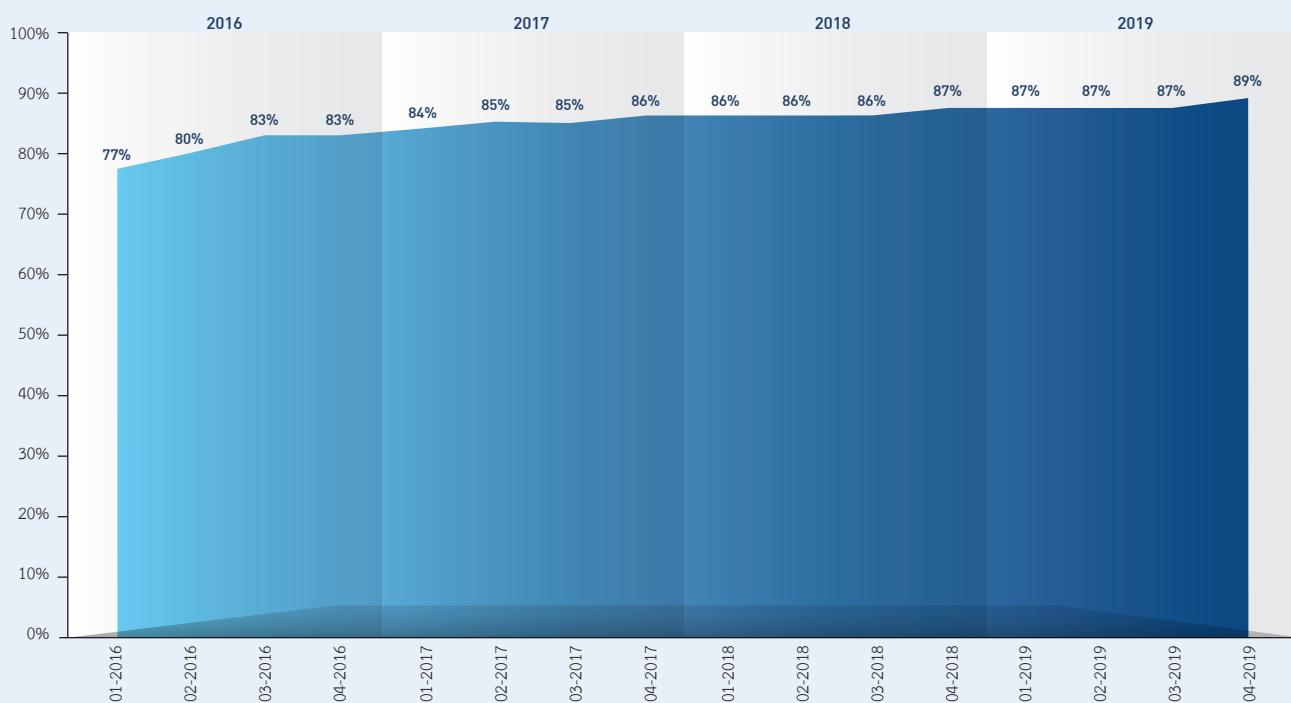
The Company has established the policy to act honestly towards other companies in the same business in accordance with honest trade guidelines, legal framework, business regulations as well as other related rules. The Company must not seek any inside information through dishonest or inappropriate means. Furthermore, the infringement of intellectual property rights and false accusations that aim to discredit the competitors without facts to support such claims are also prohibited. The Company, however, supports a fair competition for the greater benefits of all customers.

7. Policy on Customers

The Company recognizes that the customers are an important success factor of the business. The Company strives for customer satisfaction by providing quality professional service with the determination to continuously improve the quality of medical care services in order to meet the requirements and expectations of the customers. The organization shall maintain the privacy of every customer and will not disclose their information unless required by law or when the customer has given prior consent and approval.

Moreover, the Company has asked every hospital in the network to conduct patient satisfaction survey on a monthly basis by using the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) developed by the Centers for Medicare & Medicaid Services (CMS), coupled with the Agency for Healthcare Research and Quality (AHRQ) which has been officially certified by the National Quality Forum, U.S.A. The main objective is to assess the patients' perspectives on major medical care procedures of the hospital to be employed in service quality improvement. In the U.S., the results of the survey are disclosed to the public to enhance social responsibility and provide opportunity for hospitals to compare the results of patients' perspectives for further service improvement. The scores are calculated using the percentage of patients who provide the "top-box" scores in each scale which focuses on the consistency of service in each area in order to promote the organizational culture in providing patients with the most satisfied experience in every service.

Overall Hospital Rating of BDMS Hospitals in 2019

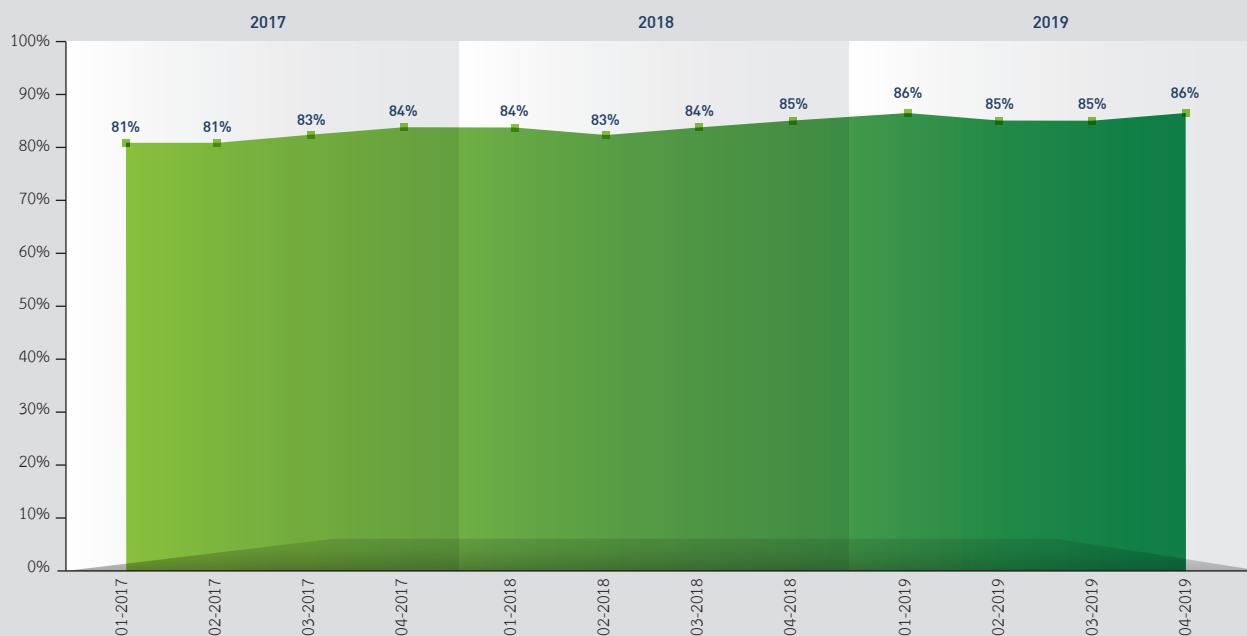


*Area of 95th Percentiles (near best) for HCAHPS US "Top-box" score of the publication reported on October 2019

From the patients' satisfaction surveys conducted during 2016-2019, the hospitals under BDMS network received a higher score from 77 percent to 89 percent and was ranked at the percentile of 95 when compared to 4,435 hospitals in the U.S. which reported HCAHPS Score.

Besides, as the hospital has added questions about product and service loyalty which in terms of behavior, this is an expression of action that is easily noticeable such as repeated purchase or use of the same product and service or word-of-mouth or product recommendation to others. It has shown that the outcome is in the same direction with an overall service. The scores of customer recommendation have increased consistently, from 62 percent to 86 percent. When compared with the U.S. hospitals reporting HCAHPS score, the score of BDMS was reported at 80 percentiles among a total of 4,435 U.S. hospitals.

Customer Recommendation for BDMS Hospitals



*Area of 90th Percentiles for HCAHPS US "Top-box" score at 84% of the publication reported on October 2019

8. Policy on Creditors

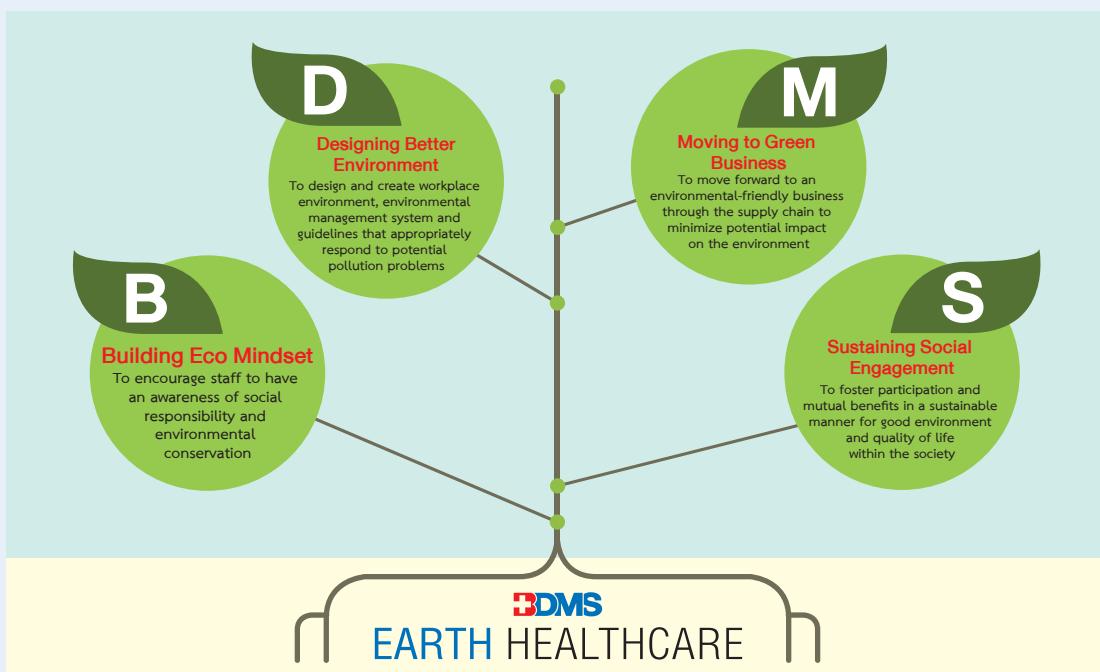
The Company has the policy to abide by the contracts and commitments agreed with the creditors of all types, whether in terms of compliance with the contract, objectives of spending money and payment, maintenance of the quality of collateral (if any), payment period as well as other conditions or matters agreed with the creditors. Consequently, the Company has determined various policies to be employed as operational guidelines within the organization. These policies are as indicated below:

- Changes in policies/ information/ management structure of the Company: The Company has the policy that the unit directly relating to the creditor must prepare letter or record to notify the creditor in case of any changes in policy, information or management structure of the Company which are related to its creditors and to enable these creditors to completely acknowledge the Company's information and news.
- Compliance with the agreements and conditions of the contract: The Company has the policy which enforces the contractual parties to be responsible for the management according to the conditions stated in the contract. In a case where any matters may incur risk to the creditor and may affect the Company's overall image, the Company's legal department or consultant shall supervise such matters. In a case where any matters are not in conformity to the agreement made between the Company and its creditors, a meeting will be held in which the creditors will be invited to express their opinions as well as find the solution to solve such matters. This can be done by adhering to reasonability principle to preserve sustainable relationship and mutual reliability between related parties.

- Payment policy: The Company has the policy that the Accounting/ Finance Department must make payment according to the credit term and conditions stated in the contract and by adhering to righteousness and transparency principles as well as in a timely manner. If there are any violations of such stated conditions, a notification must be made to the original affiliates so that they can communicate directly with the creditors and to enable the original affiliate which is a contractual party with such creditor to collaboratively solve the problem regarding the delay of payment.
- Report of the Company's financial status: The Company, as the listed company in the Stock Exchange of Thailand, has disclosed its business performance of each quarter and year to the public, investors and shareholders through information disclosure system of SET. Moreover, the Company has disclosed its annual business performance as well as report of the investor relations on the Company's website and has stipulated that the creditors are entitled to access information on the Company's financial condition that have already disclosed to the public, investors and shareholders. The Company's creditors can access the information via different electronic media or can send a direct request to the Company's unit which is a contractual party to ensure that the Company's financial condition is sufficiently stable to make an actual amount of payment as well as comply with the conditions set forth in the contract.

9. Policy on Social Responsibility and the Environment

The Company has consistently recognized the importance of the quality of life of the community and society; therefore, the Company has encouraged their involvement in resources management within the organization while simultaneously building the personnel with the attitude and participation in environmental management that ultimately leads to the establishment of the Company's foundation which is geared toward business operation while taking into consideration the environmental friendliness principle. In 2019, the Board of Directors had approved the environmental policy called "BDMS Earth Healthcare" originated from the "Growth, Balance and Sustainability" concept. Such policy divides its environmental guidelines into 4 major areas as follows: Building Eco Mindset, Designing Better Environment, Moving to Green Business, Sustaining Social Engagement



Besides, the Company has publicized such policy on the Company's website as well as provided knowledge concerning environmental management to employees on a regular basis. The Company has organized environmental training programs and activities called "BDMS Earth Healthcare" for BDMS's management and personnel to acknowledge and understand such policy in the same direction. This will lead to practice for success of the organization, environment and society which in turn will promote the Company's vision in building the quality of life through medical services and environmental promotion.

To supervise potential environmental impact which may arise due to medical treatment procedures, including the safety of customers and health of personnel at every level, the Company has applied the standards set forth by the Institute of Hospital Quality Improvement and Association (HA – Thailand) and Joint Commission International (JCI) to be employed in the hospitals of which their standards have been certified by these 2 organizations.

In addition, the Company has minimized its electricity consumption by using LED light bulbs starting from 2018 onwards. The Company also issued various energy conservation measures which enable the Company to consistently minimize its electricity consumption as can be seen in the table below:

Rate of electricity consumption during 2016 – 2019



*Remark: * In July 2019, the Company started the medical services of Bangkok International Hospital (BIH) and during the first 2-3 months before actual operation, BIH conducted an experiment of various systems of the hospital buildings and medical supplies, rendering the Company's electricity consumption per an income unit to increase, compared to the previous year. However, if excluding the electricity consumption of BIH, the rate of electricity consumption of the Company in 2019 will be equivalent to 0.00221 units per an income of 1 Baht which is lower than the previous year.*

Besides, in order to respond to environmental policy for the upcoming projects, the Company has determined the construction guidelines based on the Leadership in Energy and Environmental Design (LEED) principle to be employed in every building of its newly constructed hospitals to minimize energy consumption and promote environmental conservation. These newly constructed hospitals are Bangkok Hospital Chiang Mai, Bangkok Hospital Chiang Rai and Bangkok International Hospital which started operations in 2019. Moreover, solar cell system was installed for power generation of the hospital and solar collector system was also installed to provide hot water in the patients' rooms. The District Heat Pump system was also set up to reserve hot water for solar collector system for nighttime consumption.

In terms of charitable activities of the Company, the hospitals have dispatched medical units, to provide knowledge, equipment, medical supplies, medicines, pharmaceuticals along with other foundations and communities surrounding the hospitals.

10. Policy and Guidelines on Human Rights

The Company recognizes the importance of human rights and thus has set forth the policy accordingly. Each employee has the rights, freedom and equality as well as the opportunity for career advancement in accordance with his/her individual skills and potential. Such rights, freedom and equality must be within the rights and freedom of the citizen as stipulated in the Constitution of the Kingdom of Thailand, regardless of that person's birth origin, ethnicity, language, religion, age, gender, socio-economic status or political view.

In order for the directors, the management and employees to respect the human rights and rights within the workplace, the Company has imposed the "Policy and Guidelines on Human Rights" so that everyone shall acknowledge and act accordingly. The policy has also been published on the Company's website.

11. Policy on Non-infringement of Intellectual Property Rights and Copyrights

The Company envisions itself and its subsidiaries to be an efficient organization with good corporate governance. Therefore, the Company has set forth the policy to act in accordance with laws on intellectual property rights and copyrights by ensuring that there will be no infringements upon intellectual property rights or any actions or benefits derived the work with copyright, unless otherwise being granted permission from the owner of such copyright and complied with relevant laws. Thus, the Company established the "Policy on non-infringement of intellectual property rights and copyrights" so that the directors, the management and every employee shall acknowledge and act accordingly. The policy has also been published on the Company's website.

12. Information Security Management Policy

The Company has stipulated the information security management policy as a guideline and standard practice in using information technology and computer networks appropriately and with the utmost efficiency. Such policy also prevents any potential problems owing to the misuse which in turn may result in damages. The Company has declared the policy to its employees and those of the subsidiaries as well as other individuals who may be involved with the Company for their acknowledgement and practice.

13. Whistleblower Policy

The Company has the policy to protect and mitigate any damages to the persons reporting the misconduct, assisting in the report of or cooperation with the investigation of facts. Such persons shall receive protection and fairness under the whistleblower policy as stated in the “Company’s Codes of Conduct”. The policy has also been published on the Company’s website and can be summarized as follows:

- The complainant may choose to issue the complaint anonymously if he/she considers that the identity disclosure may be unsafe. However, if the complainant decides to disclose his/her identity, he/she shall receive a progress report and an explanation of facts or receive damage relief in a more speedy and convenient manner.
- The person assigned to take complaints must keep all information confidential and disclose such information only when deemed necessary by taking into consideration the safety of the complainant and potential damages to such complainant or persons cooperating in the investigation. The Company shall ensure that there will be no grounds for termination of employment, punishment or any other actions that may pose adverse impacts on the employee.
- Any persons who are adversely affected shall receive mitigation of damages through suitable and fair process.

Communication Channels for Stakeholders

The Company has provided an opportunity for employees and stakeholders of every sector, both internal and external, to contact, suggest opinions, make complaints and report any misconducts through channels announced in the “Company’s Codes of Conduct” and published on the Company’s website. The person assigned to receive the complaint mentioned above shall proceed as indicated below:

- Gather facts on the violation, negligence or non-compliance behavior. Persons in charge of related information must disclose all information available to the person assigned to gather facts and investigate such complaint.
- Assess and analyze the information to find the actual cause of such violation, negligence or non-compliance and then report the assessment results and information analysis to the authorized person for further action.
- In the event that the misconduct has been found out, action shall be taken in accordance with the guidelines or regulations governing such matter.

Information Disclosure and Transparency

The Company has the policy to disclose its financial information and general news to the shareholders, investors, securities analysts, including the general public in an accurate, complete, fair, equal, transparent and timely manner and as prescribed by relevant laws and regulations. However, the Company has constantly monitored the announcement of new regulations and then adjusted its guidelines to be in accordance with such regulations. Furthermore, the Company has disclosed such policy to personnel within the organization and disseminate the policy on its website as follows:

- | | |
|---|--|
| 1. Memorandum and Articles of Association | 7. Policy and Guidelines on Human Rights |
| 2. Corporate Governance Policy | 8. Policy on Non-Infringement of Intellectual Property Rights and Copyrights |
| 3. Code of Conduct and Whistleblower Policy | 9. Policy on Risk Management |
| 4. Corporate Information Disclosure Policy | 10. Information Security Management Policy |
| 5. Supervision of Using Inside Information Policy | 11. Tax Policy |
| 6. Fraud Prevention and Anti-corruption Policy | 12. BDMS Earth Healthcare Policy |

The Company has the policy to disclose financial statements, important information and other relevant information with potential impact on the interests of the shareholders or investment decisions which in turn may affect the price of the Company's shares and/or securities. The information shall be disclosed sufficiently, completely and at an appropriate time through fair and suitable channels. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with equal information in accordance with the corporate information disclosure policy and the supervision of using inside information policy to the directors, the management and employees for further action.

Furthermore, the Board of Directors has prepared the report on responsibility for the financial statements along with the report from the auditors and also included these reports in the Company's annual report and annual information disclosure form so that the management may recognize the commitment and responsibility for information and financial reports which must be accurate before being made available to the investors.

Channels for Information Disclosure

Apart from information disclosure as mandated by law and regulations of related agencies, the Company has established the Investor Relations unit as a channel for direct contact with both Thai and foreign investors and analysts, including any related persons or external parties who are interested in the Company. In communicating to external parties, the senior executives who have been assigned the task of disclosing information about the Company are the Group CEO & President, the Chief Financial Officer, the Assistant Vice President of Investor Relations as well as other executives in accordance with the policy on information disclosure.

In 2019, the senior executives of the Company and the Assistant Vice President of the Investor Relations met and provided information to relevant parties in various occasions as follows::



In addition, the Company has provided information on the Company, including its performance, financial statements and news informed to the Stock Exchange of Thailand (SET). Any interested persons may look up this information on the SET and the Company's website



www.set.or.th

www.bangkokhospital.com

For further information, investors and interested persons may contact
the Assistant Vice President of the Investor Relations



0-2755-1793



0-2755-1793



investor@bangkokhospital.com



www.bangkokhospital.com

2. Sub-Committees

The Board of Directors resolved to appoint five Sub-Committees; namely, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Corporate Governance Committee, to assist in internal control management, risk management, corporate governance as well as to screen issues. The Board has clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter. Each Sub-Committee shall carry out the self-assessment on an annual basis and at least once a year in order to achieve the utmost efficiency and effectiveness.

2.1 Audit Committee

As of 31 December 2019, the Audit Committee comprised of 3 independent directors and each member shall serve for a 3-year term. The members of the Audit Committee are as follows:

1. Professor Emeritus Santasiri Sornmani, M.D.	Chairman of the Committee
2. Mr. Weerawong Chittmittrapap	Member of the Committee
3. Mr. Chavalit Sethameteekul	Member of the Committee

The Audit Committee has been granted full authority by the Board of Directors to carry out its duties which include systematic monitoring of business practices, ensuring efficient and strict compliance with internal control measures and legal compliance regarding information disclosure and determining risk management relating to the Company's business and finance. At present, one of the Audit Committee members is knowledgeable and has direct experience in reviewing the reliability of the Company's financial statements; namely, Mr. Chavalit Sethameteekul.

In planning the internal audit, the Audit Committee shall assign the internal auditor to plan the audit of the Company for the entire year. The Company has engaged an external company which is licensed and suitably qualified to carry out the internal audit. We believe that internal audit by external auditors will result in a fair and efficient reporting of facts as they perform their respective duties independently and flexibly. The Audit Committee will report the activities of the internal auditors at the Board of Directors' meeting immediately after each meeting.

At Audit Committee meetings that deal with the financial statements and disclosure of financial reports of the Company, the Chief Financial Officer and the Assistant Chief Financial Officer shall attend. Prior to meetings on the financial statements with the management, the Audit Committee shall meet with the accounting auditors separately and without the presence of the management, to inquire about important risks that may arise from the financial statements or financial status or any limitations that have been found in the auditing process of the financial statements of the Company and its subsidiaries. The Audit Committee also conducts an annual meeting with the auditors without the presence of the management. This is to ensure that the auditors shall act independently without any restrictions in the auditing process.

Qualifications of Audit Committee

The Audit Committee must be comprised of Independent Directors appointed by the Shareholders' Meeting or the Board of Directors' Meeting. The Independent Directors must have the following qualifications as prescribed by the Securities and Exchange Commission:

1. Shall not hold shares exceeding 1.0% of the total number of voting shares of the Company, its parent company, subsidiary, associate, or juristic person that may have conflict of interest, including shares held by related persons of such independent director. (Related persons mean persons according to Clause 258 of the Securities and Exchange Act.)
2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the Independent Director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company. (Same-tier subsidiary company means subsidiaries with the same parent company.)

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding Baht 2 Million per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director. 117
7. Shall not be a director appointed as representative of a Director, major shareholder or shareholder who is related to a major shareholder of the Company.
8. Apart from not undertaking any business in the same nature and in competition with the business of the Company or its subsidiary, the Independent Director must also not be an employee, staff member or advisor who receives salary or holds shares exceeding 1.0% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

The Independent Director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person with a conflict of interest on the basis of collective decision.

Apart from the aforementioned qualifications of the Independent Director, the Audit Committee Member shall possess the following additional qualifications:

- 1) Shall not be a Director who has been assigned by the Board of Directors to make decisions regarding operations of the Company, parent company, subsidiary, associate, same-tier subsidiary or juristic persons with conflict of interest.
- 2) Shall possess knowledge and experience as well as be able to dedicate sufficient time to carry out the duties as assigned.
- 3) Shall not be an Audit Committee Member at any other company listed on the Stock Exchange of Thailand, which is in the same business or industry nor be a Member of the Audit Committee of more than five other companies listed on the Stock Exchange of Thailand as it may affect the Director's ability to fully carry out his/her duty.

The following transactions are not considered to have an impact on the Audit Committee Members' ability to carry out their duties or to provide independent opinion:

1. Transactions between the Audit Committee Member or related persons and the Company, subsidiary, associate or major shareholder of the Company regarding purchase or sales of products or services under the following conditions:
 - 1) The purchase or sale of such products or services is transacted under normal business and generally accepted conditions with clearly defined and disclosed guidelines;
 - 2) The prices of the products or services are comparable to those offered to other customers.
2. Connected transactions which have been carried out in accordance with the related notifications of the Stock Exchange of Thailand.
3. Other transactions which have been carried out in accordance with the laws, regulations or notifications of the Stock Exchange of Thailand and under the responsibility of the Audit Committee to assist the Committee in carrying out their duties in ensuring the accuracy of the financial reports, the efficiency of the internal audit system and compliance with laws, regulations and ethics as well as to promote good corporate governance.

Scope of Duties and Responsibilities of Audit Committee

To enable the Audit Committee to perform their respective duties as assigned by the Board of Directors, the Company has defined the duties and responsibilities of the Audit Committee as follows:

1. Ensure that the Company abides by the laws governing the securities and regulations of the Stock Exchange of Thailand and any other laws relating to the Company's business.
2. Ensure that the Company reports and discloses information in the financial statements accurately, completely and reliably by coordinating with the external auditor and the management in charge of preparing the financial statements at the period specified by the Stock Exchange of Thailand, applicable laws and government agencies.
3. Select and nominate the auditor and the auditor's annual remuneration to the Board of Directors for further approval by the shareholders' meeting as well as propose the removal of the auditor in a case where such auditor is considered as incompetent to perform his/her respective duties or neglects his/her duties or perform his/her duties wrongfully.
4. Ensure that there is a process for employees to notify any inappropriate items in the financial statements, including other matters as well as provide the whistleblower with the confidence that there shall be an independent investigation and suitable monitoring procedures.
5. Ensure that the Company has established suitable and efficient internal control and internal audit systems by collaboratively reviewing such systems with both internal and external auditors. The Audit Committee shall consider the independence of the Internal Audit Department.
6. Review evidence of the internal investigation when there is any suspicions or assumptions that there has been fraud or irregularity or significant defect in the internal control system and report such finding to the Board of Directors for further consideration.
7. Delegate and review the evidence whether there is a suspicion that any laws or regulations of the Stock Exchange of Thailand has been violated which incurs or may pose significant impact on the Company's financial status or performance.
8. Employ or engage a specialist to support auditing and investigations, by following the Company's guidelines on employment and engagement, in the case that the Audit Committee finds or suspects that there is a transaction or action that may significantly impact the Company's financial status or performance. Such employment or engagement shall be paid by the Company.
9. In a case where the Company has its own Internal Audit Department, the Audit Committee has the authority to approve the appointment, transfer or termination as well as the authority to evaluate the performance of the head of the Internal Audit Department. However, if the Company engages an external auditor to conduct the internal audit, the Audit Committee has the authority to approve the appointment and remuneration of such engagement.
10. Ensure that the Company has determined suitable risk management and control systems which encompass the entire organization as well as suggest appropriate and efficient management of risks associated with the Company's business.
11. Review risk management report and monitor important risk factors as well as propose the report on the adequacy of the risk control system to the Board of Directors.
12. Ensure that there shall be no conflicts of interest in which the review of connected transactions between the Company or its subsidiaries and any connected persons shall be in compliance with laws and regulations of the Stock Exchange of Thailand.
13. Prepare the report of the Audit Committee and disclose in the Company's annual report. Such report must include details as announced by the Stock Exchange of Thailand and other relevant regulations.
14. Review the charter of the Audit Committee on an annual basis to ensure that such charter shall contain details concerning the scopes of duties of the Audit Committee stipulated by the Stock Exchange of Thailand regarding the qualifications and scopes of duties and responsibilities of the Audit Committee. Besides, the charter must include sufficient guidelines to support the duties of the Audit Committee such as the employment of an expert to provide an opinion that requires expertise in which the Company shall be responsible for expenditures. In a case where the Audit Committee deems necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Audit Committee shall propose such changes to the Board of Directors for further approval.
15. Perform other duties as assigned by the Board of Directors.

2.2 Nomination and Remuneration Committee

In order to comply with good corporate governance of listed companies, the Board of Directors passed a resolution to appoint the Nomination and Remuneration Committee. The Committee shall serve for a 3-year term and the Chairman of the Committee shall be an independent director. The Committee has the duty to find qualified candidates for nomination as directors of the Company for both replacements of directors who have retired as well as new director position, the Chief Executive Officer and the President. Furthermore, the Committee shall determine the guidelines on appropriate remuneration for the Board of Directors, Sub-Committee members, the Group Chief Executive Officer and the President.

As of 31 December 2019, the Nomination and Remuneration Committee comprises of the following members:

1. Professor Emeritus Santasiri Sornmain, M.D.	Chairman of the Committee
2. Mr. Chuladej Yossundharakul, M.D.	Member of the Committee
3. Mr. Chavalit Sethameteekul	Member of the Committee
4. Mr. Sripop Sarasas	Member of the Committee

Scope of Duties and Responsibilities of Nomination and Remuneration Committee

- Specify the qualifications, the method and process in selecting candidates as well as identify qualified candidates for directorship and propose such candidates to the Board of Directors for consideration and further proposal at the shareholders' meeting for resolution.
- Consider the format, guidelines and rate of remuneration of the Board of Directors and the Sub-Committees for consideration by the Board of Directors before presenting to the shareholders' meeting for resolution. Such format, guidelines and rate of remuneration shall be clear, transparent, fair and consistent with the responsibility and performance which will motivate and retain qualified and capable directors.
- Specify the qualifications, the method and procedures in selecting candidates for the position of the Chief Executive Officer and the President as well as identify a qualified candidate and propose the appointment of such candidate for the Board of Directors' approval.
- Consider the format, guidelines and rate of remuneration of the Chief of Executive Officer and the President and propose to the Board of Directors for approval. Such format, guidelines and rate of remuneration shall be clear, transparent, fair and consistent with their respective responsibility and performance.
- Establish guidelines and method in assessing the performance of the Chief Executive Officer and the President for the Board of Directors' approval.
- Assess the performance of the Chief Executive Officer and the President according to the guidelines approved by the Board of Directors as well as consider the annual remuneration from the assessment results and then propose to the Board of Directors for approval.
- Prepare the succession plan for the position of the Chief Executive Officer and the President and propose to the Board of Directors for approval.
- Review the charter of the Nomination and Remuneration Committee annually and in the case where the Committee deems necessary to amend the charter to suit the guidelines, regulations or circumstances that may have changed, the Nomination and Remuneration Committee shall propose such changes to the Board of Directors for further approval.
- Perform other duties as assigned by the Board of Directors.

