

ANNUAL REPORT 2018

PROFESSIONAL
HEALTHCARE
COMMUNITY



Praram 9
Hospital

“

Geared towards becoming a health and lifestyle center prepared to provide professional health care services including prevention, treatment and rehabilitation of general diseases as well as complicated or specific diseases with quality and reasonable rate.

...

Determined to expand the customer base both local and international by collaborating with affiliate network hospitals and partners all over the country emphasizing on proactive marketing along with corporate re-branding with the aim to increase business opportunities and sustainable growth

”

VISION

To become

“The most trusted high technology healthcare community”



MISSION

Principal mission is providing healthcare solution for prevention and treatment that is the best in class and value for money by professional team and advanced technology

VALUES

Accountability
Collaborative Creativity
Customer centric with Professionalism



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FINANCIAL HIGHLIGHTS

Financial overview

2016-2018

		2018	2017	2016
Statement of comprehensive income				
Total revenues	(THB mm)	2,733.54	2,455.23	2,272.54
Total expenses	(THB mm)	2,517.83	2,138.14	1,955.03
Profit before income tax expenses	(THB mm)	215.72	317.09	317.52
Net profit for the year	(THB mm)	157.23	262.26	259.81
Statement of financial position				
Total assets	(THB mm)	4,424.38	2,856.58	2,293.84
Total liabilities	(THB mm)	551.04	761.56	412.99
Total shareholders' equity	(THB mm)	3,873.34	2,095.03	1,880.85
Share				
Share capital Issued and fully paid	(Shares mm)	786.30	6.00	6.00
Par value	(THB)	1.00	100.00	100.00
Earnings per share	(THB)	0.25	43.71	43.30
Dividend per share ⁽¹⁾	(THB)	0.14	84.00	8.00
Financial Ratio				
Net profit margin ⁽²⁾	(%)	5.8	10.7	11.4
Return on assets ⁽³⁾	(%)	4.3	10.2	12.0
Return on equity ⁽⁴⁾	(%)	5.3	13.2	14.6
Liabilities to Equity Ratio ⁽⁵⁾	(X)	0.1	0.4	0.2

Remarks : (1) Dividend per share Y.2017 : This is for payment of dividends from the retained earnings of the company before converting to a public company and being listed on the Stock Exchange of Thailand

(2) Net profit margin = Net profit / Total Revenues

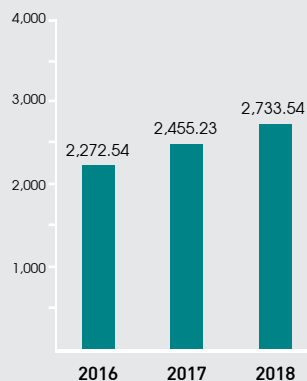
(3) Return on assets = Net profit / Average Total assets

(4) Return on equity = Net profit / Average Total shareholders' equity

(5) Liabilities to Equity Ratio = Total Liabilities / Total shareholders' equity

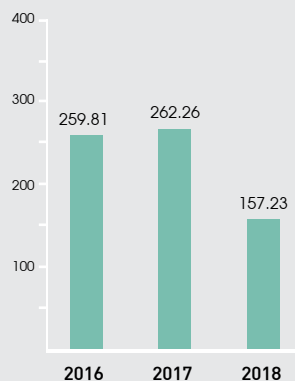
Total Revenue

Unit : Million Baht



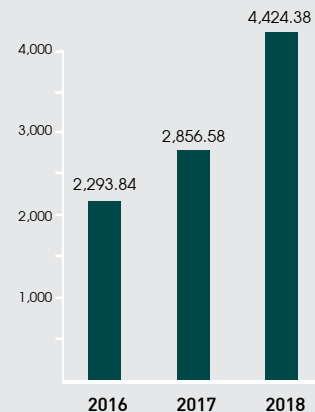
Net Profit

Unit : Million Baht



Total Asset

Unit : Million Baht



PROFESSIONAL HEALTHCARE COMMUNITY



PROFESSIONAL TEAM

Under the responsibility of professional team of doctors and medical personnel with knowledge and expertise. Remarkable in medical institutions, medical center and potential for disease treatment services together with the management team, skilled and experience personnel. Moreover, the expansion of the affiliate hospital network and medical cooperation is done alongside.



PROFESSIONAL SOLUTION TECHNOLOGY

Provide, supply and select the modern medical equipment to be used for diagnosis and treat the disease precisely and accurately.

Praram 9 Hospital Public Company Limited is determined to deliver professional services with responsibility with readiness of medical and personnel team equipped with knowledge, expertise and experiences as well as modern medical tools. Moreover, developing standards and operations that enhances the service effectiveness has resulted in the hospital receiving the international standard accreditation.