2.3 Executive Committee

To ensure that the Company has strictly adhered to the strategies, goals and plans set forth for the year, the Board of Directors made the decision to appoint the Executive Committee. The Committee is comprised of 5 members in total, with the Chief Executive Officer and the President being one of them by the position. The Committee has the responsibility to supervise and ensure that the Company and its subsidiaries act in accordance with the established plan. In addition, the Executive Committee shall review reports by the management that shall be presented to the Board of Directors as well as have the authority to approve normal business transactions or transactions that support normal business activities of the Company within a given monetary limit. The approval authority of the Executive Committee cannot be used with persons that may have conflicts of interest, stakes or any other forms of conflict with the Company or its subsidiaries. Such authority

does not include connected transactions and purchase/sale of important assets of the listed companies in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations. The Company must act in accordance with the rules and regulations of the Stock Exchange of Thailand or other related regulations on such specific matter. Moreover, the approval authority of the Executive Committee does not include other matters which require approval from the shareholders' meeting as stated in the Articles of the Company.

As of 31 December 2019, the Executive Committee comprised of five members as follows:

1. Mr. Chuladej Yossundharakul, M.D.	Chairman of the Committee
2. Mrs. Narumol Noi-am	Member of the Committee
3. Mr. Pradit Theekakul	Member of the Committee
4. Mr. Thongchai Jira-alongkorn	Member of the Committee
5. Mr. Chairat Panthuraamphorn, M.D.	Member of the Committee

Scope of Duties and Responsibilities of Executive Committee

1. Determine the vision, direction of the business, policies and strategies of the Company for further approval by the Board of Directors.
2. Review the business plan, budget plan, annual expenditures, investment plans and Corporate Social Responsibility (CSR) plan of the Company in accordance with the established policies and strategies and propose to the Board of Directors for approval.
3. Ensure good corporate governance in accordance with the specified plans, including compliance with related laws, regulations and guidelines of various agencies as well as the Articles of the Company.
4. Consider the summary of the Company's operations and propose to the Board of Directors for acknowledgement in each quarter.
5. Approve investment and operation expenditures under the authority assigned by the Board of Directors.
6. Approve or review the loan limit to subsidiaries under the authority assigned by the Board of Directors.
7. Ensure that the Company has suitable and concise internal audit system as well as risk management and control system which is in accordance with the suggestions and comments of the Audit Committee.
8. Screen and review the organizational structure and scope of duties and responsibilities of high-level personnel for the Board of Directors' approval.
9. Approve the succession planning of the Hospital Director or equivalent up to the position of the Chief Executive Officer or equivalent.
10. Approve the appointment, transfer or termination of the management for the level of Chief Executive Officer or equivalent. The Executive Committee shall also approve the candidates for nomination as representatives of the Company to the Board of Directors of subsidiaries so that the subsidiaries may nominate those candidates through the approval process as stipulated by the laws and regulations and the Articles governing each company.
11. Screen and review the pay scale structure and principle of the Company's and subsidiaries' annual salary adjustment for further approval by the Board of Directors. (This does not include the positions of the Chief Executive Officer and the President.)
12. Appoint working teams to improve and/or solve various problems that may occur in accordance with the Company's policies.
13. Review the Executive Committee's charter annually and in the case where the Committee deems necessary to amend the charter to suit the guidelines, regulations or circumstances that may have changed, the Executive Committee shall propose such changes to the Board of Directors for further approval.
14. Perform other duties as assigned by the Board of Directors.

The above authority, duties and responsibilities may not be used with persons who may have a conflict, a stake or any other conflict of interest with the Company or subsidiaries. Nor do they include connected transactions or purchase and sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. In this regard, the Company shall act in accordance with the rules and regulations of the Stock Exchange of Thailand or other notifications relating to that particular matter. Furthermore, the above authority, duties and responsibilities do not include other matters in which the articles of the Company stipulate that a resolution of the Shareholders' Meeting is required

2.4 Risk Management Committee

To ensure that the Company has strictly conformed to the established goals and objectives, the Board of Directors has appointed the Risk Management Committee of which the members comprise of the directors and senior executives of the Company, with at least 3 members being the Company's director and each director shall be in the position for a 3-year term. Besides, the Committee has the duty to screen risk management policy and guidelines of the Company for proposal to the Board of Directors as well as monitor adherence to the policy approved by the Board. In addition, the Committee shall review the adequacy of risk management policy and system, including the efficacy of the system, including the compliance with the specified policy.

As of 31 December 2019, the members of the Risk Management Committee are as follows:

1. Mr. Chavalit Sethameteekul	Chairman of the Committee
2. Mrs. Narumol Noi-am	Member of the Committee
3. Mr. Pradit Theekakul	Member of the Committee
4. Mr. Sripop Sarasas	Member of the Committee

Scope of Duties and Responsibilities of Risk Management Committee

1. Review the risk management policy and guidelines of the Company which encompasses important risks such as financial risk, investment risk and reputation risk to propose to the Board of Directors for approval.
2. Determine the strategies and procedures in risk management that comply with the risk management policy which can be assessed and monitored to ensure that the risk is at a suitable level.
3. Supervise and monitor compliance with the risk management policy under the guidelines approved by the Board of Directors.
4. Determine the measurement of risk and acceptable risk ceiling.
5. Determine measures in managing risk to suit the situation.
6. Review the sufficiency of risk management policy and system, including the efficacy of the system and compliance with the established policy.
7. Report to the Board of Directors on a regular basis regarding the management, process and risk status as well as any changes and improvements required to comply with the determined policy and strategy.
8. Perform other duties as assigned by the Board of Directors.

2.5 Corporate Governance Committee

To support the Board of Directors in determining guidelines on good practices in various dealing of the organization in accordance with good corporate governance which will lead to sustainable success of the Company, the Board of Directors has appointed the Corporate Governance Committee. The Committee comprises of 3 directors with an independent director as the Chairman and each director shall serve for a 3-year term. The Corporate Governance Committee are responsible for

determining guidelines and suggestions on good corporate governance policy to the Board of Directors for implementation. The Committee also reviews the policy and assesses the organization's operations annually according to good corporate governance.

As of 31 December 2019, the members of the Corporate Governance Committee are as follows:

1. Mr. Weerawong Chittmittrapap	Chairman of the Committee
2. Mr. Sripop Sarasas	Member of the Committee
3. Mr. Pradit Theekakul	Member of the Committee

Scope of Duties and Responsibilities of Corporate Governance Committee

1. Determine guidelines, suggestions on policy and practices on ethics and business morals in accordance with good corporate governance for the Board of Directors and management to set CG Code for the organization, so that the organization's practices meet the standards of good corporate governance of listed companies.
2. Supervise and provide advice on practicing good corporate governance and business ethics in order to develop and elevate the Company's corporate governance to create sustainable value.
3. Review the Corporate Governance Committee's charter annually and in the case that the Committee deems it necessary to amend the charter to suit the guidelines, regulations or circumstances that have changed, the Corporate Governance Committee shall propose such changes to the Board of Directors for further approval.
4. Review and assess the CG Code annually. Should there be any part of the guidelines of the CG Code that have not yet been put to practice as suitable to the business, the Committee shall report to the Board of Directors for acknowledgement.
5. Perform other actions as assigned by the Board of Directors.

3. The Nomination and Appointment of Directors and Executive Management

3.1 Nomination of Directors and Independent Directors

The Nomination and Remuneration Committee is comprised of 4 members with 2 of the members being independent directors, one of which will act as Chairman. The Committee has the duty to nominate persons to become directors to replace those who have retired by rotation or to new Director position by selecting suitable candidates in accordance with the qualifications and guidelines stipulated by the Committee. In the case of appointment of a new Director to replace a vacant position, the Committee will then propose those candidates to the Board of Directors for approval, which requires 3/4 (three quarters) of the votes of the remaining directors. However, in the case of new Director position, the Nomination and Remuneration Committee shall propose the candidates to the Board of Directors for consideration of further proposal to the Shareholders' Meeting for resolution.

As no less than one third of the Board of Directors must be comprised of Independent Directors, the Company's process in nominating Independent Directors will be the same as the process in nominating directors. However, the Company has determined additional qualifications for Independent Directors, which are consistent with the rules of the Office of the Securities and Exchange Commission as mentioned in the section "Responsibilities of the Board of Directors"

Guidelines and Method in Selecting Candidates for Nomination as Directors

The Nomination and Remuneration Committee has determined procedures in screening candidates for nomination as directors by considering the following criteria:

Knowledge, Experience and Diversity as Director

1. Knowledgeable and capable individuals with a clean work history as well as being an expert in areas required for the Board Matrix so that the Board of Directors can establish policies and strategies.

2. Possess experiences in being a director or executive of a large and successful organization.

3. Diversified in terms of education, profession, age and gender.

Personal Traits

1. Possess integrity and accountability.

2. Able to make decisions professionally and reasonably with the information provided.

3. Possess maturity, leadership skills, vision and courage to express different views independently.

4. Able to dedicate a sufficient and appropriate amount of his/her time as a director of the Company.

5. Possess qualifications as stated in the Board of Directors' charter, related laws, rules and regulations of the governing agencies.

In nominating directors to replace those who have retired by rotation or for new directorship positions, such candidates must be approved by the Shareholders' Meeting resolution. Such resolutions shall comply with the following:

1. Any one shareholder has the number of votes equal to the number of shares owned.

2. Each shareholder shall use all his/her rights to vote as stated in 1. to elect one or more individuals as a Director. In the case of election of more than one Director, the votes cannot be split to any one person.

3. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the Meeting shall cast the deciding vote.

Furthermore, the appointment and removal of a Director shall be as stated in the Company's articles as follows:

1) The Board of Directors shall be comprised of at least 5 directors and no less than one half shall have residence in Thailand.

2) Directors shall be individuals with the following qualifications:

- Be of legal age
- Has not filed for bankruptcy, is not incompetent or near incompetent
- Has never been imprisoned or received sentence of imprisonment for wrongful acquisition of assets
- Has never been fired or terminated from civil service or government agency for malfeasance

3) At each annual general meeting, at least one third (1/3) of the directors shall resign by rotation. If the number of directors cannot be divided by three, then the closest number to one third (1/3) of the directors shall resign. Directors who have resigned by rotation may be re-elected as director.

4) Apart from resignation by rotation, directors may be removed in the following events:

- Death
- Voluntary resignation
- Unqualified or be legally ineligible
- Shareholders' Meeting passes a resolution for the removal of a director with no less than three quarters of the number of shares attending the meeting with the right to vote and with total number of shares of no less than half of the total number of shares held by the shareholders attending the meeting with the right to vote
- Court ordered resignation

5) Any director who wishes to resign may submit a letter of resignation to the Company and such resignation will be effective from the day the Company receives said letter.

6) If a director position should become vacant due to reasons other than the resignation by rotation, the Board of Directors shall select a qualified individual, who is not legally ineligible to the position at the subsequent meeting of the Board of Directors, unless the term of the vacant director position is less than two months. In this case, the director who fills the vacant position shall serve only until the end of the remaining term. The Board of Directors' vote for the appointment of the director to fill the vacant position shall be no less than three quarters of the remaining directors.

7) In the case that there is a large number of vacant director positions and the required quorum cannot be met, the remaining directors shall act in the name of the Board of Directors only in organizing a shareholders' meeting to elect individuals to fill all of the vacant director positions. Such meeting shall be held within one month from the date that the number of vacant director positions exceeds the required quorum. Those individuals filling those vacant positions shall serve only the remaining term of the director who previously held the position.

Furthermore, in past nominations of directors at the Shareholders' Meeting, the Company gave minor shareholders the opportunity to nominate qualified persons to the Board of Directors prior to the meeting so that the Company may consider nominating those persons at the Shareholders' Meeting. However, none of the shareholders had nominated persons for consideration by the Shareholders' Meeting. In addition, the Company had determined the method in voting whereby the shareholders shall vote for directors individually in accordance with good corporate governance.

3.2 Nomination of Executive Management

The process of nominating the executive management begins from the selection of good and capable individuals with an attitude appropriate for the organization. The Company has focused on the new generation individuals with full potential, knowledge and competence to develop and prepare for the opportunity to grow. The individual shall possess the potential to grow up to the top-level management through an evaluation by Human Resources Department. In order to develop the individual's skills and knowledge of all aspects within the organization, the individual shall be assigned important tasks and rotated among different departments to prepare him/her to fill any important positions that may become vacant.

In the case of the top executive management position of the organization (the President), the Board of Directors has assigned the Nomination and Remuneration Committee the responsibility to determine the guidelines and qualifications of suitable candidates and then present to the Board of Directors for appointment of the position. Apart from the qualifications in terms of knowledge and capabilities whereby the Nomination and Remuneration Committee may consider the executive management within the organization or may bring in an external consultant to select qualified candidates, the President shall also be a member of the Board of Directors. Therefore, the candidate whom the Nomination and Remuneration Committee believe to be well qualified and appropriate for the position of the President must possess suitable qualifications and shall be appointed as a director on the Board by the Shareholders' meeting before assuming the position of the President.

For the succession plan of top executive management, the Board of Directors assigns the Nomination and Remuneration Committee to determine the procedures and guidelines in selecting a successor as well as the suitable qualifications.

4. Governance of Subsidiaries' Operations

Maintaining Shareholder's Rights

In governing the subsidiaries and affiliates, the Company as a shareholder has the same rights as other shareholders such as the right to attend meetings and the right to vote. Therefore, the Company has the policy to appoint a representative to attend the shareholders' meetings. The Company's representative has the right to vote on important agenda items at the meetings such as capital decrease, rights offering, approval of the balance sheet and approval of the management structure. In this regard, the Company's representative shall vote according to the guidelines provided by the Board of Directors or the Executive Committee (depending on the case) or the representative may ask for an approval of the Executive Committee or the Board of Directors regarding the crucial agenda items prior to the shareholders' meeting.

Nominating Representative(s) as Director of a Subsidiary

The Company shall appoint representatives as directors of the subsidiaries. The Board of Directors has assigned the Executive Committee the task of determining the individuals who have the qualifications suitable for that particular business to represent the Company on the Board of Directors of the subsidiaries. The Executive Committee shall also determine the roles and responsibilities of the representative in representing the Company with honesty to protect the benefits of the

subsidiaries and company policies in accordance with good corporate governance and related laws and regulations. At the same time, the Company has determined the policy that states that voting as a director of subsidiaries on important agendas at the Shareholders' Meeting such as capital decrease, rights offering, approval of the balance sheet, approval of management structure and entering various transactions as stipulated in the Securities and Exchange Act, shall be in accordance with the guidelines set by the Executive Committee or the Board of Directors of the Company (as the case may be). The voting shall also be consistent with good corporate governance as stipulated by the Company. In appointing representatives as directors of subsidiaries, the representation shall correspond with the ratio of shares held by the Company.

Policy on Governing Subsidiaries

In governing internal control, disclosure of financial statements and results, transactions between subsidiaries and connected persons, procurement or sale of assets, or the completion of significant transactions, the Company has set the rule that individuals appointed by the Company shall make certain that the subsidiaries have appropriate and concise regulations on connected transactions, purchase or sale of assets or any other important transactions to ensure completeness and accuracy consistent with the Company's own regulations. In addition, the representative shall also ensure that disclosure of financial status, performance and other important information are in compliance of applicable regulations as well as ensure that accounting records are kept and are accessible for the Company to review and collect for preparation of the consolidated financial statements within the given time period.

Furthermore, when a subsidiary invests in another business at a level that is significant to the Company, the representative has the responsibility in ensuring that the management of the subsidiary has entered into a contract or agreement for clarity of authority in management.

Specification of Group's Central Accounting and Finance Policy

Presently, the Company has determined that all subsidiaries shall abide by the Central Accounting and Finance Policy. This is to ensure that each subsidiary has an accounting policy, as well as accurate and timely reporting and disclosure of financial information, in accordance with the rules of the regulating agency and related regulations

5. Controlling Use of Insider Information

The Board of Directors approved the policy on controlling the use of insider information to determine guidelines in disclosing and preventing transactions that may cause conflict of interest, including the misuse of insider information. The guidelines are as follows:

1. Prepare the Company's ethics manual as well as employee ethics, which cover conflicts of interest, information disclosure, and prohibiting the use of or benefit from insider information or disclosure of insider information for personal gain or others' benefit. The guidelines also state the policy on treatment of stakeholders with regards to shareholders' rights and maintaining customer confidentiality. These guidelines are communicated to related persons for acknowledgment and general practice.

2. Determine the quiet period when the directors and management of the Company are not allowed to trade securities or provide news on the operating results or any other kind of news that may affect the price of the Company's shares and have not been publicly disclosed, for a period of 30 days before the day the quarterly financial statements and the annual financial statements are announced. The quiet period is stated in the Corporate Information Disclosure Policy and Supervision of Insider Information Usage Policy.

3. Disclosure of securities held by the directors and management (as defined in the Securities and Exchange Act and/or the Notification of the Capital Market Supervisory Board) whereby the directors and management are required to report to the Office of the Securities and Exchange Commission any purchase and sale of Company's securities within one month from the date of first appointment to the position and within three business days after any changes. The directors and management

shall also report securities held or any changes to the Company Secretary so that the Company Secretary may gather reports on the changes in ownership of the Company's securities and include them in the agenda of the next Board of Directors' Meeting for acknowledgement.

4. In reporting any stake or interest, the Company has determined that the directors and management shall report one's stake or that of a related person to the Company Secretary as well as report any changes in such stakes. The Company Secretary then has the duty to file the reports and report any changes to the Chairman of the Board and the Board of Directors' Meeting in accordance with the Securities and Exchange Act B.E. 2535. The Company shall use the information to control transactions between the Company and directors or management and/or persons related to the aforementioned as required by law.

5. The Company has determined the procedures and punishments when it is discovered that there has been misuse of insider information for personal gain, which is in accordance with the rules, regulations and policies on the use of insider information posted on the Company's website.

6. Auditor's Remuneration

EY Office Company Limited has been the auditor of the Company and subsidiaries (except two subsidiaries in the Republic of the Union of Myanmar). In a case where any auditors of EY Office has performed his/her respective duties for the total of 5 years, EY Office shall replace such auditor with a new auditor.

In 2019, the Company and its subsidiaries had compensated the auditor as follows:

1. Auditing fees

- The Company and its subsidiaries have paid the auditing fees to EY Office Company Limited with the following details:

	Review of 3 quarterly financial statements	Annual auditing fees	Total	(unit: Baht)
Bangkok Dusit Medical Services PLC.	1,047,000	1,403,000	2,450,000	
Subsidiaries (58 companies)	7,955,220	19,358,150	27,313,370	
Total auditing fees			29,763,370	

- The two subsidiaries in the Republic of the Union of Myanmar, namely, N Health Myanmar Co., Ltd. And Samitivej International Co., Ltd., paid an audit fee to Win Tin & Associates and UTW (Myanmar) Limited., which operate in Myanmar, in the amount of equivalent to Baht 311,860.

2. Other service fees

In 2019, EY Office Company Limited also provided other services such as consultant and training services regarding the accounting standards in the amount of Baht 1,980,000.

7. Practice on Good Corporate Governance Code for Listed Companies in 2017

The Board of Directors acknowledges the 2017 Good Corporate Governance Code for Listed Companies and recognizes its role as the governing body in creating sustainable value for the Company. Thus, the Board has considered and reviewed the Good Corporate Governance Code and has adapted such practices as appropriate in governing the organization in order to produce good profits in the long term, build the trust of our shareholders and the public, as well as sustainable growth. However, there are some parts of the Code that the Board of Directors has reviewed and determined to be unsuitable, and thus, has not put them to practice and the reason has been recorded in the Board resolution. Nevertheless, the Board of Directors has set other suitable measures to substitute the aforementioned parts of the Code.

8. Policy on Anti-corruption

The Company has the policy to conduct business with virtue and social responsibility. The Board of Directors has approved the policy on anti-corruption, which has been communicated to personnel within the Company, subsidiaries and associated companies for acknowledgment and practice. The policy has also been published on the Company's website.

In the past, the Company has carried out the aforementioned policy to prevent fraud and corruption, which can be summarized as follows:

1. The Company has provided guidelines on assessing the operational risk and on prioritizing the risks that may occur for the planning of internal auditing and risk management.
2. Guidelines are provided on the control and prevention of any risks that may occur by determining the principals and regulations on procurement, reimbursement, budget approval, charitable donations, entertaining expenses or gift giving. In addition, the guidelines specify that there shall be an internal control system in finance, accounting, data recording as well as other internal processes related to accounting and finance to ensure confidence that the financial transactions are consistent with the approved objectives and that the business is transparent.
3. The Company has communicated the policy on anti-corruption to the various departments within the Company, the subsidiaries and the associated companies through various channels, namely, employee training, intranet and the Company's website for the acknowledgement and practice of related persons.
4. The Audit Committee has the duty to ensure that the Company has sufficient good corporate governance, consistent with the policy set.
5. The Company has provided channels to report any violations, unlawful acts, ethical misconduct, or fraudulent or corrupt behavior. In addition, the Company has set the Whistleblower Policy to protect and alleviate any damages to the whistleblower or petitioner or persons cooperating in the reporting of such acts.

Internal Control and Risk Management

Internal Control

The Company recognizes the importance of the internal control system as it is deemed one of the significant tools in mitigating risks and preventing losses to the Company. The internal control system is also a tool that ensures an efficient management of the Company. Therefore, the Board of Directors has stipulated that the Company shall put in place an internal control system in various areas such as procurement, approval of disbursement, reliability of financial statement, administration by the Human Resources Department, purchase and sale of tools, medical supplies, compliance with relevant laws and regulations as well as monitor existing audit results that need to be revised or improved to ensure the transparency of management of every aspect.

To achieve this end, the Company, with an approval of the Audit Committee, approved Accounting Revolution Company Limited, an external company, as the Company's internal auditor. In turn, Accounting Revolution Company Limited appointed Mrs. Sasivimol Suksai to perform such duties since she possesses experiences in governance and internal audit. She is able to work independently and has available the appropriate number of staffs and teamwork to carry out the internal audit of the Company. Mrs. Sasivimol can inspect the operation of each department in accordance with guidelines on adequate evaluation of the internal control system prescribed by the Securities and Exchange Commission.

Profile and experiences of Head of the Internal Audit team

Mrs. Sasivimol Suksai, Managing Director, Accounting Revolution Company Limited

Educational Background

- BBA: Major in Accounting, Thammasat University
- MBA: Master of Business Administration, Chulalongkorn University

Work experiences

- 1988-1991 Assistant Auditor, Office of SGV na Talang
- 1991-1996 Director, VSP Consultants Company Limited (provides auditing services)
- 1996-2002 Director, CAS Company Limited (provides auditing services)
- 2002-2006 Director, Thana Ake Advisory Company Limited (provides auditing services)
- 2006-present Director, Accounting Revolution Company Limited

Other qualifications

- Licensed auditor of Thailand
- Special lecturer, Dhurakij Bundit University
- Special lecturer, Eastern Asia University

Accounting Revolution Company Limited, as the internal auditor as mentioned above, performs its duties independently and reports directly to the Audit Committee. The audit company has examined and assessed the efficiency of the internal control system of different work processes based on the annual audit plan approved by the Audit Committee.

The objective of the internal audit is to support various departments of the organization in carrying out their duties and responsibilities with transparency and efficiency as well as to supervise the operation of subsidiaries to be in compliance with the established framework. The internal auditor shall gather information of every function of various departments, then analyze, evaluate results and provide recommendations to improve the efficiency and effectiveness of the internal control system. The internal auditor shall also report to the management to make any necessary adjustments or improvements while at the same time independently reporting audit results to the Audit Committee. The Audit Committee believes that the internal auditor has performed the duties efficiently to meet the goals and corporate governance principles of the Company while sufficiently mitigating risks that may arise and affect the Company.

At the Board Meeting no. 2/2020 held on 26 February 2020, a total of 14 directors attended, comprising of 6 executive directors, 2 non-executive directors and 6 independent directors. Among those who attended, 3 members are independent directors of the Audit Committee. In addition, the Board of Directors reviewed the assessment of the adequacy of the internal audit system as reported by the Audit Committee in 2 aspects; namely, control environment, risk assessment, control activities, information and communication and monitoring activities. The Board of Directors believes that the Company has sufficient and suitable internal control system that suits current business condition and an overall operation has been transparent and good corporate governance can be verified.

In 2019, the Company did not discover any significant errors relating to conflicts of interest, corruption, abnormality or defect of the internal control system of the Company or its subsidiaries.

Risk Management

The Company realizes the importance of risk management which is deemed an essential element of good corporate governance. We believe that risk management is an important mechanism and tool in ensuring that the Company meets the determined objectives and goals of the organization as well as minimizing obstacles or unexpected occurrences that potentially affect the Company's profits, operation and trust of the investors and stakeholders. Consequently, the Board of Directors appointed the Risk Management Committee to screen the Company's overall risk management policies and guidelines as well as to monitor and follow-up the compliance of risk management policies and procedures.

Moreover, the Board of Directors, as proposed by the Risk Management Committee, approved the Risk Management Policy and announced such policy to the Company and subsidiaries. Executive management and employees at all levels have the responsibility of being aware of the risks that may occur in their work and organizations, and should give sufficient and appropriate importance to risk management. The Board also determined important risk management that affect the achievement of the organization's objectives as follows:

- Determine risks in a timely manner
- Analyze, assess and prioritize potential risks and their impact in case they actually take place
- Manage risks in accordance with the established risk management process by taking into consideration any related expenditures and impacts from such risk management.
- Follow-up and evaluate results to ensure that organizational risks have been appropriately mitigated.

Furthermore, risks that may affect high and very high-level business plans and strategies of the organization must be reported to the Risk Management Committee, the Executive Committee and the Board of Directors for their acknowledgement.

Subsequently, the Board of Directors has approved and announced the information technology security management policy to enable the most efficient use of IT system and computer network as well as to prevent potential problem arising from risky use that may cause damage. The Board also monitors IT system while simultaneously ensuring the security of data and communication network so that any operations in terms of personal data protection will be safe and in line with an international standard as well as conform to both Thai and foreign laws. From the policy mentioned above, the Company has set up:

1) Information Security Management Committee with major roles and duties as follows:

- Specify and approve the criteria for risk level and acceptable risk
- Consider risk evaluation results and corrective measures of significant risks of the organization
- Consider an appropriate penalty for anyone who violates IT security management policy
- Provide support on resources required for the operation

2) BDMS Computer Emergency Response Team (BDMS CERT) has major roles and duties as follows:

- Respond to and handle cyber security incident (Incident response)
- Provide advice and resolve threats concerning cyber security (Cyber security advisor)
- Follow-up and publicize news and incidents relating to cyber security to every related person in the Company
- Study, improve and update tools and operation guidelines to enhance cyber security of the Company

In 2019, the Company appointed the Enterprise Risk Management Steering Committee, consisting of the senior executives from various departments of the Company. This Committee is responsible for handling and controlling risks affecting the business operation to be at an acceptable level as well as integrating risk management with business decision to ensure that the operation shall be systematic and in line with the Company's established strategies. The Committee has the responsibilities as indicated below:

Duties and responsibilities of the Enterprise Risk Management Steering Committee

1. Determine and gather potential risk items of the organization to encompass every area according to BDMS risk domain by taking into consideration both internal and external factors that potentially impact the Company.
2. Evaluate and prioritize the possibility of risks in order to efficiently prevent and resolve.
3. Specify directions, policies and strategies to minimize risk possibility and impact within the organization as well as communicate to every practitioner throughout the organization.
4. Specify guidelines on the monitoring, follow-up and evaluation of results and ensure an appropriate internal control system.
5. Integrate risk management with other important tasks of the organization.
6. Organize meeting at least every quarter or as deemed appropriate.
7. Report operational results to the Risk Management Committee and the Working Committee of policy and operation plan at least every quarter.

Report of the Audit Committee

The Board of Directors of Bangkok Dusit Medical Services Public Company Limited appointed the Audit Committee. As of 31 December 2019, the Audit Committee was comprised of 3 independent directors, namely Professor (Emeritus) Santasiri Sornmani, M.D. as Chairman of the Audit Committee, and Mr. Chavalit Sethameteekul and Mr. Weerawong Chittmittrapap as members of the Committee. The main duties and responsibilities of the Audit Committee are to ensure that the Company's financial statements are in accordance with accounting standards and have accurate and sufficient disclosure, ensure that the Company has an internal control system that assesses the risks and ensures suitable and efficient risk controls, ensure compliance with related regulations and laws, as well as mitigate conflicts of interest between the Company and related persons.

In 2019, the Audit Committee held a total of 10 meetings to carry out duties as assigned, the most important being:

1. Review the financial statements of the Company and subsidiaries before presenting to the Board of Directors, as reviewed and explained by the auditor and executive management. The Audit Committee is of the opinion and belief that the aforementioned financial statements were prepared according to accounting standards with accurate and complete disclosure of important facts.
2. Consider and nominate the auditor from EY Company Limited and the annual auditing fee to the Board of Directors for further approval by the Shareholders' Meeting. The Audit Committee is of the opinion that the person nominated as the auditor is qualified in terms of knowledge, capability and is sufficiently independent from the Company and subsidiaries.
3. Consider the appointment of Accounting Revolution Company Limited, a qualified and experienced external company, as the Internal Audit. The Internal Audit was evaluated based on the team, sufficient number of staff, experience, knowledge and capabilities, as well as independency, to carry out audits of the various departments within the Company according to the guidelines for assessment of the sufficiency of the internal control system.
4. Consider transactions with connected persons, disclosure of transactions with connected persons and ensure that acquisitions or sales of assets are in compliance with applicable laws and regulations.
5. Consider approving the annual audit plan, review internal audit procedures, which are a part of the Company's management policy, and provide written approval on the internal audit process to be used as a guideline according to international standards.
6. Consider and hear the internal audit report and explanation from the internal auditor, which has been appointed with the approval of the Audit Committee. The internal auditors carried out the audit according to the importance of the risks as assessed. The Audit Committee reported and provided suggestions to the Board of Directors and executive management on good corporate governance, compliance with laws, regulations and practices, and efficiency in risk evaluation and risk mitigation of the various departments and the organization.