PROFESSIONAL COMMUNITY

Ready to become the center for health care and lifestyle with professional health care services. Praram 9 Hospital is located on more than 6 rais area at Rama 9 Road which is an area with potential growth. Here, we are equipped with facilities and care where the attention is focused on health promotion rather than treating disease.



PROFESSIONAL DIGITAL HOSPITAL

Using modern technology to enhance the medical service potential as well as the efficiency of internal operation towards becoming a Digital Hospital.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Several significant events occurred with Praram 9 Hospital Company Limited in the year 2018. The company has registered the conversion to a public company limited on the Stock Exchange of Thailand on October 30, 2018 and changed the name to Praram 9 Hospital Public Company Limited.

In addition, besides from developing new innovations, one of the important goals and strategies, the Company also has more core mission that is to offer the best options and cost effective in providing health care, prevention and treatment services; by a team of professional and modern tools. In the past year, the company has received well feedback from customer which can be seen from the overall Company's operating performance. Moreover, the company has been awarded Thailand Top Company Awards 2018 for the health service industry category from the University of the Thai Chamber of Commerce in cooperate with Business+ Magazine, which is one of many awards the company has received. These are reconfirmation of our commitment to deliver quality medical services and is well accepted Healthcare Accreditation Institute and other recognized institutes.

Under the Operation Plan, the company emphasizes on operating business with responsibility towards customers and taking into account the benefits of society including social care, to prevent negative impacts on the environment. This can be seen from the appointment of the Facility Management and Safety (FMS) working group, which plays an important role in being the center of management and management and safety as well as occupational health and environment; with the purpose of creating progressive growth for the company.

The operating direction for the year 2019, the company is still determined to continue to operate in accordance with the goals, strategies and missions set, along with economic and social growth; with the purpose of enhancing the quality and efficiency of services in accordance with the international standard. We aim to be top private hospital that is ready to grow sustainably in the future.



A handwritten signature in black ink, appearing to read 'Bhanapot'.

(MR. BHANAPOT DAMAPONG)
Chairman of the Board of Directors



A handwritten signature in black ink, appearing to read 'Satian Pooprasert'.

(MR. SATIAN POOPRASERT)
Chief Executive Officer

BOARD OF DIRECTORS



**MR. BHANAPOT
DAMAPONG**
Chairman of the Board
of Directors



**MR. SATIAN
POOPRASERT**
Vice-Chairman of the
Board of Directors



**MR. PRASERT
TRAIRATVORAKUL**
Director



**MR. VIROON
MAVICHAK**
Director



**MR. ATTAPOL
SARIDDIPUNTAWAT**
Director



**MRS. VILASINEE
PUDDHIKARANT**
Director



**MR. SARANA
BOONBAICHAIIYAPRUCK**
Independent Director



**WG.CDR. SIRINTARA
SINGHARA NA AYUDHAYA**
Independent Director



**MR. KANIT
PATSAMAN**
Independent Director



**MR. PISET
CHIYASAK**
Independent Director

AWARDS OF PRIDE 2018



1

AXA Provider Award:
Best Utilization Award 2017 from
AXA Insurance Public Company Limited (“AXA”)



2

Thailand Top Company Awards 2018 Healthcare
Service Industry category from Business Plus
Magazine in conjunction with the University of the
Thai Chamber of Commerce: Thailand



3

Ranked as the 8th in the hospital category
and the 4th in public hospital on Thailand’s Most
Admired Company by BrandAge Magazine.
This year is considered the first year that
Rama 9 Hospital is listed in the Top 10 of the survey.

BUSINESS OPERATION



POLICY AND OVERALL BUSINESS OPERATIONS

Praram 9 Hospital Public Company Limited (the “Company” or the “Hospital”, or “Praram 9 Hospital”) has operated a private healthcare provider under the name of “Praram 9 Hospital”, where delivers the general medical services (General Hospital) since 1992 with registered capital of THB 400,000,000 divided into 4,000,000 common shares, at the par value of THB 100 per share. In 2001, its registered capital had been increased from THB 400,000,000 to THB 600,000,000 with the issuance of 2,000,000 new ordinary shares, at a par value of THB 100 through offering newly issued shares to the existing shareholders proportionately. On 31 March 2018, the Hospital has 166 licensed beds, which is located on Rama IX Road, Bangkok, Huay Kwang, Bangkok of around 6 Rais and considered as New Central Business District (New CBD).