7. Review the Audit Committee's charter to comply and suit to the guidelines, regulations or circumstances that have changed.
8. Review and assess the sufficiency of the internal control systems annually. The Committee is of the opinion that the internal control system is suitable and sufficient in risk mitigation in accordance with the policies and strategies of the Company.
9. Confer with the auditor without management so that the auditor can freely report on any problems or limitations as a result of the audit. The auditor has reported that there were no limitations of significance.

The Audit Committee has carried out the duties as assigned with care and to the best of our ability for the benefit of the Company, the Shareholders and all stakeholders.

Signed By ***Santasiri Sornmani***

Professor (Emeritus) Santasiri Sornmani, M.D.
Chairman of the Audit Committee

Connected Transactions

for the Period Ending 31 December 2019

1. Transactions between Bangkok Dusit Medical Services PCL. ("the Company") and its Subsidiaries

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
1. Bangkok Airways PCL. : BA <u>Relationship:</u> 1. Mr. Prasert Prasarttong-Osoth, M.D., is a major shareholder of the Company and BA. 2. Mr. Pradit Theekakul, Mr. Sripop Sarasas, Mrs. Narumol Noi-am and Mr. Puttipong Prasarttong-Osoth are mutual directors.	1. Air fare and air freight/patient transport by air charges	9,457,500	20,864,792	25,763,781	<p>The Company and subsidiaries paid for air fare and air freight charges to Bangkok Airways PCL. The Company and subsidiaries paid for patient transport by air to Bangkok Airways PCL., which is considered as a transaction supporting normal business of the Company and subsidiaries.</p> <p>In 2017 and 2018, the Company paid for travel expenditures as part of the affiliation program to increase the potential and to develop BDMS business.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is in accordance with the market rate and under normal trade conditions.</p>
	2. Creditor - air fare, air freight and patient transport by air charges	273,533	410,134	482,745	<p>Air fare, air freight and patient transport by air and charter charges not yet due to Bangkok Airways PCL., which the Company and subsidiaries receive general credit terms as with any other counter party of BA.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>
	3. Dividend income	1,432,448	5,371,680	8,952,800	<p>The Company received dividends from the investment in common shares of Bangkok Airways PCL., which is in accordance with the notification of the dividend payment.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable.</p>
	4. Maintenance and management expenses	3,072,000	3,072,000	3,072,000	<p>A subsidiary paid for maintenance and management expenses of helicopter to Bangkok Airways PCL., at the rate expressed in the agreement.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is considered a normal transaction.</p>
	5. Creditor - Maintenance and management expenses	273,920	547,840	547,840	<p>Subsidiary's maintenance and management expenses to Bangkok Airways PCL., under normal credit terms.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is considered a normal transaction.</p>

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
6. Advertising and corporate public relations expenses		1,722,250	4,615,510	3,412,315	<p>The Company and subsidiaries paid for advertising and public relations expenses to BA, with rate and conditions of normal transaction as with other counter parties.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is in accordance with the market rate and under normal trade conditions.</p>
7. Creditor - Advertising and corporate public relations expenses	-	831,925	494,740		<p>The Company and subsidiaries had unpaid advertising and public relations expenses to BA which are considered normal credit terms.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>
8. Advertising insurance	85,600	85,600	85,600		<p>A subsidiary paid for advertising insurance to BA which is considered a normal transaction.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>
9. Revenue from medical services	3,773,418	4,035,785	5,022,056		<p>Revenue from medical services provided under the medical services agreement between the Company & subsidiaries and Bangkok Airways PCL., which is normal business for the Company & subsidiaries under the same terms as with other customers.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>
10. Revenues from other services	50,000	836,620	477,750		<p>The Company had revenues from the provision of basic first-aid training to personnel of Bangkok Airways PCL., which are considered normal transactions.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>
11. Revenues from sales of goods	521,687	46,660	888,664		<p>Revenue from sales of goods between subsidiaries and Bangkok Airways PCL., which are considered normal transactions.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and the price is in accordance with the market rate.</p>
12. Trade debtor and other debtors	1,839,340	655,958	1,934,960		<p>The Company and subsidiaries are creditors on medical services in accordance with the service agreement and on other goods and services with BA under normal terms and conditions as with other counter parties.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is reasonable and is in accordance with normal trade conditions.</p>

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
2. BAC Gourmet House Co., Ltd. <u>Relationship:</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PCL., is a major shareholder of BAC Gourmet House Co., Ltd., and Mr. Puttipong Prasarttong-Osoth is a mutual director.	1. Retail space rental	10,097,126	10,130,544	8,953,763	The Company and subsidiaries received retail space rental from BAC Gourmet House Co., Ltd. at the market rate and under the same rental terms as other renters. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and also in line with normal trade conditions.
	2. Debtor - retail space rental	666,060	1,654,104	500,778	The Company and subsidiaries are creditor for retail space rental from BAC Gourmet House Co., Ltd. at the market rate and under the same rental terms as other renters. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Deposit for retail space rental	836,536	645,340	645,340	The Company received a deposit on rental lease from BAC Gourmet House Co., Ltd., which is in accordance with the lease agreement as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	4. Food and catering services	217,721,954	216,693,697	170,404,753	The Company and subsidiaries paid for food for patients and catering services to BAC Gourmet House Co., Ltd., which is a catering provider. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market prices and under general terms.
	5. Creditor - food and catering services	18,132,770	19,000,322	16,000,504	The Company and subsidiaries had payment for food services not yet due to BAC Gourmet House Co., Ltd. under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	6. Revenue from medical service	297,944	68,591	792,570	The Company and subsidiaries had revenue from medical services provided under the medical services agreement between the Company and BAC Gourmet House Co., Ltd., which is a normal business transaction of the Company under the same terms as with other customers. <u>Opinion of the Audit Company</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	7. Revenues from sales of goods and services	1,625,045	1,329,296	639,884	Revenues from laundry services and sales of goods between the subsidiary and BAC Gourmet House Co., Ltd. at the market prices and under general terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	8. Debtor - sale of goods and services	473,478	959,857	843,923	A subsidiary is a creditor of medical services, laundry services and sales of goods not yet due with BAC Gourmet House Co., Ltd. under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
3. Bangkok Travel Club Co., Ltd. <u>Relationship:</u> Person(s) connected to the Company's major shareholder is a director and major shareholder.	1. Organization of offsite meetings and seminars	3,939,968	4,478,309	4,102,747	The Company paid for services in organizing offsite meetings and seminars, including accommodation and transportation, at market rate and under the same trade terms comparable to other service providers. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	2. Creditor – organization of offsite meetings and seminars	850,650	-	-	The Company and subsidiaries were creditors of the service fees in organizing offsite meetings and seminars with Bangkok Travel Club Co., Ltd. under general credit terms <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Medical service expenses	10,000	-	-	A subsidiary provided medical services to Bangkok Travel Club Co., Ltd., according to the service agreement with the same trade terms and price as with other parties to the contract. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market prices and under general terms.
4. Rankindeeyudee Limited Partnership <u>Relationship:</u> Person(s) connected to the Company's major shareholder is a director and major shareholder.	1. Retail space rental	698,388	526,038	471,384	The Company and subsidiaries received revenues from retail space rental in the hospital in accordance with the rental agreement at the market rate and under the same rental terms as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and is also in line with normal trade conditions.
	2. Debtor – retail space rental	46,230	46,906	59,673	The Company and subsidiaries have retail space rental not yet due in accordance with the rental agreement under the same terms and the same rental rate as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Deposit for retail space rental	116,452	116,452	116,452	The Company and subsidiaries received a deposit on retail space rental, which is in accordance with the rental agreement as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	4. Goods and food services	574,635	187,260	399,253	The Company and subsidiaries paid for goods, food and catering services to Rankindeeyudee Limited Partnership which is a food provider. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and is in accordance with normal trade conditions.
	5. Creditor – goods and food services	68,392	37,960	74,820	The Company and subsidiaries have payment for goods and food not yet due to Rankindeeyudee Limited Partnership under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
5. Bangkok Air Tour (1988) Co., Ltd. <u>Relationship:</u> Person(s) connected to the Company's major shareholder is a director and major shareholder.	1. Air fare	21,864,030	17,752,245	18,104,788	The Company and subsidiaries paid for air fare to Bangkok Air Tour (1988) Co., Ltd., an airplane ticket agent, at the market rates and under general business terms. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under general business terms.
	2. Creditor – air fare	518,740	1,020,440	1,215,185	The Company and subsidiaries had account payables for air fare which are not yet due to Bangkok Air Tour (1988) Co., Ltd. under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
6. Bangkok Air Catering Co., Ltd. <u>Relationship:</u> A subsidiary of Bangkok Airways PCL., and Mr. Pradit Theekakul and Mr. Puttipong Prasarttong-Osoth are mutual directors.	1. Medical service revenues	2,400,000	2,220,000	1,541,850	The Company and subsidiaries provided medical services to Bangkok Air Catering Co., Ltd. under the medical service agreement which is considered a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Trade debtor – medical services	200,000	370,000	339,800	The Company and subsidiaries had debtor on medical services provided under the medical service agreement with Bangkok Air Catering Co., Ltd. under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
7. Bangkok Air Catering Samui Co., Ltd. <u>Relationship:</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PCL., is a major shareholder and Mr. Puttipong Prasarttong-Osoth is a mutual director.	1. Food and catering services	14,851,704	13,388,763	14,805,561	A subsidiary paid for food for patients and catering services to Bangkok Air Catering Samui Co., Ltd. which is food provider. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Creditor – Food and catering services	2,266,889	2,214,223	4,387,963	A subsidiary had payment for food and catering services not yet due which is under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Medical service revenues	-	115,480	126,040	A subsidiary provided medical services to Bangkok Air Catering Samui Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal credit terms.
	4. Trade debtor – medical services revenues	-	115,480	126,040	A subsidiary had a debtor on medical services provided to Bangkok Air Catering Samui Co., Ltd., which is in accordance with general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
8. Bangkok Air Catering Phuket Co., Ltd. <u>Relationship:</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PCL., is a major shareholder and Mr. Puttipong Prasarttong - Osoth is a mutual director.	1. Medical service revenues	188,400	25,500	-	A subsidiary provided medical services to Bangkok Air Catering Phuket Co., Ltd., under the medical service agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Revenues from sales of goods	13,094	-	-	A subsidiary had revenues from sales of goods to Bangkok Air Catering Phuket Co., Ltd., with the same price as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	3. Food services	13,525	-	-	A subsidiary paid food services to Bangkok Air Catering Phuket Co., Ltd., which is a food provider and is in accordance with normal market prices. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
9. Bangkok Air Catering Chiang Mai Co., Ltd. <u>Relationship:</u> Bangkok Air Catering Co., Ltd., a subsidiary of Bangkok Airways PCL., is a major shareholder and Mr. Puttipong Prasarttong - Osoth is a mutual director.	1. Medical service revenues	112,080	-	-	A subsidiary provided medical services to Bangkok Air Catering Chiang Mai Co., Ltd. under the medical service agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Trade debtor – medical services	112,080	-	-	A subsidiary had a debtor on medical services from Bangkok Air Catering Chiang Mai Co., Ltd., which is in accordance with general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
10. Bangkok Media and Broadcasting Co., Ltd. <u>Relationship:</u> The Company's major shareholder is a director and a major shareholder and Mrs. Narumol Noi-am and Mr. Puttipong Prasarttong-Osoth are mutual directors.	1. Advertising fees	500,000	4,266,400	24,675,000	The Company and subsidiaries paid Bangkok Media and Broadcasting Co., Ltd. for television advertising at the market rate and under the same trade terms as other clients. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Creditor – advertising fees	-	3,210,000	-	A subsidiary had account payables for advertising fees which are under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Medical service revenues	316,650	-	-	The Company and subsidiaries provided medical services to Bangkok Media and Broadcasting Co., Ltd., under the medical service agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
	4. Trade debtor – medical service expenses	316,650	-	-	A subsidiary was a creditor on medical services provided to Bangkok Media and Broadcasting Co., Ltd., which is under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
11. Prasarttong-Osoth Co., Ltd. <u>Relationship:</u> Person(s) connected to the Company's major shareholder is a director and major shareholder and Mr. Puttipong Prasarttong-Osoth is a mutual director.	1. Purchase of goods	329,578	181,385	243,611	The Company and subsidiaries purchased goods from Prasarttong-Osoth Co., Ltd., which is in accordance with normal procurement process and under general trade terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	2. Creditor – purchase of goods	107,921	30,170	22,380	The Company and subsidiaries had account payables for goods purchased from Prasarttong-Osoth Co., Ltd., not yet due which are under general trade terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and in accordance with normal trade conditions.
	3. Other revenues	-	300	35,000	Revenues from training services on products between the subsidiaries and Prasarttong-Osoth Co., Ltd., which are under general trade terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
12. Bangkok Airways Ground Services Co., Ltd. <u>Relationship:</u> A subsidiary of Bangkok Airways PCL., and Mr. Puttipong Prasarttong-Osoth is a mutual director.	1. Ground and passenger handling costs	1,675,690	1,120,713	481,367	A subsidiary paid for Ground and Passenger handling services at Don Muang International Airport. Bangkok Airways Ground Services Co., Ltd. is the only service provider to be awarded the concession at Don Muang International Airport. Therefore, it was necessary for the subsidiary to use the service which was charged at the normal rate as determined by such company. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	2. Creditor – ground and passenger handling fees	254,935	62,886	-	A subsidiary has unpaid ground and passenger handling fees at Don Muang International Airport to Bangkok Airways Ground Services Co., Ltd., which are under normal credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
13. Saithong Property Co., Ltd. <u>Relationship:</u> Mr. Att Thongtang is a major shareholder and mutual director.	1. Medical service revenues	33,100	26,400	31,000	A subsidiary provided medical services to Saithong Property Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
14. The One Enterprise Co., Ltd. <u>Relationship:</u> 1. A juristic person of which a major shareholding is a person connected to the Company's major shareholder is a major shareholder of The One Enterprise Co., Ltd. 2. Person connected to the Company's major shareholder and Mr. Pradit Theekakul are mutual directors.	1. Medical service revenues	22,131	49,285	26,740	The Company and subsidiaries provided medical services to The One Enterprise Co., Ltd. under the medical services agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
15. One 31 Co., Ltd. <u>Relationship:</u> A subsidiary of The One Enterprise Co., Ltd. and Mr. Pradit Theekakul is a mutual director.	1. Advertising fees	600,000	2,000,000	2,000,000	A subsidiary paid for the advertising fees to One 31 Co., Ltd., which are in accordance with the market rate and made under the same terms with other service providers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Creditor – advertising fees	-	525,000	-	A subsidiary had account payables for the advertising fees which are not yet due and are in accordance with general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Medical service revenues	14,296	-	-	The Company had medical service revenues according to the medical service agreement with One 31 Co., Ltd., under the medical services agreement, which is a normal business transaction under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
16. WTH Holdings Co., Ltd. <u>Relationship:</u> Mr. Att Thongtang and connected person(s) are mutual directors and major shareholders.	1. Office building rental	12,714,719	5,021,591	1,943,947	A subsidiary paid office building rental to WTH Holdings Co., Ltd., which is in accordance with the market price and under the same terms as with other service providers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Creditor – office building rental	150,567	25,909	1,943,947	A subsidiary is a debtor of office building rental to WTH Holdings Co., Ltd. under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Rental insurance	6,204,737	1,226,700	1,130,400	A subsidiary paid rental insurance under the terms of the rental agreement, which is under general terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
17. Samui Palm Beach Resort Co., Ltd. <u>Relationship:</u> A juristic person connected to the Company's major shareholder is a major shareholder of Samui Palm Beach Resort Co., Ltd. and Mr. Pradit Theekakul is a mutual director.	1. Room charges	269,164	246,900	-	Subsidiaries paid Samui Palm Beach Resort Co., Ltd. for rooms, at market rates and under normal terms and conditions. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	2. Creditor – room charges	162,500	2,900		A subsidiary had room charges not yet due to Samui Palm Beach Co., Ltd., under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
18. Richness & Wealthy Co., Ltd. <u>Relationship:</u> Person connected to the Company's major shareholder is a mutual director and major shareholder.	1. Revenues from retail space rental	103,091	-	-	A subsidiary had revenues from retail space rental in the hospital area where the subsidiary received according to the retail space rental agreement with the same rental rate and under the same terms as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Debtor – retail space rental	8,110	-	-	A subsidiary was a creditor on retail space rental according to the retail space rental agreement, with the same terms and rental rate as with other renters. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	3. Food services	139,490	-	-	A subsidiary paid for food services to Richness and Wealthy Co., Ltd., a food provider, at normal market price. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	4. Creditor – food services	32,220	-	-	A subsidiary had payment for food services not yet due to Richness and Wealthy Co., Ltd., under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
19. Aeronautical Radio of Thailand Co., Ltd. <u>Relationship:</u> Mr. Puttipong Prasarttong-Osoth is a mutual director.	1. Medical service revenues	35,984,635	-	-	The Company and subsidiaries had medical service revenues according to the medical service agreement with Aeronautical Radio of Thailand Co., Ltd., which is a normal business of the Company and subsidiaries under the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Debtor – medical services	6,147,235	-	-	The Company and subsidiaries had a debtor on medical services according to the service agreement made with Aeronautical Radio of Thailand Co., Ltd., under the same trade terms as made with other customers. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
20. WFS-PG Cargo Co., Ltd. <u>Relationship:</u> Bangkok Airways PCL. is a major shareholder and Mr. Puttipong Prasarttong-Osoth is a mutual director.	3. Radio communication rental	1,219,775	-	-	A subsidiary paid for radio communication rental for use at Suvarnabhumi Clinic to Aeronautical Radio of Thailand Co., Ltd., the only radio signal provider at Suvarnabhumi Airport. Therefore, the subsidiary needs to use the service with this service provider according to the service rate determined by such company. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	4. Creditor – radio communication rental	125,472	-	-	A subsidiary had radio communication rental not yet due to Aeronautical Radio of Thailand Co., Ltd, the only radio signal provider at Suvarnabhumi Airport, which is under general credit terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	5. Contract insurance	16,638	-	-	A subsidiary received contract insurance from health insurance contract made with Aeronautical Radio of Thailand Co., Ltd., which is in accordance with the terms the subsidiary made with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
21. Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. <u>Relationship:</u> 1. Mr. Puttipong Prasarttong - Osoth and Mr. Pradit Theekakul are mutual directors. 2. A subsidiary of Bangkok Airways PCL.	1. Goods transfer expenses	84,033	-	-	A subsidiary paid for good transfer expenses in importing raw materials from abroad to WFS-PG Cargo Co., Ltd., which made such transaction through an agent responsible for import procedures. The subsidiary did not specify or choose the Company to handle goods transfer. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	1. Ground and passenger handling costs	2,650,827	-	-	The Company paid for ground and passenger handling costs to Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd, which are in accordance with the market price and under normal trade conditions with other service providers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Creditor – Ground and passenger handling expenses	218,066	-	-	The Company had ground and passenger handling expenses not yet due to Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd., which are under normal trade terms. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
22. Bangkok Air Aviation Training Center Co., Ltd. <u>Relationship:</u> A subsidiary of Bangkok Airways Holding Co., Ltd.	1. Security management training fees	166,048	-	-	A subsidiary sent the personnel to attend the security management training with Bangkok Air Aviation Training Center Co., Ltd., to enhance their knowledge base and operation principles in compliance with the standard specified by ICAO in which Bangkok Air Aviation Training Center Co., Ltd. is a representative of IATA Training Center, an Authorized Training Organization (ATO) of ICAO under the security management program. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
23. Nature Tour Co., Ltd. <u>Relationship:</u> Person connected to the Company's major shareholder is a director and a major shareholder.	1. Fees for organizing offsite meetings and seminars	22,500	20,400	132,700	The Company paid for offsite meeting and seminar fees with price and conditions comparable to the market price provided by other service providers. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
	2. Medical service revenues	20,400	-	-	A subsidiary provided medical services to Nature Tour Co., Ltd. according to the service agreement and under normal trade conditions and price as made with other parties to the contract. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
24. Natural Rice Co., Ltd. <u>Relationship:</u> 1. Person(s) connected to the Company's major shareholder is a director and a major shareholder. 2. Mr. Pradit Theekakul is a major shareholder.	1. Food expenses	197,825	284,210	456,930	The Company and subsidiaries paid for food expenses and catering services to Natural Rice Co., Ltd., which is food provider. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Medical service revenues	31,800	-	-	A subsidiary provided medical services to Natural Rice Co., Ltd. according to the service agreement under the same terms and price as made with other parties to the contract. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
25. Dhammadit Na Thai Co., Ltd. <u>Relationship:</u> 1. Person(s) connected to the Company's major shareholder is a director and a major shareholder. 2. Mr. Pradit Theekakul is a mutual director and a major shareholder.	1. Medical service revenues	39,600	-	-	A subsidiary provided medical services to Dhammadit Na Thai Co., Ltd., according to the service agreement under the same trade terms and price as made with other parties to the contract. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Purchase of goods		30,000	210,000	A subsidiary purchased goods from Dhammadit Na Thai Co., Ltd. according to normal procurement process and under normal trade conditions. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

Connected Person/Relationship	Transaction	Value (baht) as of			Reason and Necessity
		31/12/19	31/12/18	31/12/17	
26. Sukhothai Property Co., Ltd. <u>Relationship:</u> A juristic person connected to the Company's major shareholder is a major shareholder of Sukhothai Property Co., Ltd and Mr. Puttipong Prasarttong-Osot and Mr. Pradit Theekakul are mutual directors.	1. Room charges and catering services	327,334	529,593	862,121	The Company paid for room charges and catering services to Sukhothai Property Co., Ltd which are in accordance with the market rate and under general trade terms. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
27. Digital Ventures Co., Ltd. <u>Relationship:</u> Mr. Chairat Panthuraamphorn, M.D., is a mutual director.	1. Medical service revenues	295,940	-	-	The Company and subsidiaries had medical service revenues according to the medical service agreement with Digital Ventures Co., Ltd., which are in accordance with normal business of the Company and subsidiaries and under normal trade conditions as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and under normal trade conditions.
	2. Debtor – medical service expenses	295,940	-	-	The Company and subsidiaries had a debtor on medical service expenses according to the medical service agreement with Digital Ventures Co., Ltd., which are under normal trade terms and made under the same conditions as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.
28. Bangkok Aviation Fuel Services PCL. <u>Relationship:</u> Mr. Puttipong Prasarttong-Osot is a mutual director.	1. Medical service revenues	110,100	-	-	The Company had medical service revenues according to the medical service agreement with Bangkok Aviation Fuel Services PCL, which is a normal business of the Company made on the same terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is in accordance with the market rate and are under normal trade conditions.
	2. Debtor – medical service expenses	110,100	-	-	The Company had a debtor on medical service expenses according to the medical service agreement with Bangkok Aviation Fuel Services PCL, which are under general trade terms as with other customers. <u>Opinion of the Audit Committee</u> Such transaction is reasonable and is in accordance with normal trade conditions.

2. Policy and Trend of Future Connected Transactions

Type of Transaction	Trend and Policy
Normal business transactions or transactions that support general business	<p>Normal business transactions</p> <p>In the case that the Company and/or subsidiaries provide(s) medical services and/or patient transfers, the Company has the policy for the Company and subsidiaries to charge fees for such transactions between the Company and/or subsidiaries and connected persons at the market rate. The rate charged, payment conditions and other business conditions shall be equal to or similar to such rates and conditions that the Company and/or subsidiaries charges and stipulates for transactions with other persons or counter parties under the same situations.</p> <p>Transactions that support general business</p> <p>In the case that the Company and subsidiaries purchase goods and services, raw materials and medical supplies, or procurements related to and in support of medical services provided among the companies, or between the Company and/or subsidiaries and connected persons, which are transactions in support of the Company's and/or subsidiary's normal business, the product price or service fee of such transactions must be at a referenced market rate. In addition, the payment terms and trade agreements and conditions must not differ from the term and conditions in which the Company and/or subsidiary enters with other counter parties under the same circumstances.</p> <p>The Securities and Stock Exchange Act (Fourth Edition) Amendment B.E. 2551 effective 31 August 2008 and the Securities and Exchange Commission circular dated 16 July 2008 state that for flexibility, the Company may bring transactions with associated companies which are normal business transactions or transactions supporting normal business between the Company or subsidiaries and a related person to the Board of Directors for approval in principal.</p> <p>Therefore, at the Board of Directors Meeting 8/2008 on 27 August 2008, the Board gave management approval in principal to consider entering into normal business or transaction supporting normal business transactions with normal trade conditions, which are priced or have fees charged at the market rate with the same conditions as the Company's transactions with external parties.</p>
Financial Assistance	<p>The Company has the policy to provide financial assistance only to subsidiaries in which the Company holds more than 50 percent of the shares outstanding. The financial assistance is provided under the condition that the subsidiary has no connected person that holds more than 10 percent of the remaining shares. Such financial assistance will centralize financial management to manage costs appropriately and efficiently for the greater benefit of the organization as a whole.</p> <p>The Company has the policy to enter into 3 types of financial assistance transactions as follows:</p>

Type of Transaction	Trend and Policy
	<p>1 Loans to subsidiaries The Company will take out a loan in the money market or from a financial institution and then loan that money to the subsidiary at a rate of no more than MLR-2.25% per annum, which is less than the rate the subsidiary would be charged if taking out a loan directly <u>Benefit derived</u> The subsidiary can take out a loan at a rate lower than borrowing directly from a financial institution as the Company is capable of seeking loans at a lower rate.</p> <p>2. Guarantee loans of foreign subsidiaries <u>Benefit derived</u> To enable the foreign subsidiary to seek a loan directly from a financial institution in that particular country at a prime rate.</p> <p>3. Centralize Liquidity Management (Cash Pooling) At the end of the business day, the liquidity management program will transfer money from the subsidiary's bank account to the Company's bank account. The money transferred into the Company's bank account will be stated as short-term loan from a subsidiary with interest charged at the market rate. At the same time, if any subsidiary requires capital, the Company will transfer the excess liquidity to the subsidiary with interest charged at the market rate. <u>Benefit derived</u> For liquidity management within the Group, companies with excess liquidity will receive interest at a rate higher than the savings rate of financial institutions, while companies needing capital can borrow at a rate no higher than the market rate.</p>
Other transactions defined as connected transactions by the Securities and Exchange Act	In the case that it is deemed necessary for the Company and/or subsidiaries to enter into transactions with each other in the future, such transactions shall be for the benefit of the Company and equal benefit of each shareholder under the regulations and guidelines of the Securities and Exchange Act as well as any other related notifications of agencies that regulate the Company.

All types of connected transactions will be executed in accordance with the Securities and Exchange Act and/or regulations of the Stock Exchange of Thailand and/or notifications of the Capital Market Supervisory Board. Furthermore, for investor protection and transparency, in the case that it is necessary for the Company and/or subsidiaries to engage in connected transactions, the Company has assigned the Audit Committee the task of ensuring that such transactions are fair. In the case that the Audit Committee does not have the expertise to review a connected transaction that may occur, the Company has the policy to seek an independent professional to provide an opinion on the transaction for the consideration by the Audit Committee and/or Board of Directors and/or the Shareholders' meeting, as the case may be.

The Board of Directors' Report on its Responsibility to the Financial Statements

The Board of Directors recognizes the importance of duties and responsibilities in ensuring that the Company practices good corporate governance, that the financial statements in the 2019 Annual Report are accurate and fully disclosed, as well as in compliance with financial reporting standards by selecting appropriate accounting policies and consistently adhering to those policies, with careful discretion. The Board of Directors has assigned the Audit Committee the task of reviewing the Company's financial statements and has been informed that the financial statements are in compliance with generally accepted accounting standards by selecting appropriate accounting policies and consistently adhering to those policies. The financial statements were carefully prepared with consideration of the suitable items to be presented and provide sufficient disclosure in the notes. The Audit Committee has reported these opinions in the Audit Committee Report in the 2019 Annual Report and the Company's Information 2019 (Form 56-1).

Furthermore, the Board of Directors has put in place an efficient internal control system to ensure that all accounting information is recorded accurately and assets are safe-kept in order to prevent fraud or material damages.

In conclusion, the Board of Directors is of the opinion that the Company's internal control system is satisfactory and reasonably believes the trustworthiness of the Company's financial statements as of 31 December 2019, which the auditor has reviewed in accordance with generally accepted accounting standards. Additionally, the financial statements accurately show the significant aspects of the Company's financial status and performance in accordance with financial reporting standards.

Signed By Arun Pausawadi

Professor Emeritus Arun Pausawadi, M.D.
Chairman of the Board of Directors

Management Discussion and Analysis

Executive Summary 2019 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated operating income for the year ended 31 December 2019 (“2019”) of Baht 83,774 million, an increase of 7% yoy. The growth was attributable to an increase in revenue from hospital operations of 7% yoy which was driven by revenue growth from both Thai and international patients, higher volume and price intensity together with strong growth from insurance patients and hospitals outside of Bangkok.

In 2019, the Company recorded non-recurring income (net of income tax) of Baht 5,464 million mainly from gain on divestment of all investment in Ramkhamhaeng Hospital Public Co., Ltd. (“RAM”). While in 2018, the Company recorded non-recurring expenses (net of income tax) of Baht 945 million.

If excluding these non-recurring items in 2019 and 2018, the Company and its subsidiaries reported EBITDA of Baht 18,579 million, increased by 6% yoy. EBITDA margin decreased from 22.4% in 2018 to 22.2% in 2019. Core profit was Baht 10,053 million, slightly decreased by 1% yoy.

If including these non-recurring items, net profit was Baht 15,517 million, increased by 69% yoy.

Major Development

1. TRIS Rating upgraded the Company rating and senior unsecured debentures rating at “AA”

On 24 October 2019, TRIS Rating upgraded the Company and senior unsecured debenture ratings to “AA” from “AA-”, with stable outlook. The upgrades reflect following factors:-

- Company’s faster-than-expected debt reduction efforts and larger equity base, while maintaining sound operating performance and strong cash flow.
- The Company has the largest hospital referral network which helps reduce reliance on its flagship hospitals and diversify the source of income; providing a comprehensive array of healthcare services spanning all levels of care from preventive care to curative care.
- Strong brand franchises with various customer segments help support revenue growth.
- The Company has adequate liquidity.

2. Divestment in RAM

During 1Q19, the Company divested all of its investment in RAM totaling 4,588,424 ordinary shares, or approximately 38.24% of issued and paid-up shares of RAM. The company realized the total gain (net of tax and expenses) of Baht 6,094 million.