The Hospital initially delivered general care targeting on its domestic patients mainly. Subsequently, the customer based has been expanded to corporate contracts, patient holding life insurance or health insurance, and international patients, particularly including, Republic of the Union of Myanmar (“Burma” or Myanmar), People’s Republic of China (“China”), Kingdom of Cambodia (“Cambodia”), Lao People’s Democratic Republic (Laos), Socialist Republic of Vietnam (“Vietnam”), and Japan etc. These result in a growing trend of travelling to Thailand for medical treatment thanks to the government’s policies in which is well-positioned to be the medical hub of the region along with the ability and quality of services in private hospitals in Thailand. Nevertheless, the Hospital believes that to deliver medical care in consideration of Value for Money, in association with the preparedness and ability of its healthcare team is considered as a crucial factor

Praram 9 Hospital provides health care services coverage for general and specialized medical care for a wide range of conditions under 2 medical institutes; including, **Praram 9 Kidney Transplantation Institute** and **Praram 9 Cardiovascular Institute**. In addition, there are **20 medical centers of the Hospital**, and plans to expand the service to cover more service

influencing the continual growth of customer base in domestic and international markets.

At present, the Hospital provides health care services coverage for general and specialized medical care for a wide range of conditions under 2 medical institutes; including, Praram 9 Kidney Transplantation Institute and Praram 9 Cardiovascular Institute. In addition, there are 20 medical centers of the Hospital, consisting of Diabetic & Metabolism Center, Gastrointestinal & Liver Center, Neurology Center, Obstetrics & Gynecology Center, General Surgery Center, Internal Medicine Center; including cancer diagnosis and treatment, Pediatric Center, Orthopedic Center, Health Check-up Center, Emergency & Trauma Center, Rehabilitation Center, Radiology Center, Eye Center, Ear, Nose, and Throat Center, Dental Center, Psychiatry Center, Dermatology & Plastic Surgery Center, Hair Center, Breast Care Clinic, and Thyroid Clinic. However, the policy to expand medical services to a group of consumers' emphasis on Health Promotion & Wellness is promoted. Consequently, the Hospital has planned to increase its potential in providing a wide range of comprehensive healthcare services in order to meet the customers' needs, for instance, developing integrated Gastroenterology center and Health Check-up center etc., along with, establishing new medical centers, i.e. Pain & Rehabilitation Center, Metabolic Syndrome Care Center, and Allergy Center etc. These will be carried out in parallel with constructing new facilities to expand the service area and renovating the existing buildings to support the growing customer base and services.

The Hospital emphasizes the continuous improvement of the quality of healthcare services in order to become the most trusted Hospital with expertise in managing complex diseases under the care of its multidisciplinary team; e.g., kidney transplant, cardiovascular surgery, neurosurgery, and scarless thyroidectomy etc., together with, the readiness of its medical team, healthcare professionals, and high-tech medical equipments being used at a wide level of healthcare. The Hospital was the first private healthcare

provider that is equipped with innovative medical devices for better diagnosis and treatment, for instance, a 640-slice CT scanner, a 64-slice scanner, and a 4D ultrasound scan etc. Furthermore, its Praram 9 Kidney Transplantation Institute is recognized as the comprehensive care to kidney diseases and renal transplant, which ranked number 1 of the private hospitals since 1992 until the present, according to the data released by Thai Transplantation Society as of 31 December 2017.

Being committed to delivering quality and effective healthcare services in compliance with international standards, the Hospital was certified as follows: ISO 9002 from 2000 to 2003, ISO 9001 from 2003 to 2009, HA (Hospital Accreditation) by the Healthcare Accreditation Institute from 2004 to 2010, Joint Commission International (JCI), USA



from 2010 to present, and accredited for subsequent Clinical Care Program Certification (CCPC); i.e., 1) CCPC Certification for Kidney Transplant, which is recognized as the first CCPC-accredited hospital outside of the United States to achieve this CCPC certification 2) its Diabetes and Metabolism Center is certified CCPC-Diabetes Mellitus Outpatient Educators. In addition, the Hospital received the Thailand Top Company Awards 2018 for healthcare industry presented by University of the Thai Chamber of Commerce in collaboration with Business+ magazine, which is a guarantee of commitment to the quality of healthcare services and is approved by healthcare accreditation organizations and other recognized accrediting agencies.

Registered its conversion to public company limited, registered capital of THB 800,000,000

1,900
Hospital staff; including, medical team, healthcare professionals and other personnel

It can be potentially provided inpatient care up to 313 beds by end of 2022



The Company registered its conversion to public company limited and changed its name to Praram 9 Hospital Public Company Limited with registered capital of THB 800,000,000, divided into 800,000,000 ordinary shares at a par value of THB 1 per share (After the change of par value of the Company's share from THB 10 per share to THB 1 per share as of 29 March 2018). On 31 December 2018, the Hospital has 166 licensed beds of inpatient care and 114 rooms and outpatient facilities with around 1,900 hospital staff; including, medical team, healthcare professionals, and other personnel. Besides, the construction of the 16-storey building featuring 2-storey basement with capacity up to 59 beds, which will gradually open according to its business plan and expect to fully operate in the fourth

quarter of 2019, is underway. The existing building is also under renovation to make the best use of unoccupied space due to the transition of some medical centers to the new facility. Additionally, the inpatient facilities are under refurbishment to support the constantly growing volume of customers, which is expected to increase to additional 91 beds by the end of 2022. After the completion of the construction, it can be potentially provided inpatient care up to 313 beds by end of 2022. With reference to the business plan mentioned above, it is a preliminary speculation, which is subject to change under appropriate circumstances in accordance with environmental factors that may affect its business operation and the volume of future inpatients and outpatients.