3. Convertible Bonds

On 18 September 2014, Company issued zero coupon convertible bonds (“CB”) to investors outside Thailand for Baht 10,000 million and expired in September 2019. At present, the Company has no outstanding liability of the CB.

In summary, some holders exercised right to early redeem CB and the rest are converted all the remaining CB at Baht 21.045 per share into ordinary shares.

Details are summarized as follows:

Status	CB Outstanding (Baht mm)	Number of Shares (mm)
Issued CB	10,000	15,491.0
Early redemption in 2017	(1,560)	-
CB holders exercised		
- In 2018	(3,746)	178.0
- In 2019	(4,694)	223.0
Outstanding as of Sep 2019	-	15,892.0

4. Impact to new financial reporting standards, TFRS 16 leases, effective in 2020

TFRS 16 leases sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company's management is currently finalizing the impact of this standard on the financial statements in the year when it is adopted.

5. Business expansion in 2019

- Hospital business:

The Company added 2 hospitals to network as follow:-

Hospital	Structured beds	Opening Month
Bangkok Chiangrai	80	Jan 19
Bangkok International	172	Jul 19

- Mövenpick BDMS Wellness Resort Bangkok

opened on 1 June 2019 with the cooperation with Mövenpick Hotels & Resorts. It is an international wellness resort located in the heart of Bangkok in coordination with BDMS Wellness Clinic to provide in-house personalized wellness program and promote prevention and lifestyle improvement. The resort consists of around 290 guest rooms with the restaurants serving with healthy selection of organic food and health-conscious menu.

6. Lifelong medical care program

(For Details, please refer to Notes to consolidated financial statements #22)

In January 2020, the Supreme Court prohibited the Company from appealing some of the past cases filed by the members against the Company, making such cases final as per the judgments of the Court of First Instance and the Court of Appeal, wherein it was ruled that the terms of the agreement and the programs did not possess the characteristics of an insurance, and ordered the Company to continue to comply with the terms of the programs. For these reasons, the Company had thus delivered letters to notify the members that the Company intends to comply with the law and the final judgments of the courts, and will launch the programs for operation from 1 March 2020.

As per the judgment of the Civil Court, the Company and its subsidiary hereby records the provision for lifelong medical care programs as of 31 December 2019 in the consolidated financial statements amounts to approximately Baht 724 million, net of the amounts refunded from the former members.

2019 Consolidated Financial Summary

Operating Income

(Baht mm)	2019	2018	%Chg
Revenues from hospital operations	79,630	74,286	7%
Revenue from sales of goods	3,092	3,087	0%
Other income	1,051	915	15%
Total Operating Income	83,774	78,288	7%

In 2019, total operating income were Baht 83,774 million, an increase of Baht 5,486 million or 7% yoy, primarily due to

- Revenues from hospital operations were Baht 79,630 million, an increase of Baht 5,344 million or 7% yoy, in 2019. Key growth drivers were a higher volume and price intensity along with an expansion of insurance patients' base. In addition, the Company has the Bangkok Emergency Services to coordinate timely patients' referral in case of accident or patients in critical conditions

Revenue of Bangkok and vicinity hospitals grew 6% yoy while outside Bangkok hospitals grew 9% yoy in 2019. Revenue from Thai patients and international patient grew 7% yoy in 2019. Key drivers were mainly from increase in Emiratis patients 56% yoy, Omanis patients 56% yoy and Cambodian patients 16% yoy.

The revenue proportion between Thai and international patients remains unchanged at 70%:30% in 2018 and in 2019.

Revenues from hospital operations in 2019	Chg. (yoY)	% to revenues
Revenues growth from hospital operations	7%	100%
Breakdown by location		
Bangkok & Vicinity	6%	58%
Outside Bangkok	9%	42%
Breakdown by nationality		
Thai	7%	70%
International	7%	30%
Breakdown by type of patients		
Outpatients	6%	46%
Inpatients	7%	54%

- Revenues from sales of goods were Baht 3,092 million, similar to 2018.
- Other income were Baht 1,051 million, increased by 15% yoy.

Operating Expenses

(Baht mm)	2019	2018	%Chg
Cost of hospital operations and others	54,277	50,502	7%
Administrative expenses	17,447	15,998	9%
Total Operating Expenses (Including depreciation)	71,723	66,500	8%

In 2019, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 71,723 million, an increase of Baht 5,223 million or 8% yoy

The company recorded non-recurring expenses (before income tax) in 2019 of Baht 776 million. Details are as follow:-

- (1) Provisions for employee benefits of Baht 616 million. According to legal retirement benefit rates for employees who have worked for an uninterrupted period of 20 years or more, such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate.
- (2) One-time expenses of Baht 110 million for MEA in finding the land to locate electricity sub-station to accommodate electricity usage at Bangkok International Hospital.
- (3) Impairment loss on commercial rights from Save Drug from Save Drug of Baht 50 million.

In 2018, the company recorded non-recurring expenses (before income tax) of Baht 382 million. If excluding these non-recurring expenses in, total operating expenses and depreciation would grow 7% yoy.

The depreciation and amortization expenses were Baht 5,752 million in 2019, increased by 7% yoy due mainly to depreciation and amortization of new network hospital, and opening of BDMS Wellness Clinic and Mövenpick BDMS Wellness Resort Bangkok (“BWR”)

Other Major Items

- Share of income from investments in associates were Baht 1,022 million in 2019, decrease of 39% yoy due mainly to divestment of all investment in RAM in 1Q19. Share of income from investments in associates in 2019 were mainly from investment in Bumrungrad Hospital Public Co., Ltd. of Baht 933 million.
- Finance cost decreased to Baht 929 million in 2019 or decreased by 20% yoy due mainly to full conversion of the remaining convertible bonds (“CB”) together with the repayment of loans from financial institutions since 1Q19.
- Tax expenses in 2019 were Baht 3,873 million, increased from Baht 2,740 million in 2018, due mainly to tax expenses from non-recurring items totaling of Baht 1,379 million. (Details are shown in non-recurring items)

Non-recurring items

During 2019, the Company recorded non-recurring items (net of income tax) of Baht 5,464 million. Details as follows:-

2019 (Baht mm)	Amount	Tax	Net of tax
1. Gain on sales in RAM	7,617	(1,523)	6,094
2. Provisions for employee benefits (400 days)	(616)	123	(493)
3. One-time expenses in finding the land to locate electricity sub-station	(110)	22	(88)
4. Impairment loss on commercial rights from Save Drug	(50)	-	(50)
5. Gain on sales in other long-term investment	2	(1)	1
Total	6,843	(1,379)	5,464

During 2018, the Company recorded non-recurring items (net of income tax) of Baht 945 million. Details as follows:-

2018 (Baht mm)	Amount	Tax	Net of tax
1. Partial Income tax expense from disposal of all investment in RAM	-	(727)	(727)
2. Provision for lifelong membership program	(185)	125 *	(61)
3. Provision for employee for long service awards	(115)	23	(92)
4. CSR activities	(82)	16	(66)
Total	(382)	(562)	(945)

* Including recording of deferred tax assets

Profitability Analysis

(Baht mm)	2019	2018	%Chg
EBITDA *	18,579	17,557	6%
EBITDA margin *	22.2%	22.4%	
EBITDA	17,803	17,175	4%
EBITDA margin	21.3%	21.9%	
EBIT *	13,969	13,935	0%
EBIT margin *	16.7%	17.8%	
Core profit	10,053	10,136	(1)%
Core profit margin	12.0%	12.9%	
Net profit	15,517	9,191	69%
Net profit margin	18.5%	11.7%	
Core EPS (Baht)	0.64	0.65	(2)%
EPS (Baht)	0.99	0.59	67%
Weighted average number of ordinary shares (mm shares)	15,743	15,570	

* Excluding non-recurring items

Remarks EBITDA = Total operating income – Total operating expenses (Excluding depreciation and amortization)

EBITDA Margin = EBITDA / Operating income

If excluding non-recurring items in 2018 and 2019, core EBITDA increased from Baht 17,557 million in 2018 to Baht 18,579 million in 2019 or increased by 6% yoy. However, core EBITDA margin decreased from 22.4% in 2018 to 22.2% in 2019.

Core profit was Baht 10,053 million, slightly decreased by 1% yoy resulting a decrease in core profit margin from 12.9% in 2018 to 12.0% in 2019.

If including non-recurring items, EBITDA was Baht 17,803 million or increased by 4% yoy. However, EBITDA margin decreased from 21.9% in 2018 to 21.3% in 2019.

Net profit were Baht 15,517 million, increased by 69% yoy partly from gain from divestment of all investment in RAM in 1Q19. As a result, net profit margin increased from 11.7% in 2018 to 18.5% in 2019. EPS was Baht 0.99 per share or increased by 67% yoy.

Assets

(Baht mm)	Dec 19	Dec 18	%Chg
Cash & cash equivalents	4,696	5,034	(7)%
Short-term investments	900	817	10%
Trade & other receivables	8,850	7,545	17%
Inventories	1,843	1,786	3%
Investment in associates	17,538	22,647	(23)%
Property, premises & equipment	78,440	74,547	5%
Goodwill	17,539	17,539	0%
Other assets	3,855	3,585	8%
Total assets	133,662	133,499	0%

As of 31 December 2019, the Company and its subsidiaries reported total assets of Baht 133,662 million, similar to 31 December 2018. Key changes in assets are mainly from an increase in property, premises and equipment of Baht 3,893 million and increase in trade and other receivables of Baht 1,305 million netted with a decrease in investment in associates of Baht 5,109 million mainly from divestment of all investment in RAM.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2018. Such goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. However, the Company has considered that this goodwill is not impaired.

Liabilities and Equity

(Baht mm)	Sep 19	Dec 18	%Chg
Bank overdrafts and short-term loans	90	5,945	(98)%
Debentures *	19,591	19,588	0%
Long-term loans *	4,701	9,327	(50)%
Convertible bonds *	-	5,056	(100)%
Other liabilities	22,098	20,145	10%
Total liabilities	46,480	60,061	(23)%
Equity attributable to equity holder of the Company	83,813	70,320	19%
Non-controlling interests	3,368	3,118	8%
Total equity	87,182	73,438	19%

* Including current portion

Total consolidated liabilities as of 31 December 2019 were Baht 46,480 million, decreased by 23% from 31 December 2018 due mainly to no outstanding liability of CB. The decrease in liabilities also came from a decrease in long-term loans from financial institutions of Baht 4,626 and decrease in bank overdrafts and short-term loans of Baht 5,855 million.

Total consolidated shareholders' equity as of 31 December 2019 was Baht 87,182 million, increased by 19% from 31 December 2018, due mainly from increase in the Company's ordinary shares from conversion of CB and net profit during the year.

Liquidity and Capital Management

Cash Flow

(Baht mm)	2019
Net cash from operating activities	14,546
Net cash from investing activities	2,818
Net cash used in financing activities	(17,701)
Net increase in cash and cash equivalents	(337)
Beginning cash and cash equivalents	5,034
Ending cash and cash equivalents	4,696

For the year ended 31 December 2019, the Company and its subsidiaries had net decrease in cash and cash equivalent of Baht 337 million from the beginning balance of 5,034 million. As a result, cash and cash equivalents at the end of period was Baht 4,696 million. Details of cash flow by activities during the period are as follows:-

Net cash flows from operating activities were Baht 14,546 million, resulting mainly from profit during 2019.

Net cash from investing activities were Baht 2,818 million comprising mainly from cash from divestment of an associate and other long-term investment of Baht 12,732 million which mainly from divestment in all investment in RAM netted with purchase of property, premises and equipment of Baht 7,437 million from hospital network expansion.

Net cash used in financing activities were Baht 17,701 million comprising mainly from dividend payment of Baht 6,941 million together with repayment of short-term loans from financial institutions of Baht 5,854 million and repayment of long-term loans from financial institutions of Baht 4,626 million.

Ratios Analysis

	2019	2018
Returns (%)		
Return on Asset (ROA)	11.6	7.2
Return on Equity (ROE)	20.1	13.8
Liquidity (x)		
Current ratio	0.8	0.5
Quick ratio	0.7	0.5
Assets & Liabilities Management (Days)		
Average Collection Period	36.9	35.0
Average Inventory Period	12.0	12.6
Average Payable Period	37.1	35.4
Leverage & Coverage Ratios (x)		
Interest coverage	19.2	14.7
Total debt to equity	0.3	0.5
Net debt to equity	0.2	0.5
Net debt to EBITDA	1.1	2.0

Remarks

- Assets & Liabilities Management based on 360 days

- Interest coverage = EBITDA/Interest Expenses

- Debt refers to interest bearing debt

Return on assets (“ROA”) and return on equity (“ROE”) in 2019 increased significantly from 2018 as a result of net gain from divestment of all investment in RAM.

Current ratio and quick ratio increased from 2018 due to a decrease in CB and decrease in long-term loans and short-term loans from financial institutions.

Average collection period increased from 35.0 days in 2018 to 36.9 days in 2019. The Company and its subsidiaries reported the aging of the outstanding trade accounts receivables which most of them aged not over than 3 months. The Company and its subsidiaries report allowance for doubtful accounts for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Average inventory period decreased from 12.6 days in 2018 to 12.0 days in 2019. The Company's inventories were mostly medicines and medical supplies which the Company and its subsidiaries already recorded allowance for the expired medicine and medical supplies to reduce its cost to net realizable value.

Average payable period increased from 35.4 days in 2018 to 37.1 days in 2019.

Interest coverage ratio increased from 14.7 in 2018 to 19.2 in 2019 due to lower finance cost.

From the conversion of the remaining CB and the repayment of loans from financial institutions during the period, total interest bearing debt to equity decreased from 0.5x as of 31 December 2018 to 0.3x as of 31 December 2019. Net interest bearing debt to equity also decreased from 0.5x as of 31 December 2018 to 0.2x as of 31 December 2019.

Net interest bearing debt to EBITDA decreased from 2.0x as of 31 December 2018 to 1.1x as of 31 December 2019.

The leverage and coverage ratios are well within the financial covenants of the long-term loans and debentures.

Management's Outlook

We expect short-term negative impact to our business from COVID-19 outbreak as some international patients and tourists tend to avoid travelling and postpone medical treatment. After outbreak is under control, we confident that, in the long-term, our business would turn to positive territory from our key competitive edge; diversified portfolio of network hospitals, capable physicians and nurses and strong franchise of our hospital brands together with customer service experience enhancement through innovation.

Increasing healthcare demand

Long-term prospect of healthcare sector is still intact from the aging population, rising income per capita, especially those in the rural area, rising health and wellness trend where people pay more attention to their health wishing to live longer with a better quality of life together with growth of health insurance in Thailand.

On the other hand, international healthcare demand continues to rise as Thailand remains one of the world's most attractive medical tourism destinations for our quality of care, Thai hospitality and value for money. Potential growth markets are China, CLMV, Middle East and Expatriate market.

In term of supply, private hospital operators continued to expand business to serve these rising healthcare demand.

These favorable factors support our strategy of focusing on preventive care services at BDMS Wellness Clinic and BWR together with upgrading our clinical capabilities at our Centers of Excellence with multidisciplinary specialists, state of the art medical equipment and experienced staffs to accommodate increasing demand of healthcare.

Key strategic priorities

The Company's diverse portfolio of network hospitals with multiple brands and diversified market segments play a crucial role in continuous growth in healthcare business and serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

- **Increasing asset utilization**

With the rising healthcare inflations, we foresee private health insurance as one of the key potential growth drivers for healthcare business going forward. We are working closely with both domestic and international insurance companies to develop exclusive insurance policies that would help expand our patient base. Also the development of e-claims and e-billing system will provide convenience for both insurance companies and patients. These initiatives would help diversify our payor base by growing private health insurance portion and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

- **Improving operational efficiencies**

We continue to improve operational efficiencies, profitability and asset utilization of ramping-up hospitals by improving their standard of care and encouraging cooperation among our network hospitals. We divided network hospitals into 6 groups. Its cluster enables us to realize the scale benefit, utilize shared services functions and increase efficiency of our operations.

- **Center of Excellence**

With the determination for continuous development of the 10 Centers of Excellence to be in accordance with the Joint Commission International (JCI), we also would continue to collaborate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Report and Consolidated Financial Statements

31 December 2019

Independent Auditor's Report

To the Shareholders of Bangkok Dusit Medical Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Dusit Medical Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Dusit Medical Services Public Company Limited and its subsidiaries and of Bangkok Dusit Medical Services Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

I draw attention to Note 22 to the financial statements, the Company and its subsidiary had the medical care programs with a small amount of charges to members who have prepaid the membership fees for life. The Company and its subsidiary discontinued the programs due to legal reasons on 20 January 2017 and 2 February 2017, respectively. The Company and its subsidiary have recorded the liabilities in the financial statements as at 31 December 2016, based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program, amounting to approximately Baht 964 million (approximately Baht 820 million in the separate financial statements). During 2017, 182 of the 334 members whose compensation was recorded in the consolidated financial statements and 151 of the 282 members in the separate financial statements have accepted the offers and already received the payment from the Company and its subsidiary.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the programs while some made claims for indemnity from the Company and its subsidiary.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment are also rendered in three directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date preceding the date of the judgment; and 3) to order the plaintiffs to return the membership fees together with compensation under the agreements made with the subsidiary prior to the filing of the case, and to order the subsidiary to continue complying with the terms of the programs.

In the fourth quarter of 2018, and in 2019, the Court of Appeal rendered judgments in some of the past cases filed by members against the Company and its subsidiary, where the said judgments affirmed the judgments of the Court of First Instance ordering that the Company and its subsidiary continue complying with the terms of the aforementioned programs. The Company and its subsidiary additionally recorded liabilities for discontinued lifelong medical care programs in case the Company and its subsidiary have to comply with the judgment. As at 31 December 2018, the Company and its subsidiary have recorded the liabilities for discontinued lifelong medical care programs amounting to approximately Baht 624 million (approximately Baht 463 million in the separate financial statements), net of the amounts that will be refunded from the former members.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilize its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes.

In January 2020, the Supreme Court prohibited the Company from appealing some of the past cases filed by the members against the Company, making such cases final as per the judgments of the Court of First Instance and the Court of Appeal, wherein it was ruled that the terms of the agreement and the programs did not possess the characteristics of an insurance, and ordered the Company to continue to comply with the terms of the programs. For these reasons, the Company had thus delivered letters to notify the members that the Company intends to comply with the law and the final judgments of the courts, and will launch the programs for operation from 1 March 2020.

As per the judgment of the Civil Court, the Company and its subsidiary hereby records the provision for lifelong medical care programs. As at 31 December 2019, the Company and its subsidiary have recorded the provision for lifelong medical care programs amounting to approximately Baht 724 million (approximately Baht 589 million in the separate financial statements), net of the amounts that will be refunded from the members.

My opinion is not qualified in respect of the above matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts are material, representing 87% of the consolidated total revenues and they directly affect the operating result of the Group. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Group.

I examined the revenue recognition of the Group by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select revenues from hospital operations transactions occurring during the year to examine the supporting documents. I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant

financial ratios with the past information and industry to detect possible irregularities in revenues from hospital operations transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 17 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill. I therefore gave significant attention to the amount of goodwill of the Group.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry, tested the calculation of the realisable values of the assets using the selected financial model. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

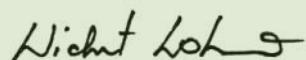
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit 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.

I am responsible for the audit resulting in this independent auditor's report.



Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 26 February 2020

Statement of financial position

As at 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Assets

(Unit: Baht)

<u>Note</u>	Consolidated financial statements		Separate financial statements	
	As at 31 December 2019	As at 31 December 2018	As at 31 December 2019	As at 31 December 2018
Current assets				
Cash and cash equivalents 6	4,696,212,413	5,033,517,730	2,467,290,112	2,295,456,151
Short-term investments 7	899,836,329	816,666,238	400,670	393,825
Trade and other receivables 9, 10	8,850,028,380	7,545,014,364	2,075,115,675	1,501,254,143
Short-term loans to subsidiaries 10	-	-	2,909,779,981	2,619,641,784
Inventories 11	1,843,365,067	1,785,910,780	124,149,576	111,613,577
Other current assets	35,743,247	91,950,549	-	-
Total current assets	16,325,185,436	15,273,059,661	7,576,736,014	6,528,359,480
Non-current assets				
Restricted financial institution deposits 8	11,262,089	9,562,544	-	-
Investments in associates 12	17,538,288,046	22,646,989,663	12,544,909,644	13,889,081,071
Investments in subsidiaries 13	-	-	54,490,190,709	53,529,888,908
Other long-term investments 14	465,829,069	526,648,269	156,500,758	223,243,837
Long-term loans to subsidiaries 10	-	-	3,936,389,182	4,063,053,777
Investment properties 15	353,705,611	316,725,611	724,959,200	688,859,200
Property, premises and equipment 16	78,439,825,922	74,546,958,262	13,913,947,780	13,134,964,168
Goodwill 17	17,538,868,508	17,538,868,508	-	-
Intangible assets 18	1,344,618,306	1,272,824,213	571,443,519	524,100,699
Deferred tax assets 32	125,203,997	96,100,847	-	-
Other non-current assets				
Leasehold rights 19	1,021,841,089	901,007,064	304,439,655	319,347,846
Others 10	497,108,946	370,006,294	31,055,632	28,869,182
Total non-current assets	117,336,551,583	118,225,691,275	86,673,836,079	86,401,408,688
Total assets	133,661,737,019	133,498,750,936	94,250,572,093	92,929,768,168

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

Statement of financial position (continued)

As at 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Liabilities and shareholders' equity

(Unit: Baht)

<u>Note</u>	Consolidated financial statements		Separate financial statements	
	As at 31 December 2019	As at 31 December 2018	As at 31 December 2019	As at 31 December 2018
Current liabilities				
Bank overdrafts and short-term loans from financial institutions 20	23,802,912	5,877,527,982	-	5,800,000,000
Trade and other payables 10, 21	5,990,177,790	5,191,771,446	1,381,320,432	1,020,980,975
Accrued expenses 10	6,178,375,810	5,957,292,302	1,533,358,295	1,510,956,216
Liabilities for discontinued lifelong medical care program 22	-	623,893,500	-	463,123,151
Current portion of long-term liabilities				
- Long-term loans from financial institutions 23	193,440,000	4,181,364,533	193,440,000	4,181,364,533
- Liabilities under finance lease agreements 24	16,877,656	14,046,994	248,950	1,034,848
- Debentures 25	4,999,807,577	-	4,999,807,577	-
- Convertible debentures - liability component 26	-	5,056,398,296	-	5,056,398,296
Short-term loans from non-related parties	66,000,000	67,000,000	-	-
Short-term loans from subsidiaries 10	-	-	12,139,192,201	10,770,758,930
Income tax payable	1,013,777,365	863,683,833	159,083,151	111,217,919
Deferred income - membership due within one year	206,726,331	225,577,042	107,289,246	106,639,814
Other current liabilities	574,164,187	515,141,584	156,313,438	120,755,557
Total current liabilities	19,263,149,628	28,573,697,512	20,670,053,290	29,143,230,239
Non-current liabilities				
Long-term loans from financial institutions 23	4,507,466,667	5,145,466,667	4,507,466,667	5,145,466,667
Liabilities under finance lease agreements 24	30,510,755	19,511,055	598,979	-
Debentures 25	14,591,681,097	19,588,045,854	14,591,681,097	19,588,045,854
Provision for lifelong medical care program 22	723,958,598	-	589,340,231	-
Provision for employee benefits 27	4,130,652,690	2,582,070,181	1,318,888,705	774,127,646
Deferred income - membership	612,019,660	632,664,373	149,685,338	149,059,906
Deferred tax liabilities 32	2,550,290,717	3,447,624,294	153,572,376	292,263,741
Other non-current liabilities 10	70,384,058	71,598,681	31,637,572	38,942,500
Total non-current liabilities	27,216,964,242	31,486,981,105	21,342,870,965	25,987,906,314
Total liabilities	46,480,113,870	60,060,678,617	42,012,924,255	55,131,136,553

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

Statement of financial position (continued)

As at 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Liabilities and shareholders' equity (continued)

(Unit: Baht)

<u>Note</u>	Consolidated financial statements		Separate financial statements	
	As at 31 December 2019	As at 31 December 2018	As at 31 December 2019	As at 31 December 2018
Shareholders' equity				
Share capital				
Registered				
17,582,235,672 ordinary shares of Baht 0.1 each	28	1,758,223,567	1,758,223,567	1,758,223,567
Issued and fully paid-up				
15,892,001,895 ordinary shares of Baht 0.1 each (31 December 2018: 15,668,956,048 ordinary shares of Baht 0.1 each)	26, 28	1,589,200,190	1,566,895,605	1,589,200,190
Premium on ordinary shares	26, 28	30,166,103,071	24,741,066,923	30,103,179,143
Difference from shareholding restructure		305,000,325	305,000,325	-
Surplus investment over book value of subsidiaries		(2,693,616,799)	(2,683,558,421)	-
Retained earnings				
Appropriated - statutory reserve	30	175,822,357	175,822,357	175,822,357
Unappropriated		45,708,000,257	37,657,403,888	18,214,810,850
Other components of shareholders' equity		8,562,923,289	8,557,476,618	2,154,635,298
Equity attributable to owners of the Company		83,813,432,690	70,320,107,295	52,237,647,838
Non - controlling interests of the subsidiaries		3,368,190,459	3,117,965,024	-
Total shareholders' equity		87,181,623,149	73,438,072,319	52,237,647,838
Total liabilities and shareholders' equity		133,661,737,019	133,498,750,936	94,250,572,093
				92,929,768,168

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

Income statement

For the year ended 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

<u>Note</u>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenues				
Revenues from hospital operations <i>10, 36, 41</i>	79,630,290,025	74,286,189,992	14,842,053,581	13,927,007,099
Revenues from sales of goods <i>36</i>	3,092,351,508	3,086,758,322	-	-
Other income <i>10, 36</i>				
Interest income	110,081,197	58,047,913	324,345,653	280,053,452
Dividend income <i>12, 13, 14</i>	9,306,759	16,299,501	6,295,192,239	5,583,667,879
Gain on disposal of investment in an associate and other long-term investment <i>12</i>	7,618,993,754	-	11,250,317,541	-
Others	1,051,194,627	915,305,884	1,338,554,926	1,225,547,838
Total other income <i>36</i>	8,789,576,337	989,653,298	19,208,410,359	7,089,269,169
Total revenues	91,512,217,870	78,362,601,612	34,050,463,940	21,016,276,268
Expenses				
Cost of hospital operations and goods sold <i>10, 41</i>	54,276,717,851	50,501,750,034	9,303,843,843	8,547,507,819
Administrative expenses <i>10</i>	17,446,567,634	15,998,176,993	4,553,734,182	4,230,366,452
Total expenses	71,723,285,485	66,499,927,027	13,857,578,025	12,777,874,271
Profit before share of income from investments in associates, finance cost and income tax expense	19,788,932,385	11,862,674,585	20,192,885,915	8,238,401,997
Share of income from investments in associates <i>12</i>	1,022,445,824	1,689,692,873	-	-
Profit before finance cost and income tax expense	20,811,378,209	13,552,367,458	20,192,885,915	8,238,401,997
Finance cost <i>10</i>	(928,758,447)	(1,165,472,481)	(1,048,769,698)	(1,264,909,188)
Profit before income tax expense	19,882,619,762	12,386,894,977	19,144,116,217	6,973,492,809
Income tax expense <i>32</i>	(3,873,458,009)	(2,739,848,876)	(2,577,916,472)	(343,115,861)
Profit for the years	16,009,161,753	9,647,046,101	16,566,199,745	6,630,376,948
Profit attributable to:				
Equity holders of the Company	15,517,170,358	9,191,462,706	16,566,199,745	6,630,376,948
Non-controlling interests of the subsidiaries	491,991,395	455,583,395		
	16,009,161,753	9,647,046,101		
Basic earnings per share <i>33</i>	0.99	0.59	1.05	0.43
Profit attributable to equity holders of the Company	15,742,832,572	15,570,403,901	15,742,832,572	15,570,403,901
Weighted average number of ordinary shares (shares)				

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

Statement of comprehensive income

For the year ended 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profits for the years		16,009,161,753	9,647,046,101	16,566,199,745	6,630,376,948
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Loss on change in value of available-for-sale investments - net of income tax	14	(61,855,693)	(96,941,627)	(66,594,463)	(80,061,674)
Exchange differences on translation of financial statements in foreign currencies		(108,907,015)	(15,344,610)	-	-
Share of other comprehensive income from associates	12	(499,957,757)	(411,961,328)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(670,720,465)	(524,247,565)	(66,594,463)	(80,061,674)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Revaluation surplus on land - net of income tax	16	1,048,823,280	593,801,938	-	-
Actuarial loss - net of income tax		(582,254,455)	(268,530,698)	(283,031,357)	(94,825,518)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		466,568,825	325,271,240	(283,031,357)	(94,825,518)
Other comprehensive income for the years		(204,151,640)	(198,976,325)	(349,625,820)	(174,887,192)
Total comprehensive income for the years		15,805,010,113	9,448,069,776	16,216,573,925	6,455,489,756
Total comprehensive income attributable to:					
Equity holders of the Company		15,289,037,909	8,887,134,112	16,216,573,925	6,455,489,756
Non-controlling interests of the subsidiaries		515,972,204	560,935,664		
		15,805,010,113	9,448,069,776		

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

Statement of cash flows

For the year ended 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax expense	19,882,619,762	12,386,894,977	19,144,116,217	6,973,492,809
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,752,149,588	5,386,219,861	1,100,246,864	1,024,818,748
Write-off of assets	9,641,611	23,480,664	293,735	2,883,242
Loss on withholding tax diminution and written-off	9,215,121	8,631,232	778,956	824,895
Bad debts and doubtful debts	188,773,888	197,796,233	17,712,105	62,237,911
Loss on impairment of assets (reversal)	68,097,976	(3,008,267)	18,097,976	(3,008,267)
Allowance (reversal) for reduce cost to net realisable value - inventory	37,623,247	14,820,432	(27,193)	(203,757)
Amortisation of deferred income - membership	(292,503,717)	(292,803,092)	(129,722,890)	(121,576,445)
Loss on impairment of an other long-term investment	-	17,975,000	-	-
Share of income from investments in associates	(1,022,445,824)	(1,689,692,873)	-	-
Amortisation of expense for debentures and convertible debentures	13,464,558	25,038,851	13,464,558	25,038,851
Gain on disposal of investment in an associate and other long-term investment	(7,618,993,754)	-	(11,250,317,541)	-
Loss (gain) on disposal of property, premises and equipment	418,903	31,103,050	(2,309,337)	(5,740,342)
Gain on fair value adjustment of investment properties	(34,846,191)	(14,934,238)	(33,966,191)	(10,287,270)
Loss (gain) on foreign exchange	15,360,175	(8,928,837)	15,360,175	(23,142,337)
Provision for life long medical care program	100,065,098	-	126,217,080	-
Provision for employee benefit expenses	956,082,803	318,474,664	224,791,284	102,408,333
Annual leave expense	9,971,778	11,688,532	3,487,076	3,479,914
Interest income	(110,081,197)	(58,047,913)	(324,345,653)	(280,053,452)
Dividend income	(9,306,759)	(16,299,501)	(6,295,192,239)	(5,583,667,879)
Finance cost	928,758,447	1,165,472,481	1,048,769,698	1,264,909,188
Profit from operating activities before changes in operating assets and liabilities	18,884,065,513	17,503,881,256	3,677,454,680	3,432,414,142

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

Statement of cash flows (continued)

For the year ended 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Trade and other receivables	(1,492,953,321)	(768,984,955)	(593,074,649)	(90,787,944)
Inventories	(95,077,534)	(65,459,169)	(12,508,805)	1,831,744
Other current assets	(18,792,697)	4,134,129	-	-
Other non-current assets	(48,699,699)	(60,228,350)	(389,638)	213,940
Increase (decrease) in operating liabilities				
Trade and other payables	77,099,431	380,484,313	(105,658,641)	187,911,486
Accrued expenses	211,602,364	718,010,630	35,766,822	138,457,831
Deferred income - membership	253,008,293	294,942,081	130,997,755	154,178,511
Other current liabilities	113,514,130	(12,011,406)	26,372,757	(6,619,521)
Provisions for employee benefits	(135,320,229)	(80,345,080)	(35,953,848)	(35,547,567)
Other non-current liabilities	(1,214,624)	3,789,296	(7,304,930)	(5,617,523)
Net cash flow provided by operating activities	17,747,231,627	17,918,212,745	3,115,701,503	3,776,435,099
Cash received from interest income	99,199,346	55,451,989	325,846,664	280,516,525
Cash paid for finance cost	(837,284,817)	(936,707,722)	(958,753,436)	(1,035,694,712)
Cash received from tax refund	35,284,944	32,279,008	-	-
Cash paid for income tax expense	(2,498,339,873)	(2,264,958,081)	(332,492,579)	(387,554,089)
Net cash flow provided by operating activities	14,546,091,227	14,804,277,939	2,150,302,152	2,633,702,823
Cash flows from investing activities				
Increase in short-term investments	(73,122,825)	(241,559,952)	(6,845)	(874)
Increase in restricted financial institution deposits	(1,699,544)	(1,614,933)	-	-
Cash received from dividend income	550,734,179	513,161,011	6,295,192,239	5,583,667,879
Cash paid for purchase of investments in subsidiaries and associates and other long-term investments	(169,913,350)	(5,963,660,400)	(1,092,431,150)	(6,044,826,294)
Cash received from disposal of an associate and other long-term investment	12,731,772,332	-	12,710,118,317	-
Income tax paid for gain on disposal of an associate	(2,250,063,448)	-	(2,250,063,448)	-
Decrease (increase) in short-term loans to subsidiaries	-	-	(296,600,876)	103,479,446
Cash paid for long-term loans to subsidiaries	-	-	(673,000,000)	(1,010,000,000)
Cash received from long-term loans to subsidiaries	-	-	790,767,100	760,475,217
Cash paid for purchase of investment properties	(2,133,809)	(1,619,000)	(2,133,809)	(1,619,000)
Cash received from disposal of property, premises and equipment	25,265,841	43,292,532	3,669,878	9,000,691
Cash paid for purchase of property, premises and equipment	(7,437,026,627)	(7,119,047,648)	(1,308,092,833)	(1,782,382,026)
Cash paid for purchase of leasehold rights	(167,927,133)	(270,292,450)	-	-
Cash paid for purchase of intangible assets	(387,947,243)	(309,478,197)	(156,361,086)	(134,164,815)
Net cash flow provided by (used in) investing activities	2,817,938,373	(13,350,819,037)	14,021,057,487	(2,516,369,776)

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

Statement of cash flows (continued)

For the year ended 31 December 2019

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Decrease in short-term loans from non-related parties	(1,000,000)	-	-	-
Increase in short-term loans from subsidiaries	-	-	1,368,433,271	818,745,170
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(5,853,358,827)	5,805,348,839	(5,800,000,000)	5,800,000,000
Repayment of long-term loans from financial institutions	(4,625,924,533)	(1,461,350,133)	(4,625,924,533)	(1,461,350,133)
Repayments of liabilities under finance lease agreements	(16,961,391)	(23,057,970)	(1,167,690)	(3,870,100)
Cash paid for purchase of investments in subsidiaries from non - controlling interests	(18,597,252)	(7,100,194)	-	-
Dividend paid	(6,940,866,726)	(5,594,365,790)	(6,940,866,726)	(5,594,365,790)
Dividend paid by subsidiaries to non-controlling interests	(244,626,188)	(230,569,088)	-	-
Net cash flow used in financing activities	(17,701,334,917)	(1,511,094,336)	(15,999,525,678)	(440,840,853)
Net increase (decrease) in cash and cash equivalents	(337,305,317)	(57,635,434)	171,833,961	(323,507,806)
Cash and cash equivalents at beginning of years	5,033,517,730	5,091,153,164	2,295,456,151	2,618,963,957
Cash and cash equivalents at end of years	4,696,212,413	5,033,517,730	2,467,290,112	2,295,456,151
Supplemental cash flows information:				
Non-cash items:				
Assets acquired under finance lease agreements	29,133,035	16,952,581	966,102	-
Increase (decrease) in accounts payable - property, premises and equipment	462,425,325	145,351,504	397,240,597	(22,283,987)
Increase (decrease) in payable to construction - retention	258,881,589	96,976,188	68,757,501	(40,857,480)
Increase in dividend payable	20,508,474	4,984,115	9,185,124	3,382,548

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

Statement of changes in shareholders' equity

For the year ended 31 December 2019

	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Difference from shareholding restructure	Surplus investment over book value of subsidiaries	Appropriated-statutory reserve	Retained earnings
Balance as at 31 December 2017		1,549,095,654	20,572,873,162	305,000,325	(2,683,446,777)	175,822,357	34,314,505,000
Conversion debenture to ordinary shares	26	17,799,951	4,168,193,761	-	-	-	-
Profit for the year		-	-	-	-	-	9,191,462,706
Other comprehensive income for the year		-	-	-	-	-	(250,815,480)
Total comprehensive income for the year		-	-	-	-	-	8,940,647,226
Dividend paid	29	-	-	-	-	-	(5,597,748,338)
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-	-
Change in non-controlling interests							
- Purchase of investments in subsidiaries		-	-	-	(111,644)	-	-
- Dividend paid of subsidiaries		-	-	-	-	-	-
Balance as at 31 December 2018		1,566,895,605	24,741,066,923	305,000,325	(2,683,558,421)	175,822,357	37,657,403,888
Balance as at 31 December 2018		1,566,895,605	24,741,066,923	305,000,325	(2,683,558,421)	175,822,357	37,657,403,888
Conversion debenture to ordinary shares	26	22,304,585	5,425,036,148	-	-	-	-
Profit for the year		-	-	-	-	-	15,517,170,358
Other comprehensive income for the year		-	-	-	-	-	(516,522,139)
Total comprehensive income for the year		-	-	-	-	-	15,000,648,219
Dividend paid	29	-	-	-	-	-	(6,950,051,850)
Share of Interest paid for convertible debentures treated as equity securities from an associate		-	-	-	-	-	-
Change in non-controlling interests of subsidiaries							
- Purchase of investments in subsidiaries		-	-	-	(10,058,378)	-	-
- Dividend paid of subsidiaries		-	-	-	-	-	-
Balance as at 31 December 2019		1,589,200,190	30,166,103,071	305,000,325	(2,693,616,799)	175,822,357	45,708,000,257

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

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

Other components of shareholders' equity

Other comprehensive income				Convertible debentures - equity component	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land	Exchange differences on translation of financial statements in foreign currency	Share of other components of shareholders' equity from associates					
218,426,476	7,336,861,474	(31,890,123)	819,766,630	494,185,167	8,837,349,624	63,071,199,345	2,799,914,923	65,871,114,268
-	-	-	-	(219,338,582)	(219,338,582)	3,966,655,130	-	3,966,655,130
-	-	-	-	-	-	9,191,462,706	455,583,395	9,647,046,101
(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	(304,328,594)	105,352,269	(198,976,325)
(96,940,161)	482,773,066	(15,242,422)	(424,103,597)	-	(53,513,114)	8,887,134,112	560,935,664	9,448,069,776
-	-	-	-	-	-	(5,597,748,338)	-	(5,597,748,338)
-	-	-	(7,021,310)	-	(7,021,310)	(7,021,310)	-	(7,021,310)
-	-	-	-	-	-	(111,644)	(10,714,908)	(10,826,552)
-	-	-	-	-	-	-	(232,170,655)	(232,170,655)
121,486,315	7,819,634,540	(47,132,545)	388,641,723	274,846,585	8,557,476,618	70,320,107,295	3,117,965,024	73,438,072,319
121,486,315	7,819,634,540	(47,132,545)	388,641,723	274,846,585	8,557,476,618	70,320,107,295	3,117,965,024	73,438,072,319
-	-	-	-	(274,846,585)	(274,846,585)	5,172,494,148	-	5,172,494,148
-	-	-	-	-	-	15,517,170,358	491,991,395	16,009,161,753
(61,821,881)	1,009,253,628	(106,889,717)	(552,152,340)	-	288,389,690	(228,132,449)	23,980,809	(204,151,640)
(61,821,881)	1,009,253,628	(106,889,717)	(552,152,340)	-	288,389,690	15,289,037,909	515,972,204	15,805,010,113
-	-	-	-	-	-	(6,950,051,850)	-	(6,950,051,850)
-	-	-	(8,096,434)	-	(8,096,434)	(8,096,434)	-	(8,096,434)
-	-	-	-	-	-	(10,058,378)	(9,797,231)	(19,855,609)
-	-	-	-	-	-	-	(255,949,538)	(255,949,538)
59,664,434	8,828,888,168	(154,022,262)	(171,607,051)	-	8,562,923,289	83,813,432,690	3,368,190,459	87,181,623,149

Statement of changes in shareholders' equity

For the year ended 31 December 2019

	<u>Note</u>	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings
				Appropriated-statutory reserve
				Unappropriated
Balance as at 31 December 2017		1,549,095,654	20,509,949,234	175,822,357
Conversion debenture to ordinary shares	26	17,799,951	4,168,193,761	-
Profit for the year		-	-	6,630,376,948
Other comprehensive income for the year		-	-	(94,825,518)
Total comprehensive income for the year		-	-	6,535,551,430
Dividend paid	29	-	-	(5,597,748,338)
Balance as at 31 December 2018		1,566,895,605	24,678,142,995	175,822,357
Balance as at 31 December 2018		1,566,895,605	24,678,142,995	175,822,357
Conversion debenture to ordinary shares	26	22,304,585	5,425,036,148	-
Profit for the year		-	-	16,566,199,745
Other comprehensive income for the year		-	-	(283,031,357)
Total comprehensive income for the year		-	-	16,283,168,388
Dividend paid	29	-	-	(6,950,051,850)
Balance as at 31 December 2019		1,589,200,190	30,103,179,143	175,822,357
				18,214,810,850

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

(continued)

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

(Unit: Baht)

Separate financial statements

Other components of shareholders' equity				
Other comprehensive income			Total other components of shareholders' equity	Total shareholders' equity
Surplus on changes in value of available-for-sale investments	Revaluation surplus on land	Convertible debentures - equity component		
217,347,527	2,083,943,908	494,185,167	2,795,476,602	32,974,235,067
-	-	(219,338,582)	(219,338,582)	3,966,655,130
-	-	-	-	6,630,376,948
(80,061,674)	-	-	(80,061,674)	(174,887,192)
(80,061,674)	-	-	(80,061,674)	6,455,489,756
-	-	-	-	(5,597,748,338)
137,285,853	2,083,943,908	274,846,585	2,496,076,346	37,798,631,615
137,285,853	2,083,943,908	274,846,585	2,496,076,346	37,798,631,615
-	-	(274,846,585)	(274,846,585)	5,172,494,148
-	-	-	-	16,566,199,745
(66,594,463)	-	-	(66,594,463)	(349,625,820)
(66,594,463)	-	-	(66,594,463)	16,216,573,925
-	-	-	-	(6,950,051,850)
70,691,390	2,083,943,908	-	2,154,635,298	52,237,647,838

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

Bangkok Dusit Medical Services Public Company Limited ("the Company") is a public company under Thai laws and domiciled in Thailand. The Company is principally engaged in the hospital business. The Company operates under 6 hospital groups, namely, Bangkok Hospital Group, Samitivej Hospital Group, BNH Hospital, Phyathai Hospital Group, Paolo Hospital Group and Royal Hospital Group. In addition, the Company's network also covers businesses that support medical care such as medical laboratories, pharmaceutical production, saline production and pharmacies. The registered office of the Company is at 2, Soi Soonvijai 7, New Petchburi Road, Bang Kapi, Huaykwang, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Dusit Medical Services Public Company Limited and the following subsidiaries ("the Group"):

Company's name	Nature of business	Percentage of shareholding (percent)	
		2019	2018
<u>Held by the Company</u>			
Samitivej Public Co., Ltd.	Hospital	95.76	95.76
Bangkok Hospital Hatyai Co., Ltd.	Hospital	98.82	98.82
Bangkok Phuket Hospital Co., Ltd.	Hospital	99.70	99.70
BNH Medical Centre Co., Ltd.	Hospital	91.48	91.48
Paolo Phrapradaeng Hospital Co., Ltd.	Hospital	84.00	84.00
Bangkok Pattaya Hospital Co., Ltd.	Hospital	97.27	97.27
Bangkok Rayong Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Samui Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Trat Hospital Co., Ltd.	Hospital	99.76	99.76
Wattanavej Co., Ltd.	Hospital	99.72	99.72
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	91.45	91.45
Angkor Pisith Co., Ltd.	Hospital	80.00	80.00
Phnom Penh Medical Services Co., Ltd.	Hospital	100.00	100.00
Paolo Medic Co., Ltd.	Hospital	100.00	100.00
Paolo Samutprakarn Co., Ltd.	Hospital	93.65	93.65
Siam Medical Co., Ltd.	Hospital	85.71	85.71
Thai Medical Center Public Co., Ltd.	Hospital	99.76	99.76
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Udon Co., Ltd.	Hospital	100.00	100.00
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	100.00	100.00
Thonburi Medical Centre Public Co., Ltd.	Hospital	34.43	34.43
(held by the Company at 34.43% and indirectly held by a subsidiary at 29.02%)			
Samitivej Chonburi Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	100.00	100.00
Bangkok Phuket International Hospital Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Muangraj Co., Ltd.	Hospital	100.00	100.00
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	70.00	70.00
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	100.00	100.00
Bangkok Hospital Surat Co., Ltd.	Hospital	100.00	100.00
Bangkok Hospital Chiangrai Co., Ltd.	Hospital	100.00	100.00

Company's name	Nature of business	Percentage of shareholding (percent)	
		2019	2018
<u>Held by the Company (continued)</u>			
National Healthcare Systems Co., Ltd.	Laboratory services	74.02	74.02
(held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%)			
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	95.00	95.00
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	100.00	100.00
BDMS Wellness Resort Co., Ltd.	Hotel	100.00	100.00
BDMS Accounting Co., Ltd.	Accounting service	100.00	100.00
Bangkok Health Insurance Public Co., Ltd.	Health insurance	99.99	99.99
Royal Bangkok Healthcare Co., Ltd.	Investment	100.00	100.00
Greenline Synergy Co., Ltd.	Technology and information service	100.00	100.00
BDMS Training Co., Ltd.	Training business	100.00	100.00
Prasit Patana Public Co., Ltd.	Investment	98.60	98.59
Bangkok Premier Insurance Broker Co., Ltd.	Insurance broker	100.00	100.00
BDMS Property Management Co., Ltd.	Assets managements	100.00	100.00
The Medicpharma Co., Ltd.	Production and distribution of medicines	87.05	87.05
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	100.00	100.00
BDMS Inter Pte. Ltd.	Investment	100.00	100.00
N Health Asia Pte. Ltd.	Investment	100.00	100.00
Bangkok Save Drug Co., Ltd.	Investment	100.00	100.00
S.R. Property Investment Co., Ltd.	Real estate	49.00	49.00
Siem Reap Land Investment Co., Ltd.	Real estate	49.00	49.00
Phnom Penh First Property Co., Ltd.	Real estate	49.00	49.00
Bangkok Helicopter Services Co., Ltd. (held by the company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	87.25	87.25

Company's name	Nature of business	Percentage of shareholding (percent)	
		2019	2018
<u>Held by subsidiaries</u>			
Samitivej Sriracha Co., Ltd.	Hospital	70.14	70.14
Thonburi Medical Center Public Co., Ltd.	Hospital	29.02	29.02
Phyathai 1 Hospital Co., Ltd.	Hospital	100.00	100.00
Phyathai 2 Hospital Co., Ltd.	Hospital	99.18	99.18
Phyathai 3 Hospital Co., Ltd.	Hospital	98.23	98.23
Sriracha Nakorn General Hospital Public Co., Ltd.	Hospital	75.30	75.25
Tepakorn Hospital Co., Ltd.	Hospital	50.03	44.53
National Healthcare Systems Co., Ltd.	Laboratory services	25.97	25.97
Irving Sheridan SE Co., Ltd.	Assets management for healthcare business	99.98	99.98
First Health Food Co., Ltd.	Distributing health products, cosmetic products and facility management	100.00	100.00
SV Holding Co., Ltd.	Investment	100.00	100.00
A.N.B. Laboratories Co., Ltd.	Manufacturer and distributor of medicine and pharmaceutical products	100.00	100.00
N Health (Cambodia) Co., Ltd.	Laboratory services	100.00	100.00
Save Drug Center Co., Ltd.	Retailer of medicine and pharmaceutical products	100.00	100.00
N Health Pathology Co., Ltd.	Laboratory services	95.00	95.00
Samitivej International Co., Ltd.	Clinic	80.00	80.00
N Health Myanmar Co., Ltd.	Laboratory services	60.00	60.00

All subsidiaries incorporated in Thailand except Angkor Pisith Co., Ltd., Phnom Penh Medical Services Co., Ltd., Royal Rattanak Medical Services Co., Ltd., N Health (Cambodia) Co., Ltd., B.D.M.S. International Medical Services Co., Ltd., S.R. Property Investment Co., Ltd., Siem Reap Land Investment Co., Ltd. and Phnom Penh First Property Co., Ltd. registered in Cambodia and BDMS Inter Pte. Ltd. and N Health Asia Pte. Ltd. registered in Singapore and Samitivej International Co., Ltd. and N Health Myanmar Co., Ltd. registered in Republic of the Union of Myanmar.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same major accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - f) Material balances and transactions of the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholders' equity in the consolidated statement of financial position.
 - h) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in shareholders' equity in the statement of financial position under the caption of "Surplus of investment over book value of subsidiaries". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity in the statement of financial position under the caption of "Deficits of investment lower book value of subsidiaries".
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.
- 3. New financial reporting standards**
- (a) Financial reporting standards that became effective in the current year**
- During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact to the financial statements of the Group. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group has appropriately adopted the above TFRS and there is no any significant impact to the financial statements of the Group.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinquishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in non-marketable equity securities
The Group is to measure the investments in non-marketable equity securities, which previously classified as other investments, and to classify them as financial assets at fair value through other comprehensive income. The subsequent changes in the fair value through other comprehensive income of the investments is irrevocable.
- Recognition of credit losses

The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

- Recognition of derivatives

The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group is currently finalising the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of revenue from medical services, hospital room and medicine, are recognised as income when services have been rendered or delivered.

Revenue from sales of goods and foods

Sales of goods and foods are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Sales are the invoiced value, excluding value added tax, of goods and foods supplied after deducting discounts.

Service income

Service income is recognised when services have been rendered.

Membership income

Membership income is initially recorded as deferred income and gradually amortised to income according to services provided over membership period.

Space rental and related service income

The Group recognises space rental and related service income over the term of the lease and service agreements.

Interest income

Interest income is recognised on an accrual basis based on the effective rate.

Dividend Income

Dividend Income is recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash deposit at financial institutions and highly liquid investment with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in income statement.

- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in income statement when the securities are sold.
- c) Investments in held-to-maturity securities, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method. The amortised/accreted amount is presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net proceeds and the carrying amount of the investment is recognised in income statement.

The fair value of marketable securities is based on the latest bid price of the last working day of each reporting period. The fair value of unit trusts is determined from their net asset value of the last working day of each reporting period.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in income statement when incurred.

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value at the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

On disposal of investment properties, the difference between the reward and the carrying amount of the asset is recognised in income statement in the period when the asset is derecognised.

4.7 Property, premises and equipment/Depreciation

Land is stated at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment loss of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are recorded with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income under the heading of "Revaluation surplus on land" in shareholder's equity. However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the assets, the decrease is recognised in income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on land" in respect of the same assets.

Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Land improvements	30 years or lease period
Premises, structures and premises improvements	3 - 50 years
Medical tools and equipment and machines	2 - 20 years
Helicopter	20 years
Helicopter spare parts and equipment	5 years
Structure equipment, furniture and office equipment	2 - 20 years
Vehicles	5 - 10 years

Depreciation is recognised as an expenses in income statement.

No depreciation is provided on land and assets under construction and installation.

An item of property, premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in income statement when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to income statement.

The intangible asset with finite useful lives is as follow:

Computer software	5 - 10 years
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Intangible assets with indefinite useful lives are not amortised such as commercial rights, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill / Business combination

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term rental agreements

Leases of premises, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to income statement over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of premises, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in income statement on a straight line basis over the lease term.

4.13 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, premises and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in income statement. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

The reversal of an impairment loss of asset is recognised in the income statement except for the asset carried at a revalued amount, the reversal of impairment loss recognised in the income statement will not exceed the impairment loss previously recognised. The excess of carrying amount is treated as a revaluation increase (if any).

4.14 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in income statement.

4.16 Convertible debentures

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Expenses for issuance debentures separately recorded between liability and equity component and based on the proportion. The expenses related to liability component deducted from convertible debenture - liability component and amortising over the life of the convertible debentures and expenses related to equity component deducted from equity component and was not amortised.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred. The Group set up provisions for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, years of service and the unused vacation days.

Post-employment benefits and other long - term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group contributions are recognised as expenses when incurred.

Defined benefit plans and other long - term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care after post-employment. The Group treats these severance payment and medical care obligations as defined benefit plans. In addition, the Group provides other long-term employee benefit plan, namely long service awards, which will be rewarded employees when the employees complete the milestones service years.

The obligations under the defined benefit plans and other long-term employee benefits are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income while arising from other long-term employee benefits are recognised in the income statement.

4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

The Group does not recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. The Group will recognise a deferred tax liability of all taxable temporary differences associated with investments in subsidiaries and associates immediately when it is probable that the Group will dispose the investments in subsidiaries and associates in the foreseeable future.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Financial assets / Financial liability

Financial assets carried on the statement of financial position included cash and cash equivalents, short-term investments, trade and other receivables, short-term loans and long-term loans to subsidiaries, restricted financial institution deposits, and investments. Financial liabilities carried on the statement of financial position included bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from non - subsidiaries, long-term loans, liabilities under finance leases, debentures and convertible debentures.

4.21 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.22 Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expense on an accrual basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining allowances for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, the aging profile of outstanding debts and the prevailing economic conditions.

Property, premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of the Group's premises and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Fair value from revaluation is determined by independent valuer using market approach. Such valuation is based on certain assumptions and estimates.

In addition, the management is required to review property, premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Impairment of equity investments

The Group treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Investment properties

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognise changes in the fair value in income statement. The valuation involves certain assumptions and estimates.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Provision for lifelong medical care programs

The provision for lifelong medical care programs is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, medical fee rate and mortality rate.

Post-employment benefits under defined benefit plans and other long - term employee benefits

The obligation under the defined benefit plan and other long term employee benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities arising from litigation. The Group's management has used judgment to assess the outcome of the litigation. In cases of loss, the Group will record provision for contingent liabilities in financial statement. In cases where it has assessed that no damage will arise from the litigation, the Group will not record provision for contingent liabilities at the end of the reporting period.

6. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash and bank deposits at financial institutions	4,686,119	5,033,465	2,467,290	2,295,456
Fixed deposits	10,093	53	-	-
Total cash and cash equivalents	4,696,212	5,033,518	2,467,290	2,295,456

As at 31 December 2019, bank deposits in saving accounts and fixed deposits carried interest rates between 0.10 and 1.00 percent per annum (2018: between 0.10 and 1.00 percent per annum).

7. Short-term investments

Short-term investments consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposits	73,954	100,992	10	10
Treasury bill	199,038	199,269	-	-
Mutual funds	626,844	516,405	391	384
Total short-term investments	<u>899,836</u>	<u>816,666</u>	<u>401</u>	<u>394</u>

As at 31 December 2019, fixed deposits and treasury bill carried interest rates between 0.55 and 1.90 percent per annum (2018: between 0.50 and 1.54 percent per annum).

8. Restricted financial institutions deposits

Restricted financial institutions deposits represent bank deposits that subsidiaries have placed with banks to secure letters of guarantees issued by the banks on behalf of the subsidiaries. This includes bank deposits placed with government agencies, state enterprises and private entities to guarantee contractual performance.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables - related parties-net	16,517	13,386	26,476	23,873
Trade receivables - unrelated parties-net	8,282,868	7,047,169	1,827,226	1,271,143
Other receivables - related parties	948	2,241	110,252	117,413
Other receivables - unrelated parties	246,263	226,707	36,207	27,397
Prepaid expenses	303,432	255,511	74,955	61,428
Total trade and other receivables - net	<u>8,850,028</u>	<u>7,545,014</u>	<u>2,075,116</u>	<u>1,501,254</u>

As at 31 December 2019 and 2018, the aging analysis of the outstanding trade accounts receivable are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related parties				
Undue	10,975	3,387	18,076	14,363
Not over than 3 months	5,327	9,620	8,100	9,131
3 - 6 months	107	227	262	180
6 - 12 months	45	55	24	190
over 12 months	63	113	14	25
Total trade accounts receivable - related parties	16,517	13,402	26,476	23,889
Less: Allowance for doubtful accounts	-	(16)	-	(16)
Total trade accounts receivable - related parties - net	16,517	13,386	26,476	23,873
Unrelated parties				
Undue	4,243,480	3,595,617	788,167	677,267
Not over than 3 months	3,041,082	2,807,986	714,638	525,097
3 - 6 months	709,988	459,932	295,023	77,100
6 - 12 months	387,984	306,243	77,075	53,525
over 12 months	445,010	430,368	117,267	150,598
Total trade accounts receivable - unrelated parties	8,827,544	7,600,146	1,992,170	1,483,587
Less: Allowance for doubtful accounts	(544,676)	(522,977)	(164,944)	(212,444)
Total trade accounts receivable - unrelated parties - net	8,282,868	7,047,169	1,827,226	1,271,143
Total trade accounts receivable - net	8,299,385	7,060,555	1,853,702	1,295,016

10. Related party transactions

The Group had significant business transactions with individuals or related parties, which have been concluded on commercial terms agreed upon between the Company and those related parties. Below is a summary of those transactions.

<u>Transaction</u>	<u>Pricing and lending policy</u>
Revenues and costs from hospital operations and laboratory services	Based on the price charged to other customers
Revenues and expenses from consulting and management service, accounting service, information technology service and maintenance service	Certain percentage of net revenue or rates as stipulated in agreements
Revenues and costs of sales and purchases of goods and services	Based on the price charged to other customers
Rental income and rental expenses	Rates as stipulated in agreements
Interest charge of inter-company loans	Interest rates close to that charged by commercial banks Interests of loans between subsidiaries in Cambodia, charged at the rates as stipulated in the agreements

The significant intercompany transactions are as follows:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Associates</u>				
Revenue from hospital operations and laboratory services	15.3	16.1	14.7	11.5
Dividend income (Note 12)	-	-	535.9	492.5
Other income	8.2	8.7	-	-
Cost of goods and services	7.2	8.8	0.3	1.3
Other expenses	-	0.6	-	0.6
<u>Subsidiaries</u>				
Revenue from hospital operations and laboratory services	-	-	150.1	177.6
Consulting and management fee income	-	-	972.9	911.3
Interest income	-	-	244.9	248.8
Dividend income (Note 13)	-	-	5,756.3	5,081.7
Other income	-	-	107.1	104.2
Cost of goods and services	-	-	860.3	803.3
Consulting and management fee expenses	-	-	249.6	250.3
Other expenses	-	-	58.4	43.1
Interest expense	-	-	126.3	105.5
<u>Individuals or related companies</u>				
Revenue from hospital operations and laboratory services	43.7	6.5	8.2	5.0
Dividend income (Note 14)	1.4	5.4	1.4	5.4
Other income	13.1	13.0	10.1	9.4
Cost of goods and services	184.9	173.9	140.2	135.6
Consulting and management fee expenses	3.1	3.1	-	-
Other expenses	104.7	116.9	61.5	79.5

The outstanding balances of the above transactions as at 31 December 2019 and 2018 have been separately shown in the statement of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties (Note 9)</u>				
Associates	7,244	11,821	5,317	1,178
Subsidiaries	-	-	20,343	22,086
Related companies	9,273	1,581	816	625
Total trade receivables - related parties	<u>16,517</u>	<u>13,402</u>	<u>26,476</u>	<u>23,889</u>
Less: Allowance for doubtful accounts	-	(16)	-	(16)
Total trade receivable - related parties - net	<u>16,517</u>	<u>13,386</u>	<u>26,476</u>	<u>23,873</u>
<u>Other receivables - related parties (Note 9)</u>				
Consulting and management fee receivable				
Subsidiaries	-	-	87,286	83,189
Total	<u>-</u>	<u>-</u>	<u>87,286</u>	<u>83,189</u>
Accrued interest income and others				
Subsidiaries	-	-	22,143	33,554
Related companies	948	2,241	823	670
Total	<u>948</u>	<u>2,241</u>	<u>22,966</u>	<u>34,224</u>
Total other receivables - related parties	<u>948</u>	<u>2,241</u>	<u>110,252</u>	<u>117,413</u>
<u>Other non-current assets - related parties</u>				
Subsidiaries	-	-	17,795	15,901
Related companies	6,290	1,312	-	-
Total other non-current assets - related parties	<u>6,290</u>	<u>1,312</u>	<u>17,795</u>	<u>15,901</u>
<u>Trade payables - related parties (Note 21)</u>				
Associates	2,138	2,022	84	91
Subsidiaries	-	-	112,594	104,278
Related companies	17,926	17,201	14,109	11,149
Total trade payables - related parties	<u>20,064</u>	<u>19,223</u>	<u>126,787</u>	<u>115,518</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Other payables - related parties (Note 21)</u>				
Associate	-	60	-	-
Subsidiaries	-	-	58,459	93,246
Related companies	5,504	10,198	2,081	8,390
Total other payables - related parties	5,504	10,258	60,540	101,636

Accrued interest expense - related parties

(included in accrued expenses)

Subsidiaries	-	-	10,755	10,591
Total accrued interest expense - related parties	-	-	10,755	10,591

Other non-current liabilities - related parties

Associates	-	343	-	343
Subsidiaries	-	-	12,757	12,189
Related companies	953	729	921	729
Total other non-current liabilities - related parties	953	1,072	13,678	13,261

Movement of loans to and loans from subsidiaries during the years are summarised as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		31 December	
	<u>2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>2019</u>
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	2,619,642	1,064,652	(774,514)	2,909,780
Total short-term loans to subsidiaries	2,619,642	1,064,652	(774,514)	2,909,780

Long-term loans to subsidiaries

Subsidiaries	4,063,054	673,000	(799,665)	3,936,389
Total long-term loans to subsidiaries	4,063,054	673,000	(799,665)	3,936,389

Short-term loans from subsidiaries

Subsidiaries	10,770,759	1,948,409	(579,976)	12,139,192
Total short-term loans from subsidiaries	10,770,759	1,948,409	(579,976)	12,139,192

Short-term and long-term loans to subsidiaries and short-term loans from subsidiaries

The Company has entered into agreements to provide short-term loans and long-term loans with terms of 3 - 8 years to subsidiaries. The loans bear interest at MLR minus fixed rate per annum and LIBOR plus fixed rate per as stipulated in the agreement. The interest is payable on a monthly basis while principal is repayable on the basis as stipulated in the agreements.

The Company has entered into short-term loans agreements from its subsidiaries. The loans bear interest at fixed deposit rate. The interest is payable on a monthly basis while principal is repayable on the basis as stipulated in the agreements.

Guarantee obligations with subsidiaries

As at 31 December 2019, the Company has guaranteed overdraft facility amounting to USD 2 million (2018: USD 2 million) for overseas subsidiaries.

Directors and management's benefits

During the years ended 31 December 2019 and 2018, directors and management's benefit of the Group are as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	211.3	275.5	189.5	257.0
Post-employment benefits and other long-term benefits	7.5	0.5	7.5	0.5
Total	218.8	276.0	197.0	257.5

Apart from short-term employee benefits, Executive Management also receives medical benefits according to the Company policy, the same with employees of the Company. External Directors, referring to directors who are not an employee or management according to the employment agreement, receive a medical fee budget of Baht 3 million per person per year to be used only for medical fees at Bangkok Hospital and hospitals within the Group.

11. Inventories

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Medicines and medical supplies	1,755,947	1,754,476	124,249	111,382
Packaging and others	160,829	67,222	144	503
Total	1,916,776	1,821,698	124,393	111,885
Less: Allowance to reduce cost to net realisable value	(73,411)	(35,787)	(243)	(271)
Inventories - net	1,843,365	1,785,911	124,150	111,614

12. Investments in associates

Company's name	Natures of business	Paid-up capital	% Shareholding	Consolidated financial statements		Separate financial statements	
				2019	2018	2019	2018
Associates held by the Company							
Cool & Joy Co., Ltd.	Ceased operation	Baht 5 million	30.00	871	871	1,500	1,500
Ramkhamhaeng Hospital Public Co., Ltd.	Hospital	Baht 120 million	-	38.24	-	5,704,289	-
Udon Pattana (1994) Co., Ltd. (held by the Company at 15.26% and indirectly held by a subsidiary at 9.85%)	Hospital	Baht 300 million	25.11	25.11	181,480	181,250	69,952
Bumrungrad Hospital Public Co., Ltd.	Hospital	Baht 730 million	24.99	24.88	16,691,746	16,197,451	12,473,458
Total investments in associates held by the Company							12,357,828
Total investments in associates held by the Group							12,544,910
Associates held by the subsidiaries							
Al Ghairi Bangkok Dusit Management Services LLC.	In process of liquidation	UAE DIRHAM 0.15 million	30.00	30.00	-	-	16,874,097
General Hospital Products Public Co., Ltd.	Manufacturer and distributor of medical supplies	Baht 120 million	47.17	46.03	664,191	563,129	22,083,861
Total investments in associates held by subsidiaries							664,191
Total investments in associates in the consolidated financial statements							563,129
							17,538,288
							22,646,990

(Unit: Thousand Baht)

12.1 Disposal of investment in an associate

Ramkhamhaeng Hospital Public Company Limited

On 11 January 2019, the extraordinary meeting of the Company's Board of Directors No. 1/2019 had approved the Company to dispose all equity investment in Ramkhamhaeng Hospital Public Company Limited totaling 4,588,424 shares, or 38.24% of issued and paid-up shares of Ramkhamhaeng Hospital Public Company Limited, at the price of Baht 2,800 per share, totaling of approximately Baht 12,847.59 million.

From this disposal approval, in the fourth quarter of 2018 the Company recognised deferred tax liabilities (in accordance with Thai Accounting Standard No.12 Income Tax) in the consolidated financial statements totaling of Baht 849 million, in which amount of Baht 727 million recognised in the income statement and amount of Baht 122 million recognised in the statement of comprehensive income. The deferred tax liability was calculated from profit sharing using equity method from this associate that had been recognised totaling Baht 4,244 million.

In the first quarter of 2019, the Company already disposed this investment. Therefore, the Company recognised gain from selling this investment (net of income tax expense) in the consolidated and in the separate income statements amounting to Baht 6,094 million and Baht 9,000 million, respectively. The gain in consolidated income statements included the reversal of share of other comprehensive income from associate in comprehensive income statement by Baht 491 million (net of income tax expense).

12.2 Investments in associate by the Company

Bumrungrad Hospital Public Company Limited

In 2019, the Company purchased additional shares in Bumrungrad Hospital Public Company Limited totaling 852,300 shares at the amount of Baht 115.6 million. As a result, the percentage of ownership increased from 24.88% to 24.99% of issued and paid-up capital of Bumrungrad Hospital Public Company Limited.

12.3 Investments in associate by subsidiaries

General Hospital Products Public Co., Ltd.

In 2019, Royal Bangkok Healthcare Co., Ltd., a subsidiary in which the Company has a 100% shareholding, purchased additional shares in General Hospital Products Public Co., Ltd. totaling of Baht 17.8 million. The total investments in General Hospital Products Public Company Limited, including the shareholding by another subsidiary, representing 47.17% of the paid up capital of such company.

12.4 Details of share of income, comprehensive income and dividend received from the associates

Company's name	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of other comprehensive income from investments in associates during the years		Dividend received during the years		2019	2018
	2019	2018	2019	2018		
<u>Associates held by the Company</u>						
Cool & Joy Co., Ltd.	(1)	(197)	-	-	-	-
Ramkhamhaeng Hospital Public Co., Ltd.	-	725,117	(489,208)	(408,621)*	-	73,415
Udon Patana (1994) Co., Ltd.	231	(6,645)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	933,409	893,716	(10,750)	(3,340)	535,899	419,050
<u>Associate held by the subsidiaries</u>						
General Hospital Products Public Co., Ltd.	88,807	77,702	-	-	-	-
Total	1,022,446	1,689,693	(499,958)	(411,961)	535,899	492,465

*Including deferred tax liabilities of share profit in investment in associate amounting to Baht 122.3 million (Note 32).

Fair value of investments in listed associates

Fair values as at 31 December 2019 and 2018 of investments in associates that are listed on the Stock Exchange of Thailand which were based on the closing price as quoted on the Stock Exchange of Thailand are as follows:

Company's name	Fair values as at 31 December	
	2019	2018
Ramkhamhaeng Hospital Public Co., Ltd.	-	12,205,208
Bumrungrad Hospital Public Co., Ltd.	26,829,412	34,061,382
Total	26,829,412	46,266,590

12.5 Summary of financial information of associates

(Unit: Million Baht)

Company's name	As at 31 December						For the years ended 31 December											
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues		Profit (loss)		Total comprehensive income			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Associates held by the Company																		
Cool & Joy Co., Ltd.	5	5	2.9	2.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ramkhamhaeng Hospital	-	120	-	2,181.4	-	13,049.9	-	1,820.1	-	337.9	-	5,599.1	-	2,276.4	-	1,567.0	-	-
Public Co., Ltd.																		
Udon Patana (1994) Co., Ltd.	300	300	42.7	46.2	864.7	881.6	122.8	149.2	75.8	70.5	426.9	405.3	0.9	(26.5)	-	-	-	-
Bumrungrad Hospital Public Co., Ltd.	730	730	11,736.4	12,084.8	14,444.6	12,654.0	2,639.1	2,878.1	3,276.8	3,126.2	18,718.3	18,541.0	3,760.3	4,156.2	3,706.6	4,116.0		
Associated held by the subsidiaries																		
General Hospital Products	120	120	815.1	747.1	807.6	818.1	250.2	260.1	87.0	189.8	1,135.2	1,085.2	182.6	172.7	182.6	176.4		
Public Co., Ltd.																		

For the year 2019, the Company recognised share of income from investments in an associate which is listed company on the Stock Exchange of Thailand of Baht 933.4 million representing 91 percent of total share of income from all associates. The share of income from this associate was calculated based on audited financial statements which was audited by the auditor of this associate.

For the year 2018, the Company recognised share of income from investments in two associates which are listed companies in the Stock Exchange of Thailand of Baht 1,618.8 million representing 96 percent of total share of income from all associates. The share of income from two associates were calculated based on audited financial statements which were audited by the auditor of these associates.

13. Investments in subsidiaries

Company's name	Nature of business	Paid-up capital	% Shareholding		Investments (Cost method)		Dividend received during the years	
			2019	2018	2019	2018	2019	2018
			Separate financial statements				2019	
Samitivej Public Co., Ltd.	Hospital	Baht 1,000 million	95.76	95.76	1,639,071	1,639,071	1,532,218	1,292,809
Bangkok Hospital Hatyai Co., Ltd.	Hospital	Baht 500 million	98.82	98.82	574,697	574,697	148,231	98,821
Bangkok Phuket Hospital Co., Ltd.	Hospital	Baht 500 million	99.70	99.70	610,332	610,332	199,394	74,773
BNH Medical Center Co., Ltd.	Hospital	Baht 586 million	91.48	91.48	602,657	602,657	455,761	428,952
Paolo Phrapradaeng Hospital Co., Ltd.	Hospital	Baht 105 million	84.00	84.00	101,868	101,868	-	-
Bangkok Pattaya Hospital Co., Ltd.	Hospital	Baht 280 million	97.27	97.27	708,993	708,993	599,166	653,635
Bangkok Rayong Hospital Co., Ltd.	Hospital	Baht 400 million	100.00	100.00	415,020	415,020	160,000	80,000
Bangkok Samui Hospital Co., Ltd.	Hospital	Baht 150 million	100.00	100.00	150,000	150,000	60,000	90,000
Bangkok Trat Hospital Co., Ltd.	Hospital	Baht 250 million	99.76	99.76	245,889	245,889	49,878	39,902
Wattanavej Co., Ltd.	Hospital	Baht 180 million	99.72	99.72	450,788	450,788	107,700	161,505
Bangkok Ratchasima Hospital Co., Ltd.	Hospital	Baht 300 million	91.45	91.45	935,355	935,355	68,589	41,138
National Healthcare Systems Co., Ltd. (held by the Company at 74.02% and indirectly held by subsidiaries at 24.66%).	Laboratory services	Baht 75 million	74.02	74.02	56,768	56,768	66,622	66,622
Bio Molecular Laboratories (Thailand) Co., Ltd.	Laboratory services	Baht 10 million	95.00	95.00	9,502	9,502	66,500	42,750
Angkor Pisith Co., Ltd.	Hospital	USD 10 million	80.00	80.00	287,840	287,840	-	-
Phnom Penh Medical Services Co., Ltd.	Hospital	USD 55 million	100.00	100.00	1,803,415	1,803,415	-	-
Royal Rattanak Medical Services Co., Ltd.	Ceased operation	Riel 26,000 million	70.00	70.00	154,063	154,063	-	-
B.D.M.S. International Medical Services Co., Ltd.	Not yet operate	Riel 9,200 million	100.00	100.00	94,208	94,208	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements			
				Investments		(Cost method)	Dividend received during the years
				2019	2018		
BDMS Accounting Co., Ltd.	Accounting service	Baht 30 million	100.00	100.00	30,000	30,000	39,000
Bangkok Health Insurance Public Co., Ltd.	Health insurance	Baht 250 million	99.99	99.99	192,027	192,027	-
Royal Bangkok Healthcare Co., Ltd.	Investment	Baht 1,086 million	100.00	100.00	1,086,000	1,086,000	130,320
Greenline Synergy Co., Ltd.	Technology and information service	Baht 200 million	100.00	100.00	200,000	200,000	140,000
Bangkok Hospital Khao Yai Co., Ltd.	Not yet operate	Baht 70 million	100.00	100.00	70,000	70,000	-
BDMS Training Co., Ltd.	Training business	Baht 1 million	100.00	100.00	1,000	1,000	-
Prasit Patana Public Co., Ltd.	Investment	Baht 1,108 million	98.60	98.59	9,264,252	9,263,950	1,311,157
Paolo Medic Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	3,622,872	3,622,872	-
Paolo Samutprakarn Co., Ltd.	Hospital	Baht 42 million	93.65	93.65	1,737,706	1,737,706	137,666
Siam Medical Co., Ltd.	Hospital	Baht 100 million	85.71	85.71	939,775	939,775	102,857
Thai Medical Center Public Co., Ltd.	Hospital	Baht 201 million	99.76	99.76	887,131	887,131	100,025
Bangkok Premier Insurance Broker Co., Ltd.	Insurance broker	Baht 20 million	100.00	100.00	20,000	20,000	-
Bangkok Hospital Chiangmai Co., Ltd.	Hospital	Baht 1,500 million	100.00	100.00	1,500,000	1,500,000	-
Bangkok Hospital Udon Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	799,930	799,930	-
Bangkok Khon Kaen Hospital Co., Ltd.	Hospital	Baht 1,500 million	100.00	100.00	1,500,000	1,500,000	-
The Medicpharma Co., Ltd.	Production and distribution of medicines	Baht 42.86 million	87.05	87.05	551,318	551,318	7,462

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	% Shareholding	Separate financial statements			
				Investments (Cost method)	2019	2018	Dividend received during the years
					2019	2018	2019
Thonburi Medical Centre Public Co., Ltd. (held by the Company at 34.43% and indirectly held by subsidiary at 29.02%)	Hospital	Baht 193.8 million	34.43	34.43	442,252	442,252	-
Bangkok Hospital Surat Co., Ltd.	Hospital	Baht 1,000 million	100.00	100.00	1,000,000	600,000	-
BDMS Inter Pte. Ltd.	Investment	USD 0.2 million	100.00	100.00	6,721	6,721	-
N Health Asia Pte. Ltd.	Investment	USD 3.5 million	100.00	100.00	116,655	116,655	-
Samitivej Chonburi Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-
Bangkok Hospital Phitsanulok Co., Ltd.	Hospital	Baht 800 million	100.00	100.00	800,000	800,000	-
Bangkok Hospital Sanamchan Co., Ltd.	Hospital	Baht 3,655 million	100.00	100.00	3,655,000	3,655,000	-
Bangkok Phuket International Hospital Co., Ltd.	Hospital	Baht 3,610 million	100.00	100.00	3,610,000	3,610,000	-
Bangkok Save Drug Co., Ltd.	Investment	Baht 1,010 million	100.00	100.00	1,010,000	450,000	-
S.R. Property Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-
Siem Reap Land Investment Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	101	101	-
Phnom Penh First Property Co., Ltd.	Real estate	Riel 20 million	49.00	49.00	88	88	-
Bangkok Helicopter Services Co., Ltd. (held by the Company at 87.25% and indirectly held by a subsidiary at 12.75%)	Air transportation services	Baht 400 million	87.25	87.25	350,858	350,858	-

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital	% Shareholding	Investments		Dividend received during the years
				2019	2018	
Bangkok Hospital Chiangrai Co., Ltd.	Hospital	Baht 600 million	100.00	100.00	600,000	-
Bangkok Hospital Muangraj Co., Ltd.	Hospital	Baht 1,300 million	100.00	100.00	1,300,000	91,000
BDMS Property Management Co., Ltd.	Assets managements	Baht 10 million	100.00	100.00	10,000	-
BDMS Wellness Clinic Co., Ltd.	Holistic Clinical Wellness (Preventative and Regenerative Medicine)	Baht 9,600 million	100.00	100.00	9,600,000	-
BDMS Wellness Resort Co., Ltd.	Hotel	Baht 100 million	100.00	100.00	100,000	-
Total investments in subsidiaries				54,644,253	53,683,951	5,756,296
Less: Allowance for impairment of investments				(154,062)	(154,062)	5,081,721
Total investments in subsidiaries - net				54,490,191	53,529,889	

13.1 Investments in subsidiaries by the Company

Bangkok Hospital Surat Co., Ltd.

On 19 March 2019, the Board of Directors of Bangkok Hospital Surat Co., Ltd.,100.00% subsidiary, approved to increase the share capital from Baht 600 million to Baht 1,000 million through the increase in capital of 40 million additional ordinary shares with a par value of Baht 10 each. In the second quarter of 2019, the Company already acquired all of the newly issued ordinary shares.

Bangkok Save Drug Co., Ltd.

On 26 August 2019, the Board of Directors of Bangkok Save Drug Co., Ltd.,100.00% subsidiary, approved to increase the share capital from Baht 450 million to Baht 1,010 million through the increase in capital of 56 million additional ordinary shares with a par value of Baht 10 each. In the third quarter of 2019, the Company already acquired all of the newly issued ordinary shares.

13.2 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interest.

Regarding the preparation of consolidated financial statements of the Group, there are 5 subsidiaries having material non-controlling interest since the Company has 40 to 70 percentage of ownership over these subsidiaries.

The summary of financial information before elimination transactions of the subsidiaries having material non-controlling interest, based on the Company's percentage of ownership in the subsidiaries, is the followings:

(Unit: Million Baht)

For the years ended 31 December

As at 31 December

Company's name	As at 31 December										For the years ended 31 December					
	Paid-up capital		Current assets		Non-Current assets		Current liabilities		Non-Current liabilities		Total revenues		Profit (loss)		Total comprehensive income	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Thonburi Medical Centre Public Co., Ltd.	193.8	193.8	202.5	179.2	420.7	449.1	121.5	156.2	23.8	16.3	959.3	774.0	24.8	31.1	22.2	27.4
S.R. Property Investment Co., Ltd.	0.2	0.2	-	-	66.3	71.4	0.6	0.5	57.5	62.6	0.7	0.7	0.5	0.6	-	-
Siem Reap Land Investment Co., Ltd.	0.2	0.2	4.2	0.1	60.3	64.9	4.6	0.4	52.6	57.3	0.6	0.7	0.4	0.5	-	-
Phnom Penh First Property Co., Ltd.	0.2	0.2	0.1	0.1	138.7	149.3	2.7	2.5	121.9	132.7	1.4	1.5	1.1	(0.4)	-	-
Tepakorn Hospital Co., Ltd.	30.0	30.0	39.2	29.0	128.4	132.1	114.6	108.8	9.1	6.1	152.3	144.1	(2.2)	(8.4)	-	-

14. Other long-term investments

	Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)	Dividend received during the years						
						2019	2018					
Investments held by the Company												
Available-for-sale investments												
Investments in listed securities												
Thai Military Bank Public Co., Ltd.	Bank	91,541	-	-	1,770	1,770	8					
Aikchol Hospital Public Co., Ltd.	Hospital	150	0.20	-	350	350	144					
					2,120	2,120	152					
							132					
							137					
Surplus on changes in value of available-for-sale investments												
					3,386	3,368	-					
					5,506	5,488	-					
						152	137					
Investments in a related company												
Bangkok Airways Public Co., Ltd.	Airline	2,100	0.85	39,466	39,466	1,432	5,372					
Surplus on changes in value of available-for-sale investments												
					84,978	168,239	-					
					124,444	207,705	-					
						1,432	5,372					

(Unit: Thousand Baht)

Consolidated and separate financial statements

(Unit: Thousand Baht)

Consolidated and separate

(Unit: Thousand Baht)

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Dividend received during the years						
				2019	2018	2019	2018			
Investment held by the subsidiaries										
Available-for-sale investments										
Investments in investment unit			-	-	-	10,000	-			
Surplus on changes in value of available-for-sale investments			-	-	1,604	-	-			
Investments in investment unit			-	-	11,604	-	-			
Investment in listed securities										
Mahachai Hospital Public Company Limited	Hospital	160	4.28	143,724	143,724	2,293	2,806			
Loss on changes in value of available-for-sale investments				(13,689)	(21,217)	-	-			
Investments in listed securities		130,035		122,507		2,293	2,806			

(Unit: Thousand Baht)
Consolidated and separate

Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	financial statements			
				2019	2018	Dividend received during the years	2018
<u>Investments in unrelated companies</u>							
Thai Herbal Products Co., Ltd.	Manufacturer and distributor of herbal products	80	0.60	290	290	17	12
Prasiththirat Co., Ltd.	Educational institution known as "Rangsit university"	150	33.33	107,192	107,192	4,000	4,000
Asia Laboratories Center Limited	Laboratory service	5	8.00	400	400	-	-
Kendall Gammatron Limited	Manufacturer and distributor of medical equipment	157	5.10	8,000	8,000	-	-
Pracharat Raksamakkee Khonkaen (Enterprise for social) Co., Ltd.	OTOP processing and travelling	4	0.38	15	15	-	-
Korat Medical Group Co., Ltd.	Hospital	100	1.00	1,000	1,000	-	-
UB (Thailand) Co., Ltd.	Manufacturer and distributor of medical equipment	8	11.00	879	879	-	-
U2 Bio (Thailand) Co., Ltd.	Laboratory service	10	10.00	1,000	1,000	-	-
				118,776	118,776	4,017	4,012
Less: Allowance for impairment of investments				(2,879)	(2,879)	-	-
Investments in unrelated companies - net				115,897	115,897	4,017	4,012

				Consolidated and separate financial statements				
				Dividend received during the years				
Company's name	Nature of business	Paid-up capital (Million Baht)	% share holding	Investment (cost)		2019	2018	
						2019	2018	
Investments in held-to-maturity securities								
Debentures - listed companies								
Investments in ordinary shares (ceased operations)								
Phyathai Herbs Co., Ltd.	In process of liquidation	220	63.64	42,889	42,889	-	-	
Black Brain Health, LLC.	Liquidation	USD 1.38 million	4.81	-	17,975	-	-	
				(9,493)	(27,468)	-	-	
				33,396	33,396	-	-	
Total other long-term investments - net in the consolidated financial statements								
		465,829		526,648		9,307	16,300	

The Group recognised the decrease in fair value of available-for-sale investments in the consolidated financial statements of Baht 61.9 million (net of deferred tax liabilities of Baht 15.5 million) and that in the separate financial statements of Baht 66.6 million (net of deferred tax liabilities of Baht 16.6 million), presenting in the statements of comprehensive income under "Loss on change in value of available-for-sale investments".

Prasitthirat Company Limited

A subsidiary has 33.33 percentage of shareholding in Prasitthirat Company Limited but has not classified it as investment in an associate because the subsidiary has no power to participate in the financial and operating policy decisions of that company and other shareholders are major shareholders of that company.

Phyathai Herbs Co., Ltd.

A subsidiary has investment in Phyathai Herbs Co., Ltd. that have ceased its operation but has not classified it as investment in subsidiary because the subsidiary has no power to control such company.

15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
31 December 2017	307,777	675,359
Purchase	1,619	1,619
Transfer from (to) land and premises	(7,605)	1,594
Gain on fair value adjustment	14,935	10,287
31 December 2018	316,726	688,859
Purchase	2,134	2,134
Gain on fair value adjustment	34,846	33,966
31 December 2019	353,706	724,959

The investment properties of the Group consist of land and building for rent. The fair value of investment properties are presented at fair value and the valuation is performed by an independent valuer. Lands have been determined based on market approach and the buildings for rent have been determined based on income approach.

Key assumptions used in the valuation of building for rent are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Occupancy rate (%)	100	100	Increase in fair value
Discount rate (%)	9.0 - 11.0	10.0 - 11.0	Decrease in fair value

16. Property, premises and equipment

(Unit: Thousand Baht)

Consolidated financial statements

Assets which are stated at cost or reappraised value	Assets which are stated at cost						
			Structure equipment,		Building under construction and medical tools		
	Land and land improvement	Building and improvement	Medical tools, machine, helicopter and equipment	furniture, fixture and office equipment	Vehicles	and equipment under installation	Total
<u>Cost/reappraised value</u>							
31 December 2017	34,159,018	40,150,759	22,536,471	12,588,204	970,365	4,019,866	114,424,683
Increase from revaluation	742,252	-	-	-	-	-	742,252
Purchases	162,980	971,737	1,852,717	1,043,769	65,990	3,345,203	7,442,396
Transfer in / (Transfer out)	43,075	1,836,040	157,309	501,906	16,537	(2,535,811)	19,056
Disposals/Written-off	(332)	(295,557)	(1,115,288)	(956,037)	(37,224)	(38,353)	(2,442,791)
Translation adjustments	(2,052)	(6,199)	(2,801)	(4,132)	(132)	(235)	(15,551)
31 December 2018	35,104,941	42,656,780	23,428,408	13,173,710	1,015,536	4,790,670	120,170,045
Increase from revaluation	1,311,029	-	-	-	-	-	1,311,029
Purchases	274,932	1,486,702	2,322,109	1,640,562	82,607	2,381,864	8,188,776
Transfer in / (Transfer out)	19,608	2,806,297	151,897	1,212,776	17,868	(4,214,139)	(5,693)
Disposals/Written-off	-	(57,558)	(580,063)	(218,422)	(47,673)	(523)	(904,239)
Translation adjustments	(20,480)	(65,184)	(30,695)	(42,221)	(1,284)	(970)	(160,834)
31 December 2019	36,690,030	46,827,037	25,291,656	15,766,405	1,067,054	2,956,902	128,599,084
<u>Accumulated depreciation</u>							
31 December 2017	71,608	20,011,662	14,674,038	7,297,787	673,196	-	42,728,291
Depreciation for the year	8,959	1,780,537	2,165,136	1,076,452	67,394	-	5,098,478
Transfer in / (Transfer out)	-	(3,393)	(132)	3,507	-	-	(18)
Disposals/Written-off	(332)	(263,716)	(1,087,844)	(945,988)	(36,559)	-	(2,334,439)
Translation adjustments	-	(817)	(959)	(1,299)	(51)	-	(3,126)
31 December 2018	80,235	21,524,273	15,750,239	7,430,459	703,980	-	45,489,186
Depreciation for the year	12,311	1,884,199	2,257,976	1,221,023	65,291	-	5,440,800
Transfer in / (Transfer out)	-	(161)	-	(1,177)	-	-	(1,338)
Disposals/Written-off	-	(46,758)	(562,879)	(215,318)	(45,312)	-	(870,267)
Translation adjustment	(17)	(12,605)	(18,038)	(19,674)	(788)	-	(51,122)
31 December 2019	92,529	23,348,948	17,427,298	8,415,313	723,171	-	50,007,259

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Assets which are stated at cost						
	Assets which are stated at cost						
	value	Medical tools,	Structure equipment,	Building under construction and			
		Building and machine,	furniture, fixture				
	Land and land improvement	building improvement	helicopter and equipment	and office equipment	Vehicles	medical tools and equipment under installation	Total
<u>All allowance for impairment</u>							
<u>of fixed assets</u>							
31 December 2017	5,476	118,518	10,071	1,373	1,471	-	136,909
Reversal of impairment loss	-	(3,008)	-	-	-	-	(3,008)
31 December 2018	5,476	115,510	10,071	1,373	1,471	-	133,901
Impairment loss	-	-	-	-	-	18,098	18,098
31 December 2019	5,476	115,510	10,071	1,373	1,471	18,098	151,999
<u>Net book value</u>							
31 December 2018	35,019,230	21,016,997	7,668,098	5,741,878	310,085	4,790,670	74,546,958
31 December 2019	36,592,025	23,362,579	7,854,287	7,349,719	342,412	2,938,804	78,439,826
							(Unit: Million Baht)
<u>Depreciation for the years</u>							
Part of cost of hospital operations and services						2019	2018
Part of administrative expenses						4,425	4,124
Total						1,016	974
						5,441	5,098

(Unit: Thousand Baht)

Separate financial statements

Assets which are stated at cost or reappraised value	Assets which are stated at cost						Total	
	Land and land improvement	Building and building improvement	Medical tools, machine and equipment	Structure equipment, furniture, fixture and office equipment	Vehicles	Building under construction and medical tools and equipment under installation		
Cost/reappraised value								
31 December 2017	5,480,920	6,146,662	4,218,736	1,815,231	207,243	1,886,822	19,755,614	
Purchases	7,140	192,686	284,637	230,965	11,224	992,589	1,719,241	
Transfer in / (Transfer out)	6,133	682,693	50,378	109,729	280	(839,538)	9,675	
Disposals/Written-off	-	(21,003)	(309,815)	(11,905)	(12,456)	-	(355,179)	
31 December 2018	5,494,193	7,001,038	4,243,936	2,144,020	206,291	2,039,873	21,129,351	
Purchases	46,403	456,393	502,969	519,014	22,400	227,877	1,775,056	
Transfer in / (Transfer out)	9,918	1,074,124	7,809	645,786	-	(1,732,847)	4,790	
Disposals/Written-off	-	(8,514)	(95,300)	(69,456)	(23,482)	-	(196,752)	
31 December 2019	5,550,514	8,523,041	4,659,414	3,239,364	205,209	534,903	22,712,445	
Accumulated depreciation								
31 December 2017	1,258	3,368,843	2,952,909	951,078	156,473	-	7,430,561	
Depreciation for the year	491	290,905	402,010	200,691	13,487	-	907,584	
Transfer in / (Transfer out)	-	(487)	(132)	600	-	-	(19)	
Disposals/Written-off	-	(18,040)	(307,029)	(11,691)	(12,455)	-	(349,215)	
31 December 2018	1,749	3,641,221	3,047,758	1,140,678	157,505	-	7,988,911	
Depreciation for the year	1,797	307,410	394,053	267,050	10,799	-	981,109	
Transfer in / (Transfer out)	-	(161)	-	161	-	-	-	
Disposals/Written-off	-	(8,514)	(93,723)	(69,379)	(23,481)	-	(195,097)	
31 December 2019	3,546	3,939,956	3,348,088	1,338,510	144,823	-	8,774,923	
Allowance for impairment								
of fixed assets								
31 December 2017	5,476	3,008	-	-	-	-	8,484	
Reversal of impairment	-	(3,008)	-	-	-	-	(3,008)	
loss	-	(3,008)	-	-	-	-	(3,008)	
31 December 2018	5,476	-	-	-	-	-	5,476	
Impairment loss	-	-	-	-	-	18,098	18,098	
31 December 2019	5,476	-	-	-	-	18,098	23,574	
Net book value								
31 December 2018	5,486,968	3,359,817	1,196,178	1,003,342	48,786	2,039,873	13,134,964	
31 December 2019	5,541,492	4,583,085	1,311,326	1,900,854	60,386	516,805	13,913,948	

(Unit: Million Baht)

Depreciation for the years	2019	2018
Part of cost of hospital operations and services	795	751
Part of administrative expenses	186	157
Total	981	908

In 2019, 7 subsidiaries have recorded an independent appraiser's result of land, using market approach. The fair values of the revalued land in consolidated financial statements of Baht 6,419.1 million increased from the book values of Baht 1,048.8 million (net of deferred tax liabilities of Baht 262.2 million). The subsidiaries recorded the increase amount as "Revaluation surplus on land" in the other components of shareholders' equity.

In 2018, 5 subsidiaries have recorded an independent appraiser's result of land, using market approach. The fair values of the revalued land in consolidated financial statements of Baht 1,881.2 million increased from the book values of Baht 593.8 million (net of deferred tax liabilities of Baht 148.5 million). The subsidiaries recorded the increase amount as "Revaluation surplus on land" in the other components of shareholders' equity.

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

If the Group recorded land at cost, net book value as at 31 December 2019 and 2018 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value (at cost):		
As at 31 December 2019	23,500,955	3,068,527
As at 31 December 2018	23,321,005	3,068,527

As at 31 December 2019, the Group has medical tools, equipment and vehicles under finance lease agreements with net book values amounting to Baht 52.4 million and Baht 0.8 million in the separate financial statements (2018: Baht 52.1 million and Baht 2.0 million in the separate financial statements).

As at 31 December 2019, the Group has certain building improvement, medical tools, equipment and vehicles which have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 22,654.0 million and Baht 4,381.5 million in the separate financial statement (2018: Baht 20,516.8 million and Baht 3,991.5 million in the separate financial statements).

17. Goodwill

The Group determined the recoverable amounts of the cash generating units (CGUs) based on value-in-use, using cash flow projections covering 5 - 10 years as hospital business requires approximately at least 5-year period for business expansion to benefit from synergy. These cash flow projections were prepared with reference to financial budgets approved by the management.

Key assumptions used in the value-in-use calculations are as follows:

(Unit: Percent per annum)

Growth rate	3.0 – 9.7
Pre-tax discount rate	7.48

The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which is a pre-tax rate that reflects the specific risk of the particular business unit.

The management has considered those all goodwills are not impaired.

18. Intangible assets

Intangible assets as at 31 December 2019 and 2018, which are computer software and commercial rights, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
As at 31 December 2017	2,701,933	900,435
Purchases	309,478	134,165
Transfer out	(12,820)	(11,437)
Written-off	(105,808)	(30)
Translation adjustment	(9,806)	-
As at 31 December 2018	2,882,977	1,023,133
Purchases	387,948	156,361
Transfer in/(out)	3,306	(4,789)
Written-off	(3,994)	(17)
Translation adjustment	(3,928)	-
As at 31 December 2019	<u>3,266,309</u>	<u>1,174,688</u>
Accumulated amortisation		
As at 31 December 2017	1,464,565	396,705
Amortisation for the years	249,905	102,327
Written-off	(104,308)	-
Translation adjustment	(9)	-
As at 31 December 2018	1,610,153	499,032
Amortisation for the years	264,255	104,228
Transfer in	1,339	-
Written-off	(3,717)	(16)
Translation adjustment	(339)	-
As at 31 December 2019	<u>1,871,691</u>	<u>603,244</u>
Allowance for impairment		
As at 31 December 2017	-	-
As at 31 December 2018	-	-
Impairment loss of commercial rights	50,000	-
As at 31 December 2019	<u>50,000</u>	<u>-</u>
Net book value		
As at 31 December 2018	1,272,824	524,101
As at 31 December 2019	<u>1,344,618</u>	<u>571,444</u>

19. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost				
Beginning of years	1,272,846	1,000,141	449,051	449,051
Purchases	167,927	270,292	-	-
Translation adjustment	-	2,413	-	-
Ending of years	<u>1,440,773</u>	<u>1,272,846</u>	<u>449,051</u>	<u>449,051</u>
Accumulated amortisation				
Beginning of years	371,839	335,426	129,703	114,795
Amortisation for the years	47,093	37,838	14,908	14,908
Translation adjustment	-	(1,425)	-	-
Ending of years	<u>418,932</u>	<u>371,839</u>	<u>144,611</u>	<u>129,703</u>
Net book value	<u>1,021,841</u>	<u>901,007</u>	<u>304,440</u>	<u>319,348</u>

20. Bank overdrafts and short-term loans from financial institutions

As at 31 December 2019, the Group had outstanding balances of bank overdrafts and short-term loans from financial institutions of Baht 23.8 million (2018: Baht 5,878 million). The bank overdrafts carry interest rate at MLR for Baht currency facilities and LIBOR plus fixed rate for US currency facilities. The loans carry interest at fixed rate. The principal and interest is repayable on maturity according to a condition as stipulated in the agreement.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties	20,064	19,223	126,787	115,518
Trade payables - unrelated parties	3,554,812	3,290,617	450,797	410,715
Other payables - related parties	5,504	10,258	60,540	101,636
Other payables - unrelated parties	1,594,779	1,315,536	538,941	257,615
Accounts payable - construction and retention	<u>815,019</u>	<u>556,137</u>	<u>204,255</u>	<u>135,497</u>
Total trade and other payables	<u>5,990,178</u>	<u>5,191,771</u>	<u>1,381,320</u>	<u>1,020,981</u>

22. Provision for lifelong medical care programs

At the meetings held on 19 January 2017 and 1 February 2017, the Board of Directors of the Company and its subsidiary passed resolutions to discontinue the lifelong membership programs to be effective on 20 January 2017 and 2 February 2017, respectively, due to legal reasons. These discontinued programs are membership programs providing lifelong medical services with small amount of charges to their members who have prepaid the membership fees for life. The reason of this discontinuation is that these kinds of membership programs are defined as an insurance business under the law where the Company and its subsidiary are required to obtain permission of the relevant authorities. Hence, it would be illegal for the Company and its subsidiary to continue providing medical services under these membership programs as they do not have the necessary permission from the relevant authorities to operate an insurance business. Therefore, the contracts are prohibited by law and thus void. The Company and its subsidiary therefore discontinued the program and offered members a refund of their membership fees together with compensation. They also offered members benefit in the form of a 50% discount on medical care for life. The adjustments to the 2016 financial statements have been made based on the total amounts payable to the members and the compensation expected to be paid to the members in 2017 due to the discontinuation of the program by considering that they were past events that caused the present commitment and they were subsequent events that should be adjusted in order to comply with Thai Accounting Standard No. 10 Events after the reporting period. As at 31 December 2016, the liabilities for discontinued lifelong medical care program in consolidated and separate financial statements were amounted to Baht 964 million and Baht 820 million, respectively.

In 2017, some members (182 of the 334 members in the consolidated financial statements and 151 of the 282 members in the separate financial statements) accepted the offers but other members did not accept the offers as of yet. As at 31 December 2017, the liabilities from the discontinuation of the lifelong memberships for the medical care program, based on the total amounts payable to the former members and the compensation expected to be paid to the former members who have not accepted the offers in the consolidated and separate financial statements amounts to approximately Baht 440 million and Baht 380 million, respectively.

As a result of discontinuing the lifelong membership programs, some former members of the program filed numerous complaints against the Company and its subsidiary with the courts and requested that the Company and its subsidiary continue the program while some made claims for indemnity from the Company and its subsidiary.

During the court's consideration of certain cases, the court issued orders for temporary injunctions prior to the release of a judgment to the former members who filed complaints against the Company. The essence of the temporary injunction was for the Company to provide medical services to the former members at a normal rate and without any discount and also to allow the other former members to utilise their rights under the programs until the court rules or orders otherwise. Furthermore, the court ordered for the former members who are under the temporary injunction to enter into contracts with the court which would provide that they agreed to be held liable for the aforementioned bills to the Company, should the court issue a final judgment that the Company is entitled to cease such program. The Company keeps record of the debt owed to the Company for medical services rendered and shall not collect amounts for such medical bills unless the court rules or orders otherwise.

Since then, the Civil Court ruled on some of the cases between the former members and the Company and its subsidiary (including all cases where the court has ordered for temporary injunctions prior to a judgment). The judgment of the Company's cases are rendered in three directions which are: 1) to order for the Company to continue complying with the terms of the programs; 2) to order for the Company to continue complying with the terms of the programs but also to make indemnity payment should the Company fail to comply with such terms of the programs at the amount specified in a judgment, the amount of which are usually close to amounts that the Company made in its counteroffer to some members prior to filing of complaints; and 3) to order the plaintiff to refund to the Company the membership fee together with the compensation accepted from the Company in relation to pre-litigation settlement agreements made prior to the filing of the complaints, and to order for the Company to continue complying with the terms of the programs. In all three directions of judgments, the court ordered that the Company must provide compensation for the medical expenses to the plaintiffs in certain from the date of the discontinuation of the programs up to the date on which the judgment was rendered. As for the complaints against the subsidiary, the judgment are also rendered in three directions which are: 1) to order for the subsidiary to make indemnity payment at the amount specified in a judgment, the amount of which are usually close to amounts that the subsidiary made in its counteroffer to some members prior to filing of complaints; 2) to order for the subsidiary to continue complying with the terms of the programs and also for it to compensate the plaintiffs for any actual medical expenses resulted from the date of the discontinuance of the programs up to the date preceding the date of the judgment; and 3) to order the plaintiffs to return the membership fees together with compensation under the agreements made with the subsidiary prior to the filing of the case, and to order the subsidiary to continue complying with the terms of the programs. In this regard, there are some pending cases under the consideration of the Civil Court.

In the fourth quarter of 2018, and in 2019, the Court of Appeal rendered judgments in some of the past cases filed by members against the Company and its subsidiary, where the said judgments affirmed the judgments of the Court of First Instance ordering that the Company and its subsidiary continue complying with the terms of the aforementioned programs.

Nonetheless, the legal advisor of the Company and its subsidiary opined that, in consideration of all known facts and the provisions of the law, the programs in dispute are deemed contracts of insurance, rendering the cessation of such programs a lawful process. Therefore, the management, under the advisory of the Company and its subsidiary's legal advisor, proceeded to utilize its legal right to file an appeal and a petition against the ruling of the Civil Court, for the Court of Appeal's and the Supreme Court's consideration and ruling which shall serve as precedent of future legal processes.

In January 2020, the Supreme Court prohibited the Company from appealing some of the past cases filed by the members against the Company, making such cases final as per the judgments of the Court of First Instance and the Court of Appeal, wherein it was ruled that the terms of the agreement and the programs did not possess the characteristics of an insurance, and ordered the Company to continue to comply with the terms of the programs. For these reasons, the Company had thus delivered letters to notify the members that the Company intends to comply with the law and the final judgments of the courts, and will launch the programs for operation from 1 March 2020.

As per the judgment of the Civil Court, the Company and its subsidiary hereby records the provision for lifelong medical care programs as of 31 December 2019 in the consolidated and separate financial statements amounts to approximately Baht 724 million and Baht 589 million, respectively, net of the amounts will be refunded from the former members.

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements
Balance as at 31 December 2018	9,326,832
Less: Repayment during the year	<u>(4,625,925)</u>
Balance as at 31 December 2019	4,700,907
Less: Current portion of long-term loans from financial institutions	<u>(193,440)</u>
Long-term loans from financial institutions	<u>4,507,467</u>

The outstanding balances of long-term loans from financial institutions of the Group as at 31 December 2019 and 2018 are as follows:

Period of loan agreements				Principal repayment	Interest rate per annum (%)	Outstanding balance (in million USD.)		Outstanding balance (in million Baht)	
Start	End	Credit facilities				2019	2018	2019	2018
Nov. 2011	Jun. 2019	Baht 3,000 million	Quarterly	Floating rate + Spread	-	-	-	319.0	
Jan. 2012	Jul. 2020	Baht 586 million	Monthly	Floating rate + Spread	-	-	-	99.5	
Jun. 2012	Dec. 2019	Baht 1,766 million	Quarterly	Floating rate + Spread	-	-	-	269.6	
May 2013	May 2021	Baht 2,000 million	Semi-annually	Floating rate + Spread	-	-	-	704.0	
Feb. 2014*	Jul. 2021	USD 20 million	Semi-annually	Fixed rate	9.3	14.0	300.9	451.4	
Apr. 2014	Jun. 2019	Baht 1,000 million	Monthly	Floating rate + Spread	-	-	-	83.3	
Apr. 2017	Apr. 2024	Baht 1,000 million	Bullet	Fixed rate	-	-	1,000.0	1,000.0	
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Floating rate + Spread	-	-	-	1,000.0	
Sep. 2017	Sep. 2019	Baht 2,000 million	Bullet	Fixed rate	-	-	-	1,000.0	
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	2,400.0	2,400.0	
Sep. 2017	Sep. 2021	Baht 3,000 million	Bullet	Floating rate + Spread	-	-	1,000.0	2,000.0	
Total long-term loans from financial institutions in consolidated and separate financial statements					9.3	14.0	4,700.9	9,326.8	

*In January 2018, the Company entered into a cross currency swap contract with a financial institution by converting US currency amounting to USD 16.0 million to Thai Baht currency amounting to Baht 515.8 million. As a result, fixed interest rate per annum in the mentioned contract is lower than the original contract.

The Company's long-term loan agreements contain certain covenants which the Company must comply such as financial ratios.

24. Liabilities under finance lease agreements

As at 31 December 2019 and 2018, liabilities under finance lease agreements are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	51,517	35,334	873	1,037
Less: Deferred interest expense	(4,128)	(1,776)	(25)	(2)
Total	47,389	33,558	848	1,035
Less: Current portion of liabilities under finance lease agreements	(16,878)	(14,047)	(249)	(1,035)
Liabilities under finance lease agreements - net	30,511	19,511	599	-

As at 31 December 2019 and 2018, the Group has future minimum lease payments which required under the finance lease agreements as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	18,811	32,706	51,517
Deferred interest expense	(1,933)	(2,195)	(4,128)
Present value of future minimum finance lease payments	16,878	30,511	47,389

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Consolidated financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	14,995	20,339	35,334
Deferred interest expense	(948)	(828)	(1,776)
Present value of future minimum finance lease payments	14,047	19,511	33,558

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	262	611	873
Deferred interest expense	(13)	(12)	(25)
Present value of future minimum finance lease payments	249	599	848

	(Unit: Thousand Baht)		
	As at 31 December 2018		
	Separate financial statements		
	Less than		
	1 year	1-5 years	Total
Future minimum finance lease payments	1,037	-	1,037
Deferred interest expense	(2)	-	(2)
Present value of future minimum finance lease payments	1,035	-	1,035

The Group has finance lease agreements with various leasing companies to rent medical tools, equipment, and vehicles for use in their operations. Installments are due on a monthly basis over 36 - 60 months and at the end of the agreements.

25. Debentures

Movements of debentures net from debenture expenses and amortisation of expenses during the years ended 31 December 2019 and 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated /Separate financial statements	
	<u>2019</u>	<u>2018</u>
Balance as at beginning of years	19,588,046	19,584,603
Amortisation of debenture expenses	3,443	3,443
Balance as at ending of years	<u>19,591,489</u>	<u>19,588,046</u>
Less: Current portions	(4,999,808)	-
Debentures	<u>14,591,681</u>	<u>19,588,046</u>

The outstanding balances of debentures of the Company as at 31 December 2019 and 2018 as follows:

No.	Debentures period		Number of unit	Amount (Million Baht)	Coupon rate (%)	Outstanding balance (Million Baht)	
						2019	2018
BDMS228A	6 Aug. 2012	6 Aug. 2022	500,000	500	4.50%	500	500
BDMS228B	8 Aug. 2012	8 Aug. 2022	100,000	100	4.50%	100	100
BDMS233A	14 Mar. 2013	14 Mar. 2023	4,000,000	4,000	4.63%	4,000	4,000
BDMS205A	10 May 2013	10 May 2020	2,000,000	2,000	4.19%	2,000	2,000
BDMS235A	10 May 2013	10 May 2023	1,000,000	1,000	4.39%	1,000	1,000
BDMS256A*	25 Jun. 2015	25 Jun. 2025	2,000,000	2,000	3.95%	2,000	2,000
BDMS266A	24 Jun. 2016	24 Jun. 2026	3,000,000	3,000	2.99%	3,000	3,000
BDMS202A	8 Feb. 2017	8 Feb. 2020	3,000,000	3,000	2.41%	3,000	3,000
BDMS222A	8 Feb. 2017	8 Feb. 2022	2,500,000	2,500	2.97%	2,500	2,500
BDMS242A	8 Feb. 2017	8 Feb. 2024	1,500,000	1,500	3.46%	1,500	1,500

*The Company has entered into the Interest Rate Swap contract with a financial institution for BDMS256A by converting the fixed coupon rate per annum to the floating interest rate plus spread per annum.

The fair value of debentures as at 31 December 2019, is between Baht 1,000.96 per unit to Baht 1,100.22 per unit.

Debenture agreement contains certain covenants which the Company must comply with such as financial ratios, payment of dividend, assets dispositions, etc.

26. Convertible debentures

On 18 September 2014, the Company has issued the convertible debentures to the foreign investors (except the investors in the United States of America). On 19 September 2014, the convertible debentures were listed on The Singapore Exchange. Key terms and conditions of the convertible debentures are as the following:

Type of debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue size	Baht 10,000 million
Currency	THB-Denominated, USD-Settled
Maturity date	18 September 2019
Put option	At 18 September 2017 equal to 106.152% of the principal amount
Call option	At any time after 18 March 2017, if the closing price of the Company's shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption price	110.462% of principal amount
Conversion price	Baht 21.045 per one newly issued ordinary share

Convertible debentures agreement contains obligations and certain limitations which the Company must comply with, as specified in the offering circular of the bonds.

Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", requires the issuer of convertible debentures to present the debentures' liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

On 18 September 2017, the convertible debenture holders had redeemed totalling of Baht 1,560 million at principal amount of the convertible debentures. The Company has made the payment at the Early Redemption Price totally Baht 1,656 million (106.152 percent of the principal Baht 1,560 million).

In 2018, the convertible debenture holders of Baht 3,746 million exercised their conversion rights to convert into 178.0 million ordinary shares of the Company and the premium on ordinary shares increased of Baht 4,168 million. In 2019, the convertible debenture holders exercised their conversion rights to convert Baht 4,694 million into 223.0 million ordinary shares of the Company and the premium on ordinary shares increased of Baht 5,425.0 million.

As at 31 December 2019, the Company has no outstanding balance of convertible debentures since the holders have exercised their rights to convert all convertible debentures. (31 December 2018: the outstanding principal amount of convertible debentures was Baht 4,694 million).

Movements of convertible debentures net from convertible debenture expenses during the year ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	Convertible debenture - liability component	Convertible debenture expenses	Total	Convertible debenture - equity component
Balance as at 1 January 2019	5,067,389	(10,991)	5,056,398	274,847
Transactions for present value of convertible debentures	106,074	-	106,074	-
Amortisation of debenture expenses	-	10,022	10,022	-
Conversion of debentures to ordinary shares	(5,173,463)	969	(5,172,494)	(274,847)
Balance as at 31 December 2019	-	-	-	-

27. Provision for employee benefits

Provision for employee benefits were summarised as follows:

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	Separate financial statements					
	Severance payments		Medical care after post-employment		Other long - term benefits	Total
	2019	2018	2019	2018	2019	2018
Defined benefit obligation at beginning of years						
Current service cost	536,343	389,127	183,902	185,175	53,882	-
Interest cost	55,774	27,557	5,173	5,054	5,060	53,882
Past service costs	15,733	8,995	7,217	6,920	1,185	-
Actuarial loss arising from	130,573	-	-	-	-	130,573
Demographic assumptions changes	-	66,191	(65,221)	-	-	(65,221)
Financial assumptions changes	82,374	8,154	327,340	-	4,078	-
Experience adjustments	-	44,187	9,296	-	-	44,187
Employee transfer	2,134	14,432	-	-	-	2,134
Benefits paid during the years	(20,979)	(22,300)	(10,477)	(13,247)	(4,498)	(35,547)
Defined benefit obligation at end of years	801,952	536,343	457,230	183,902	59,707	53,882
						1,318,889
						774,127

Expected maturity analysis of undiscounted employee benefits obligation as at 31 December 2019:

	(Unit: Million Baht)			
	Consolidated financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	293.4	805.1	11,426.2	12,524.7
(Unit: Thousand Baht)				
	Separate financial statements			
	Less than a year	Between 2-5 years	Over 5 years	Total
Expected benefit payments	111.9	282.8	3,124.6	3,519.3

Significant actuarial assumptions were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.19 - 2.52	1.76 - 4.38	1.19 - 2.52	1.76 - 4.38
Future salary increase rate	5.0	5.0	5.0	5.0
Turnover rate	0.0 - 20.0	0.0 - 20.0	0.0 - 16.0	0.0 - 16.0

The result of sensitivity analysis for significant assumptions that affect the present value of the employee benefit obligation as at 31 December 2019 is summarised below:

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(478.5)	595.6	(172.7)	229.2
Salary increase rate	484.7	(414.0)	88.5	(76.5)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(339.2)	402.8	(87.8)	101.2

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional provision for employee benefits of Baht 616.3 million (Separate financial statements: Baht 130.6 million). The Group recorded the effect of the change by recognising past services costs as expenses in the income statement of 2019.

28. Share capital

Movements of ordinary share capital during the year ended 31 December 2019 and 2018 are summarised below.

	Registered capital		Issued and paid-up capital	
	Number of		Number of	
	ordinary shares (shares)	Amount (Baht)	ordinary shares (shares)	Amount (Baht)
Balance as at 1 January 2018	17,582,235,672	1,758,223,567	15,490,956,540	1,549,095,654
Conversion of debenture to ordinary shares (Note 26)	-	-	177,999,508	17,799,951
Balance as at 31 December 2018	17,582,235,672	1,758,223,567	15,668,956,048	1,566,895,605
Conversion of debenture to ordinary shares (Note 26)	-	-	223,045,847	22,304,585
Balance as at 31 December 2019	17,582,235,672	1,758,223,567	15,892,001,895	1,589,200,190

In 2019, the convertible debenture holders exercised their conversion rights to convert into 223 million ordinary shares of the Company. As a result, as at 31 December 2019, the Company's paid up capital increased from Baht 1,567 million to Baht 1,589 million and premium on ordinary shares increased by Baht 5,425 million. (Note 26).

29. Dividend

2018 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 11 April 2018	3,561	0.23
Interim dividends for 2018	Board of Directors' meeting on 29 August 2018	2,037	0.13
Total dividend paid during the year ended 31 December 2018		5,598	0.36

The Company paid such final dividends and interim dividends in April 2018 and in September 2018, respectively.

2019 Dividend payment

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 12 April 2019	2,977	0.19
Interim dividends for 2019	Board of Directors' meeting on 28 August 2019	3,973	0.25
Total dividend paid during the year ended 31 December 2019		6,950	0.44

The Company paid such final dividends and interim dividends in April 2019 and in September 2019, respectively.

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

31. Expenses by nature

Significant expenses by nature for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Employee expenses	20,704.0	18,766.9	3,832.1	3,493.5
Doctor fee	18,170.1	16,767.5	3,244.8	2,979.7
Drugs, supplies and other costs of hospital operations	15,253.1	14,267.2	3,186.5	2,852.0
Cost of goods sold	2,264.2	2,242.2	-	-
Depreciation and amortisation	5,752.8	5,386.2	1,100.2	1,024.8
Advertising and public relation expenses	876.0	882.9	319.3	412.7
Rental expense	868.6	843.1	123.3	121.4

32. Income tax

Income tax of the Group are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Corporate income tax for the years	4,761,260	2,255,013	2,628,555	306,465
Adjustments in respect of corporate income tax of previous years	17,001	91,802	646	86,434
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(904,803)</u>	<u>393,034</u>	<u>(51,285)</u>	<u>(49,783)</u>
Income tax expense reported in the income statements	<u>3,873,458</u>	<u>2,739,849</u>	<u>2,577,916</u>	<u>343,116</u>

The amounts of income tax relating to each component of other comprehensive income (loss) are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Loss on change in value of available-for-sale investments	15,464	24,236	16,649	20,015
Share of income from investments in an associate	122,303	(122,303)	-	-
Revaluation surplus on lands	(262,206)	(148,450)	-	-
Actuarial loss	<u>145,564</u>	<u>67,133</u>	<u>70,758</u>	<u>23,706</u>
Income tax revenue (expense) charged directly to other comprehensive income	<u>21,125</u>	<u>(179,384)</u>	<u>87,407</u>	<u>43,721</u>

Reconciliation between income tax and the product of accounting profit multiplied by the applicable tax rate is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before corporate income tax	19,882,620	12,386,895	19,144,116	6,973,493
Corporate income tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	3,976,524	2,477,379	3,828,823	1,394,699
Adjustments in respect of corporate income tax expense of previous years	17,001	91,802	646	86,434
Income tax from revenue base	9,937	1,856	-	-
Recognition of previous year unrecognised deferred tax	-	393,024	-	-
Effects of:				
Promotional privileges	(44,187)	(126,704)	-	(46,420)
Dividend income subject to tax exempt	(1,861)	(3,260)	(1,259,038)	(1,116,734)
Tax losses of the current year for unrecognised deferred income tax asset	210,174	144,889	-	-
Utilisation of previous years unrecognised tax losses	(40,314)	(10,315)	-	-
Share of income from investments in associates	(204,489)	(192,915)	-	-
Non-deductible expenses	63,577	94,248	28,573	44,572
Additional expense deductions allowed	(112,904)	(130,155)	(21,088)	(19,435)
Total	<u>(130,004)</u>	<u>(224,212)</u>	<u>(1,251,553)</u>	<u>(1,138,017)</u>
Income tax reported in the income statements	3,873,458	2,739,849	2,577,916	343,116
Effective income tax rates	<u>19.48%</u>	<u>22.12%</u>	<u>13.47%</u>	<u>4.92%</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	As at	As at	financial statements
		31 December	31 December	As at
		2019	2018	31 December
				2019
Deferred tax assets				
Allowance for doubtful accounts	120,734	116,072	36,890	44,904
Allowance to reduce cost to net realisable value - inventory	14,682	7,158	49	54
Allowance for asset impairment	33,450	37,045	30,896	30,896
Allowance for impairment for premises and equipment	5,679	2,059	4,571	951
Accrued expenses and other provisions	428,043	408,890	220,912	191,055
Provision for employee benefits	826,131	516,414	263,778	154,826
Others	20,495	20,861	-	-
Total	1,449,214	1,108,499	557,096	422,686
Deferred tax liabilities				
Accumulated depreciation - premises and equipment	345,641	302,339	84,409	75,949
Amortisation of expense for debentures and convertible debentures	1,702	4,589	1,702	4,589
Gain on fair value adjustment of investment properties	30,119	23,150	85,898	79,105
Gain on change in value of available-for-sale investments	14,935	30,399	17,673	34,321
Share of income from investments in an associate net of dividend	-	848,898	-	-
Revaluation surplus on land and premises	3,481,904	3,250,647	520,986	520,986
Total	3,874,301	4,460,022	710,668	714,950
Deferred tax assets (liabilities) - net	(2,425,087)	(3,351,523)	(153,572)	(292,264)

Deferred tax assets and liabilities in statement of financial position were as follows:

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets	125,204	96,101	-	-
Deferred tax liabilities	(2,550,291)	(3,447,624)	(153,572)	(292,264)
Deferred tax assets (liabilities) - net	(2,425,087)	(3,351,523)	(153,572)	(292,264)

As at 31 December 2019, the subsidiaries have unused tax losses totaling Baht 4,147.1 million (2018: Baht 3,677.2 million). Some subsidiaries have not recognised deferred tax assets for the unused tax losses since there are political and economic future uncertainties that affect the subsidiaries cannot be assured of utilisation of the unused tax losses. Details of expiry date of unused tax losses of subsidiaries are summarised as below:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
31 December 2019	-	443.8
31 December 2020	431.7	515.2
31 December 2021	894.8	921.3
31 December 2022	1,045.3	1,072.5
31 December 2023	724.4	724.4
31 December 2024	<u>1,050.9</u>	<u>-</u>
	4,147.1	3,677.2

33. Earnings per share

Basic earnings per share is determined by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of outstanding ordinary shares issuance during the year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Profit for the years (Baht)	15,517,170,358	9,191,462,706	16,566,199,745	6,630,376,948
Weighted average number of ordinary shares (shares)	15,742,832,572	15,570,403,901	15,742,832,572	15,570,403,901
Earnings per share (Baht/share)	0.99	0.59	1.05	0.43

Diluted earnings per share

For the year 2018, no disclosure of diluted earnings per share is required after the issue of convertible debentures (as mentioned in Note 26) since the calculated earnings per share assuming the conversion of all convertible debentures to ordinary shares is antidilutive.

For the year 2019, there is no calculation for diluted earnings per share after the issue of convertible debentures since no outstanding balance of convertible debentures.

34. Commitments and contingent liabilities

As at 31 December 2019, commitments and contingent liabilities are as follows:

	(Unit: Million Baht)					
	Consolidated			Separate		
	financial statements			financial statements		
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years
Contractual commitments						
- the land and building rental contracts	307	468	1,486	38	105	374
- the office equipment rental and other services	447	225	19	317	8	-
- the medical equipment provision and maintenance contracts	225	71	-	-	-	-
- the building construction and decoration contracts	1,833	1	-	335	-	-
Total	2,812	765	1,505	690	113	374

The Company

The Company has entered into 4-year rental agreements which ended on 27 September 2020 with a company to operate medical clinic. The Company has to pay fee at the fixed rate and the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee stipulated in agreement whichever is higher.

The Subsidiaries

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 28 May 2010. The contract period has been extended to 27 January 2024. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expenses or the minimum fee, as stipulated in agreement, whichever higher.

A subsidiary has entered into a rental agreement with a company to operate medical clinic in a building for a period of 5 years from 16 March 2017. A subsidiary has to pay fee at the rate stipulated in the agreement from monthly gross operating revenue before deducted any expense or the minimum fee, as stipulated in agreement, whichever higher.

Contingent liabilities

As at 31 December 2019, the Group had outstanding bank guarantees of approximately Baht 542 million and the Company's of Baht 152 million issued by the bank on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as facility usage and contractual performance.

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

The Group has two reportable segments that are hospital operations and other businesses that support hospital business including medical laboratories, medicine production, saline production and pharmacies, assets management for healthcare business, distribution cosmetic goods, accounting services, technology and information service, training business and insurance broker. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management.

In addition, the operations of the Group are carried on in the geographical areas of Thailand and overseas.

As hospital operation is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. For this reason, the management considers to aggregate operating segments into one operating segment of hospital operation. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical areas.

For the years 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of its revenues.

36. Promotional privileges

The Company and some subsidiaries in the Group have been granted promotional privileges under The Investment Promotion Act B.E. 2520 for operation as follows:

Company	Types of promoted operation	Corporate income tax exemption period	Promotional privileges period (commencement and expiration year)
A.N.B. Laboratories Co., Ltd	Production of large-volume of sterile solution (saline solution in soft package)	8 years	2018 - 2026
	Production of large-volume of sterile solution (saline solution)	8 years	2017 - 2025
	Production of injectable contraceptives	5 years	2015 - 2020
	Production of small-volume of sterile solution, type 6.5	5 years	2015 - 2020
	Production of modern medicines for human and animal use, type 6.5	8 years	2016 - 2024
The Medicpharma Co., Ltd.	Air transport, type 7.3.4	5 years	2017 - 2022
Bangkok Helicopter Services Co., Ltd.	Service of scientific laboratories, type 7.21	8 years	2015 - 2023
National Healthcare Systems Co., Ltd.	Service of scientific laboratories, type 7.14	8 years	2019 - 2027
N Health Pathology Co., Ltd.			

The Company and the subsidiaries receive privileges as follows:

1. Exemption of import duty on machinery as approved by the board.
2. Exemption from corporate income tax derived from the promoted operation, with the limited rate of 100 percent of the investment excluding land and working capital for periods as described in the above table.
3. In case of losses being incurred during the corporate income tax exemption period, the Group are allowed to utilise the loss as a deduction against net profits for a period of 5 years after exemption period.
4. Exemption from corporate income tax on dividend paid from the profit of the promoted operation throughout the tax exemption period.
5. Revenues that must be included in calculation of net profit is revenue from sales of by products such as scrap or waste from production process (only The Medicpharma Co., Ltd. and A.N.B. Laboratories Co., Ltd.).

The Group must comply with the conditions stipulated in the investment promotional privileges.

Revenues of the Group for the years 2019 and 2018 can be separated between the promoted and non-promoted operation as follows:

	Consolidated financial statements					
	Promoted operation		Non-promoted operation		Total	
	2019	2018	2019	2018	2019	2018
Revenue from hospital operations	45,777	714,053	79,584,513	73,572,138	79,630,290	74,286,191
Revenue from sales of goods	1,487,418	2,146,775	1,604,934	939,983	3,092,352	3,086,758
Other income	53,456	45,678	8,736,120	943,975	8,789,576	989,653
Total revenues	<u>1,586,651</u>	<u>2,906,506</u>	<u>89,925,567</u>	<u>75,456,096</u>	<u>91,512,218</u>	<u>78,362,602</u>

	Separate financial statements					
	Promoted operation		Non-promoted operation		Total	
	2019	2018	2019	2018	2019	2018
Revenue from hospital operations	-	677,453	14,842,054	13,249,554	14,842,054	13,927,007
Other income	-	-	19,208,410	7,089,269	19,208,410	7,089,269
Total revenues	<u>-</u>	<u>677,453</u>	<u>34,050,464</u>	<u>20,338,823</u>	<u>34,050,464</u>	<u>21,016,276</u>

37. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

	As at 31 December 2019			
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	626	-	626
Available-for-sale investments				
Equity instruments	260	-	-	260
Investment properties	-	38	316	354
Land	-	36,220	-	36,220
Assets for which fair value are disclosed				
Investments in associates	26,829	-	-	26,829
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap contract	-	142	-	142
Cross currency swap contract	-	(21)	-	(21)
Debentures	-	20,592	-	20,592

(Unit: Million Baht)

As at 31 December 2018

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Mutual funds	-	516	-	516
Available-for-sale investments				
Equity instruments	347	-	-	347
Investment properties	-	38	279	317
Land	-	34,750	-	34,750
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap contract	-	46	-	46
Cross currency swap contract	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

(Unit: Million Baht)				
As at 31 December 2019				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	130	-	-	130
Investment properties	-	304	421	725
Land	-	5,464	-	5,464
Assets for which fair value are disclosed				
Investments in associates	26,829	-	-	26,829
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap contract	-	142	-	142
Cross currency swap contract	-	(21)	-	(21)
Debentures	-	20,592	-	20,592
(Unit: Million Baht)				
As at 31 December 2018				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	213	-	-	213
Investment properties	-	304	385	689
Land	-	5,464	-	5,464
Assets for which fair value are disclosed				
Investments in associates	46,267	-	-	46,267
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap contract	-	46	-	46
Cross currency swap contract	-	4	-	4
Debentures	-	20,181	-	20,181
Convertible debentures	5,539	-	-	5,539

38. Financial instruments

38.1 Financial risk management

The Group's financial instruments, which are defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", principally comprise the financial assets and liabilities mentioned in Note 4.20 to financial statements. The Group has the financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies including credit limit for counter party and consistency review each customers' financial status, therefore does not expect to incur material financial losses.

The Group does not have high concentration of credit risk since it has a diversify and huge customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables, loans to and other receivables as stated in the statement of financial position.

Interest rate risk

The Group is exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans, and debentures. However, most of financial assets and liabilities bear floating interest rates or fixed interest rates which are closed to the market rate and the Company will consider to enter into interest rate swap contract to manage this risk as appropriate.

Interest rate swap contract

Interest rate swap contract is entered into to manage exposure to fluctuations in interest rate.

On 17 June 2015, the Company entered into a 10-year interest rate swap contract with a financial institution by converting the interest rate of fixed rate per annum to floating rate based on 3-month BIBOR plus the fixed rate per annum on the debentures balance as described in Note 25.

The net fair value of interest rate swap contract at the statements of financial position date was:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Fair value of interest rate swap contract - asset	141.7	45.8	141.7	45.8

Fair value of interest rate swap contract has been calculated using rate quoted by the financial institution as if the contract was terminated at the statements of financial position date.

Significant financial assets and liabilities classified by type of interest rate are as follows:

	(Unit: Million Baht)					
	As at 31 December 2019					
	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	4,661	35	4,696
- Short-term investments	900	-	-	-	-	900
- Trade and other accounts receivable	-	-	-	-	8,850	8,850
- Restricted financial institution deposit	-	6	-	-	5	11
- Investments	-	-	-	-	18,004	18,004
	<u>900</u>	<u>6</u>	<u>-</u>	<u>4,661</u>	<u>26,894</u>	<u>32,461</u>
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	24	-	24
- Trade and other payables	-	-	-	-	5,990	5,990
- Long-term loans	-	1,301	-	3,400	-	4,701
- Liabilities under finance lease agreements	17	30	-	-	-	47
- Debentures	<u>5,000</u>	<u>9,595</u>	<u>4,996</u>	<u>-</u>	<u>-</u>	<u>19,591</u>
	<u>5,017</u>	<u>10,926</u>	<u>4,996</u>	<u>3,424</u>	<u>5,990</u>	<u>30,353</u>

(Unit: Million Baht)

	As at 31 December 2018					
	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	4,994	40	5,034
- Short-term investments	817	-	-	-	-	817
- Trade and other accounts receivable	-	-	-	-	7,545	7,545
- Restricted financial institution deposit	-	10	-	-	-	10
- Investments	-	-	-	-	23,174	23,174
	817	10	-	4,994	30,759	36,580
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,878	-	5,878
- Trade and other payables	-	-	-	-	5,192	5,192
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	14	20	-	-	-	34
- Debentures	-	13,094	6,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,070	13,565	7,494	12,754	5,192	45,075

(Unit: Million Baht)

	As at 31 December 2019					
	Separate financial statements					
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
Financial Assets						
- Cash and cash equivalent	-	-	-	2,463	4	2,467
- Trade and other receivables	-	-	-	-	2,075	2,075
- Short-term loans to subsidiaries	-	-	-	2,910	-	2,910
- Long-term loans to related parties	-	-	-	3,936	-	3,936
- Investments	-	-	-	-	67,192	67,192
	-	-	-	9,309	69,271	78,580
Financial liabilities						
- Trade and other payables	-	-	-	-	1,381	1,381
- Short-term loans from subsidiaries	-	-	-	12,139	-	12,139
- Long-term loans	-	1,301	-	3,400	-	4,701
- Liabilities under finance lease agreements	1	-	-	-	-	1
- Debentures	5,000	9,595	4,996	-	-	19,591
	5,001	10,896	4,996	15,539	1,381	37,813

	(Unit: Million Baht)					
	As at 31 December 2018					
	Separate financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total
Financial Assets						
- Cash and cash equivalent	-	-	-	2,290	5	2,295
- Trade and other receivables	-	-	-	-	1,501	1,501
- Short-term loans to subsidiaries	-	-	-	2,620	-	2,620
- Long-term loans to related parties	-	-	-	4,063	-	4,063
- Investments	-	-	-	-	67,642	67,642
	-	-	-	8,973	69,148	78,121
Financial liabilities						
- Bank overdrafts and short-term loans from financial institutions	-	-	-	5,800	-	5,800
- Trade and other payables	-	-	-	-	1,021	1,021
- Short-term loans from subsidiaries	-	-	-	10,771	-	10,771
- Long-term loans	1,000	451	1,000	6,876	-	9,327
- Liabilities under finance lease agreements	1	-	-	-	-	1
- Debentures	-	13,094	6,494	-	-	19,588
- Convertible debentures	5,056	-	-	-	-	5,056
	6,057	13,545	7,494	23,447	1,021	51,564

Foreign currency risk

The Group are exposed to foreign currency risk mainly in respect of purchase of medical tools and equipment, purchase and sales of goods and services transactions which are denominated in foreign currencies. A subsidiary seeks to manage this risk by entering into forward exchange contracts. Generally, the forward contracts mature within one year.

Cross currency swap contract

In order to mitigate the foreign currency risk exposure. As described in Note 23, the Company entered into cross currency swap contract with a financial institution in January 2018 by converting USD loan to Thai Baht loan.

Net fair value

The net fair value of cross currency swap contract at the statements of financial position date was:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	2019	2018	financial statements
Fair value of cross currency swap agreement - asset		-	3.7	-
Fair value of cross currency swap agreement - liabilities		(21.0)	-	(21.0)

Fair value of cross currency swap contract has been calculated using rate quoted by the financial institution as if the contract was terminated at the statements of financial position date.

Forward exchange contract

As at 31 December 2018 (31 December 2019: Nil), a subsidiary has the outstanding balance of selling forward exchange contracts as follows:

Balance as at	Foreign currency	Amount sold	Contractual exchange rate for amount sold
(Baht per foreign currency unit)			
31 December 2018	US Dollar	693,121	32.65 - 33.05

Net fair value

Net fair value of forward exchange contracts at the statements of financial position date as follows:

Selling forward exchange contract

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	2019	2018	financial statements
Fair value of selling forward exchange contract - assets		-	363.1	-

Fair value of forward exchange contract has been calculated using rate quoted by the financial institution as if the contracts were terminated at the statements of financial position date.

38.2 Fair values of financial instruments

Since the majority of the Group financial instruments bear floating interest rates or fixed interest rates which are close to market rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.53:1.0 (2018: 0.82:1.0) and the Company's debt-to-equity ratio was 0.80:1.0 (2018: 1.46:1.0).

40. Subsequent events after reporting date

On 26 February 2020, the meeting of the Company's Board of Directors No.2/2020 passed the following resolutions to propose to the Annual General Meeting of the shareholders for approvals;

- 40.1 Entering into of the Conditional Voluntary Tender Offer with respect to all of the securities of Bumrungrad Hospital Public Company Limited at the price of Baht 125 per share, totaling Baht 85,613 million provided the offering price for the securities may be increase at the rate of not exceeding 20 percent of the offering price (if the offering price is adjusted, the total consideration of the Tender Offer will be Baht 85,613 million - Baht 102,735 million).
- 40.2 The dividend payment, in respect of 2019 profit, of Baht 0.55 per share, or a total of Baht 8,741 million. The Company already paid an interim dividend of Baht 0.25 per share, or a total of Baht 3,973 million in September 2019. The remaining dividend is Baht 0.30 per share, or a total of Baht 4,768 million.
- 40.3 The decrease in the registered capital of the Company by Baht 169,023,377.70, from the existing registered capital of Baht 1,758,223,567.20, to Baht 1,589,200,189.50, by cancelling 1,690,233,777 unissued shares, at the par value of Baht 0.10 per share, and the amendment to Clause 4 of the Memorandum of Association (Registered Capital) to be in line with the capital decrease.
- 40.4 The increase in the registered capital of the Company of Baht 79,460,009.50, from the existing registered capital of Baht 1,589,200,189.50, to Baht 1,668,660,199, by issuing 794,600,095 newly-issued ordinary shares, at the par value of Baht 0.10 per share, and the amendment to Clause 4 of the Memorandum of Association (Registered Capital) to be in line with the capital increase.
- 40.5 The allocation of the newly-issued ordinary shares to accommodate the allocation of the newly-issued ordinary shares by means of a general mandate, not exceeding 794,600,095 newly-issued ordinary shares, at the par value of Baht 0.10 per share, which is not exceeding 5 percent of the total paid-up capital of the Company, for the purposes of offering for sale in the private placement.

41. Reclassification

The Group has reclassified the following transactions in the income statement for the year ended 31 December 2018 to conform to the reclassification of current year.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As previously As reclassified		As previously As reclassified	
<u>Income statement</u>				
Revenue from hospital operations	74,286,190	75,330,519	13,927,007	14,305,822
Cost of hospital operations and goods sold	50,501,750	51,546,079	8,547,508	8,926,322

The reclassification had no effect to previously reported net profit or shareholders' equity.

42. Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 26 February 2020.

General Information and Reference

Type of Business

Healthcare Business

Location

2 Soi Soonvijai 7, New Petchaburi Road, Bangkapi,
Huay Kwang, Bangkok 10320
Telephone 1719, (662) 310-3000
Fax (662) 310-3032, (662) 310-3327

Company Registration Number

BorMorJor. 0107537000025

Website

www.bangkokhospital.com

Registered Capital

Baht 1,758.22 million
with Baht 1,589.20 million in paid-up capital,
divided into 15,892 million common shares
with par value of Baht 0.10 each

Reference Information

Securities Registrar

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone (662) 009-9000, (662) 009-9999
Fax (662) 009 9991

Bond Registrar and Paying Agent

TMB Bank Public Company Limited
3000 Phahonyothin Road, Chom Phon,
Chatuchak District, Bangkok 10900
Telephone (662) 299-1002
Fax (662) 299-1278

Auditor

EY Office Limited.
33rd Floor, Lake Rajada Building,
193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110
Telephone (662) 661-9190, (662) 264-0777
Fax (662) 661-9192, (662) 264-0789-90

JURISTIC PERSONS IN WHICH THE COMPANY HOLDS 10% OF SHARES OR GREATER

As of 31 December 2019

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
1 Bangkok Health Insurance PCL.	2 Jan 1981	2301/2 New Petchaburi Rd., Huaykwang, Bangkok	Health insurance	25,000,000 Par value Baht 10 / share	99.99%
2 Save Drug Center Co., Ltd. Held through BSD	26 Aug 1998	2301/2 New Petchaburi Rd., Bangkok	Pharmacy	44,000,000 Par value Baht 10 / share	100.00%
3 National Healthcare Systems Co., Ltd. BDMS : 74.02% SVH : 21.04% and BNH : 4.93%	25 Jul 2001	2301/2 New Petchaburi Rd., Bangkok	Central Lab	7,500,000 Par value Baht 10 / share	98.68%
4 Paolo Samut Prakran Co., Ltd.	30 Jan 1992	123 Srinakarin Rd., Tambon Banmueng, Ampor Mueng, Samut Prakran	Private Hospital	8,400,000 Par value Baht 5 / share	93.65%
5 Paolo Medic Co., Ltd.	8 Oct 1986	670/1 Phaholyothin Rd., Samsennai, Phyathai, Bangkok	Private Hospital	100,000,000 Par value Baht 10 / share	100.00%
6 First Health Food Co., Ltd. (First Health) Held through SVH	23 Mar 2004	488 Srinakarin Road, Suanluang, Bangkok	Restaurant and health food	1,400,000 Par value Baht 10 / share	95.76%
7 General Hospital Products PCL. Held through RBH : 46.88% and MP : 0.33%	22 Oct 1992	8 Gold market Bldg. 5 FL., Lat Yao, Chatuchak, Bangkok	Manufacture of pharmaceuticals	12,000,000 Par value Baht 10 / share	47.17%
8 A.N.B. Laboratory Co., Ltd. Held through RBH	1 Jun 1961	39/1 Ram-Indra Road, Kannayao, Bangkok	Manufacture and distribution of medicine	49,900,000 Par value Baht 10 / share	100.00%
9 N Health Pathology Co., Ltd. Held through RBH	8 Dec 2014	2301/2 New Petchaburi Rd., Bangkok	Central Lab	3,000,000 Par value Baht 10 / share	95.00%
10 SV Holding Co., Ltd. Held through SVH	28 Aug 2013	488 Srinakarin Road, Suanluang, Bangkok	Investment company	800,000 Par value Baht 100 / share	95.76%
11 Irving Sheridan SE Co., Ltd., Held through SVH	14 Nov 2002	488 Srinakarin Road, Suanluang, Bangkok	Asset management	10,000 Par value Baht 10 / share	95.74%
12 Thepakorn Hospital Co., Ltd. (TPK) Held through BSN	14 Jun 1995	24 Soi 1 Thesa Road, Phrapathom Jedee, Nakorn Pathom	Private Hospital	3,000,000 Par value Baht 10 / share	50.03%
13 Paolo Hospital Prapradraeng Co., Ltd.	7 Sep 1992	288 Suksawat, Amphoe Muang, Samutprakarn	Private Hospital	10,500,000 Par value Baht 10 / share	84.00%
14 Bangkok Hospital Khao Yai Co., Ltd.	18 Jul 2007	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Private Hospital not in service	7,000,000 Par value Baht 10 / share	100.00%
15 Bangkok Hospital Ratchasima Co., Ltd.	24 Nov 1992	1308/9 Mitraparp Road, Nai Muang, Amphoe Muang, Nakornratchasima	Private Hospital	30,000,000 Par value Baht 10 / share	91.45%
16 Bangkok Hospital Samui Co., Ltd.	14 Aug 2003	57 Moo 3, Bor Pud, Samui Island, Suratthani	Private Hospital	15,000,000 Par value Baht 10 / share	100.00%
17 Bangkok Hospital Chiangmai Co., Ltd.	24 May 2012	88/8 M.6, Nong Pa Khrang, Muang, Chiang Mai	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%
18 Bangkok Hospital Chiangrai Co., Ltd.	4 Aug 2015	369 Moo 13, Muang, Chiang Rai	Private Hospital	60,000,000 Par value Baht 10 / share	100.00%
19 Bangkok Hospital Muangraj Co., Ltd.	27 Jul 2015	59/3 Phet Kasem Rd., Na Muang, Muang, Ratchaburi	Private Hospital	130,000,000 Par value Baht 10 / share	100.00%
20 Bangkok Hospital Khon Kaen Co., Ltd.	8 Feb 2013	888 Nai Muang, Muang, Khon Kaen	Private Hospital	150,000,000 Par value Baht 10 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
21 Bangkok Hospital Trat Co., Ltd.	25 Jan 1994	276 Sukhumvit Rd., Amphoe Muang, Trad	Private Hospital	50,000,000 Par value Baht 5 / share	99.76%
22 Bangkok Hospital Pattaya Co., Ltd.	1 May 1989	301 Sukhumvit Road km 143, Pattaya, Chonburi	Private Hospital	28,000,000 Par value Baht 10 / share	97.27%
23 Bangkok Hospital Phitsanulok Co., Ltd.	26 Aug 2013	138 Phra Ongdam Rd., Nai Muang, Muang, Phitsanulok	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
24 Bangkok Hospital Phuket Co., Ltd.	15 Mar 1994	2/1 Hongyokuthit Rd., Amphoe Muang, Phuket	Private Hospital	100,000,000 Par value Baht 5 / share	99.70%
25 Bangkok Phuket International Hospital Co., Ltd.	26 Aug 2014	44 Chaloem Prakiat R.9 Rd., Wichit, Muang, Phuket	Private Hospital	361,000,000 Par value Baht 10 / share	100.00%
26 Bangkok Hospital Rayong Co., Ltd.	13 Aug 2002	8 Moo 2, Soi Saengchanniramit, Rayong	Private Hospital	40,000,000 Par value Baht 10 / share	100.00%
27 Bangkok Hospital Sanamchan Co., Ltd. (BSN)	27 May 2014	1194 Phet Kasem Rd., Sanam Chan, Muang, Nakhon Pathom	Private Hospital	365,500,000 Par value Baht 10 / share	100.00%
28 Bangkok Hospital Surat Co., Ltd.	26 Jun 2013	179 M.1 Wat Pradu, Muang, Surat Thani	Private Hospital	100,000 Par value Baht 10 / share	100.00%
29 Bangkok Hospital Hat Yai Co., Ltd.	27 Jul 1995	75 Soi 15, Petchkasem Rd., Amphoe Muang, Songkla	Private Hospital	100,000,000 Par value Baht 5 / share	98.82%
30 Bangkok Hospital Udon Co., Ltd.	28 May 2007	111 Thongyai Rd., Mak Khaeng, Muang, Udon Thani	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
31 Bumrungrad Hospital PCL *	15 Dec 1989	33 Sukumvit Rd., Soi 3 Klong Tun Nua, Wattana, Bangkok	Private Hospital	Common share 728,841,357 Par value Baht 1 / share Prefer share 1,210,865 Par value Baht 10 / share	24.99%
32 Phyathai 1 Hospital Co., Ltd. (PT1) Held through PPCL	11 Dec 2001	364/1 Sri Ayutthaya Rd., Phyathai, Ratchathewi, Bangkok	Private Hospital	48,100,000 Par value Baht 10 / share	98.60%
33 Phyathai 2 Hospital Co., Ltd. Held through PPCL	7 Sep 1984	943 Phaholyothin Rd., Samsennai, Phyathai, Bangkok	Private Hospital	22,511,351 Par value Baht 10 / share	97.79%
34 PhyaThai 3 Hospital Co., Ltd. Held through PPCL	24 Sep 1996	111 Phet Kasem Rd., Pak Khlong Tarat Phasi Charoen, Bangkok	Private Hospital	Common share 5,442,995 Par value Baht 10 / share Prefer share 3,750,000 Par value Baht 10 / share	97.56%
35 Sriracha Nakorn General Hospital PCL. Held through PPCL	17 Feb 1995	90 Sriracha Nakorn 3 Rd., Sriracha, Sriracha, Chonburi	Private Hospital	35,954,180 Par value Baht 10 / share	74.23%
36 Bio-Molecular Laboratories (Thailand) Co., Ltd.	7 Nov 2001	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Bio molecular laboratories	1,000,000 Par value Baht 10 / share	95.00%
37 Greenline Synergy Co., Ltd.	18 Aug 2008	488 Samitivej Srinakarin Hospital Srinagarindra 24, Suanluang, Bangkok	Information technology	20,000,000 Par value Baht 10 / share	100.00%
38 Bangkok Save Drug Co., Ltd. (BSD)	23 Sep 2014	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Holding Company	101,000,000 Par value Baht 10 / share	100.00%
39 Bangkok Helicopter Services Co., Ltd. BDMS: 87.25% and RBH : 12.75%	29 Jun 1995	2301/2 New Petchaburi Rd., Bangkok	Air medical transport	40,000,000 Par value Baht 10 / share	100.00%
40 Bangkok Premier Insurance Broker Co., Ltd.	29 Aug 2011	2301/2 New Petchaburi Rd., Bangkok	Insurance Broker	2,000,000 Par value Baht 10 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
41 Siam Medical Co., Ltd.	17 Jul 1970	1 Chokchai 4 Rd., Lat Phrao, Khet Lat Phrao, Bangkok	Private Hospital	Common Share 8,700,000 Par value Baht 10 / share Prefer share 1,300,000 Par value Baht 10 / share	85.71%
42 Thonburi Medical Center PCL. BDMS : 34.43% and RBH : 29.02%	7 Jan 1993	337 Somdet Phrachao Taksin Rd., Samre, Thon Buri, Bangkok	Private Hospital	19,384,226 Par value Baht 10 / share	63.45%
43 BNH Medical Center Co., Ltd.	27 Aug 1991	9/1 Convent Rd., Silom, Bangrak, Bangkok	Private Hospital	58,611,935 Par value Baht 10 / share	91.48%
44 BDMS Training Co., Ltd.	23 Sep 2010	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Training Center for staff within network	100,000 Par value Baht 10 / share	100.00%
45 BDMS Wellness Clinic Co., Ltd.	12 Jan 2017	2/4 Wireless Rd., Khwaeng Lumphini, Khet Pathum Wan, Bangkok	Preventive Healthcare	960,000,000 Par value Baht 10 / share	100.00%
46 BDMS Wellness Resort Co., Ltd.	19 Dec 2018	2 Wireless Rd., Khwaeng Lumphini, Khet Pathum Wan, Bangkok	Hotel	10,000,000 Par value Baht 10 / share	100.00%
47 BDMS Accounting Co., Ltd. (BDMS Acc)	17 Jul 2003	1/1 New Petchaburi Rd., Huaykwang, Bangkok	Accounting Services	3,000,000 Par value Baht 10 / share	100.00%
48 BDMS Property Management Co., Ltd.	21 Apr 2016	2 Soi Soonwijai 7, New Petchaburi Rd., Bangkok	Property Management	1,000,000 Par value Baht 10 / share	100.00%
49 Prasit Pattana PCL. (PPCL)	14 Jan 1974	943 Paholyothin Rd., Samsennai, Phyathai, Bangkok	Holding Company	1,108,208,020 Par value Baht 1 / share	98.60%
50 Royal Bangkok Healthcare Co., Ltd. (RBH)	11 Feb 2008	2 Soi Soonwijai 7 New Petchaburi Rd., Bangkok	Holding Company	108,600,000 Par value Baht 10 / share	100.00%
51 Wattanavej Co., Ltd.	28 Oct 1983	25/14 Thaluang Rd., Amphoe Muang, Chantaburi	Private Hospital	18,000,000 Par value Baht 10 / share	99.72%
52 Thai Medical Center PCL.	27 Jan 1993	44/505 Navamin Rd., Khet Bueng Kum, Bangkok	Private Hospital	200,538,671 Par value Baht 10 / share	99.76%
53 Samitivej PCL. (SVH)	28 Dec 1976	133 Sukhumvit 49, Klongtan, Wattana, Bangkok	Private Hospital (Samitivej Sukhumvit, Samitivej Srinakarin)	100,000,000 Par value Baht 10 / share	95.76%
54 Samitivej Chonburi Co., Ltd.	22 Aug 2013	888/88 M.3, Ban Suan, Muang, Chon Buri	Private Hospital	80,000,000 Par value Baht 10 / share	100.00%
55 Samitivej Sriracha Co., Ltd. Held through SVH	30 Oct 1990	8 Soi Laemkate, Choem Chormphon Rd., Si Racha, Chon Buri	Private Hospital	18,751,000 Par value Baht 10 / share	67.18%
56 Medic Pharma Co., Ltd. (MP)	26 Aug 1971	124 Thonburi-Parktor Rd., Bangkok	Manufacture and distribution of medicine	4,286,000 Par value Baht 10 / share	87.05%
57 Udon Pattana (1994) Co., Ltd.* BDMS : 15.26% and PT1 : 10%	9 Jun 1994	555/5 Posri Rd., Amphoe Muang, Udonthani	Private Hospital	30,000,000 Par value Baht 10 / share	25.11%
58 Angkor Pisith Co., Ltd.	20 Dec 2005	National Road No.6, Svay Dangkom Commune, Siem Reap, Cambodia.	Private Hospital in Cambodia	10,000 Par value USD 1,000 / share	80.00%
59 B.D.M.S. International Medical Services Co., Ltd.	20 Dec 2005	61A Street 214, Sangkat Beong Rang, Phnom Penh, Cambodia.	Private Hospital in Cambodia (Not yet in operations)	1,000 Par value KHR 9,200,000 / share	100.00%

Name	Date Registered	Location	Business	Shares issued and paid-up	% Held
60 BDMS Inter Pte. Ltd.	8 Apr 2013	Singapore	Investment company	200,000 Par value USD 1 / share	100.00%
61 N Health Asia Pte. Ltd.	8 Apr 2013	Singapore	Investment company	3,500,000 Par value USD 1 / share	100.00%
62 N Health Cambodia Co., Ltd. Held through N Health Asia Pte. Ltd.	27 Jun 2014	Cambodia	Central Lab	1,000 Par value KHR 1,280,000 / share	100.00%
63 N Health Myanmar Co., Ltd. Held through N Health Asia Pte. Ltd.	21 Sep 2015	No. 807 Mahabandoola, Lanmadaw Township, Yangon, Myanmar	Laboratory business	100,000 Par value MMK 5,000 / share	60.00%
64 Phnom Penh First Property Co., Ltd.	27 Nov 2006	61A Street 214, Sangkat Beong Rang, Phnom Penh, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%
65 Phnom Penh Medical Services Co., Ltd.	27 Nov 2006	Toeuk Thla Village, Russian Federation Blvd., Phnom Penh, Cambodia.	Private Hospital in Camobia	22,000 Par value USD 2,500 / share	100.00%
66 S.R. Property Investment Co., Ltd.	20 Dec 2005	517 Road No.6, Khum Svay Damdum, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%
67 Samitivej International Co., Ltd. Held through SV Holding	22 Sep 2014	Republic of the Union of Myanmar	Clinic	1,250,000 Par value USD 1 / share	80.00%
68 Siem Reap Land Investment Co., Ltd.	10 Feb 2006	517 Road No.6, Khum Svay Damdum, Siem Reap, Cambodia.	Land Holding Company	1,000 Par value KHR 20,000 / share	49.00%

Remark

* The Company does not involve in management of the business.



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