The Hospital emphasizes the continuous improvement of the quality of healthcare services in order to become the most trusted Hospital. Together with, the readiness of its medical team, healthcare professionals, and high-tech medical equipments.

VISION, MISSION, TARGETS AND STRATEGY IN BUSINESS OPERATION



Vision

To become “The most trusted high technology healthcare community”

Mission

Principal mission is providing healthcare solution for prevention and treatment that is the best in class and value for money by professional team and advanced technology

Core Value

Accountability / Collaborative Creativity / Customer centric with Professionalism

Targets and Strategy in Business Operation

The company has set a strategic plan for its future and targeted to become the leading private healthcare provider with the ability to provide the medical services including medical treatment, disease control and prevention, rehabilitation, and health promotion. Furthermore, the company expands the customer base from general customers, seniors, complicated patients, and critically ill patients to customers interested in health promotion & wellness to drive sustainable growth of the business in the future. Currently, the hospital is under construction of new facilities and plans a renovation of service area in the current building to support the growing customer base together with increasing its potential and improving range of health services in the medical center. At present, the new comprehensive medical center is being built. The hospital believes in employing knowledge, expertise, medical experience of providing services in the current medical institution and medical center. Particularly, to apply its expertise in treatment of complicated disease, which is considered as common health concerns for the seniors helps promote better customer wellness in their everyday life covering all age groups.

In addition, the hospital has set a goal to advance toward digital hospital and to become a healthcare leader of medical technology allowing physicians to better diagnose, provide better care, and promote health and wellness in order to increase the efficiency of healthcare services, as well as, to advance the workflow efficiency and facilitate services to its customers in the future.

SIGNIFICANT CHANGE AND PROGRESS

Year 1989

- Existing founders purchased all equity of Spac Co., Ltd. and increased its registered capital to THB 400,000,000, divided into 4,000,000 ordinary shares at a par value of THB 100 to its existing and new shareholders, and changed its name to Praram 9 Hospital Co., Ltd. for operating private hospital.
- The aforementioned capital was used for facilities construction and operating working capitals.

Year 1992

- The Hospital initially operated inpatient care under the name of "Praram 9 Hospital" with 160 licensed beds.

Year 1997

- Praram 9 Kidney Transplantation Institute performed 100 cases of kidney transplant.

Year 2000

- Certified to ISO 9002:1994, which is the standardization of healthcare and environmental management system.

Year 2001

- The capital structure was adjusted by increasing its registered capital from THB 400,000,000 to THB 600,000,000 with issuing 2,000,000 new ordinary shares at a par value of THB 100 and offering to its existing shareholders in order to finance its working capital and settle its liability.

Year 2003

- Certified to ISO 9001:2000 Quality Management System.

Year 2004

- Accredited HA (Hospital Accreditation) by the Healthcare Accreditation Institute.
- 4D Ultrasound technology was available.

Year 2005

- The Hospital was the first private hospital providing 64-slice CT Scanner.

Year 2007

- Accredited HA (Hospital Accreditation) by the Healthcare Accreditation Institute.

Year 2009

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. ("AIA")

Year 2010

- Accredited JCI 3rd Edition and accepted Accredited Effective Status by JCI

Year 2011

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. ("AIA")

Year 2013

- The Hospital increased its licensed bed capacity to 166 beds, including 6 Intensive Care Unit (ICU) and Cardiac Care Unit (CCU) beds
- Accredited JCI 4th Edition and accepted Accredited Effective Status by JCI
- Praram 9 Kidney Transplantation Institute performed 500 cases of kidney transplant

Year 2014

- The Hospital received Gold Award Hospital Quality presented by American International Assurance Co., Ltd. ("AIA")

Year 2016

- Accredited JCI 5th Edition and accepted Accredited Effective Status by JCI
- Accredited Clinical Care Program Certification (CCPC) in 2 specialty by JCI as follows:
 - CCPC for Kidney Transplant
 - CCPC for Diabetes Mellitus
- The Hospital received Excellence in Healthcare Award by Muang Thai Life Assurance Hospital Awards

Year 2017

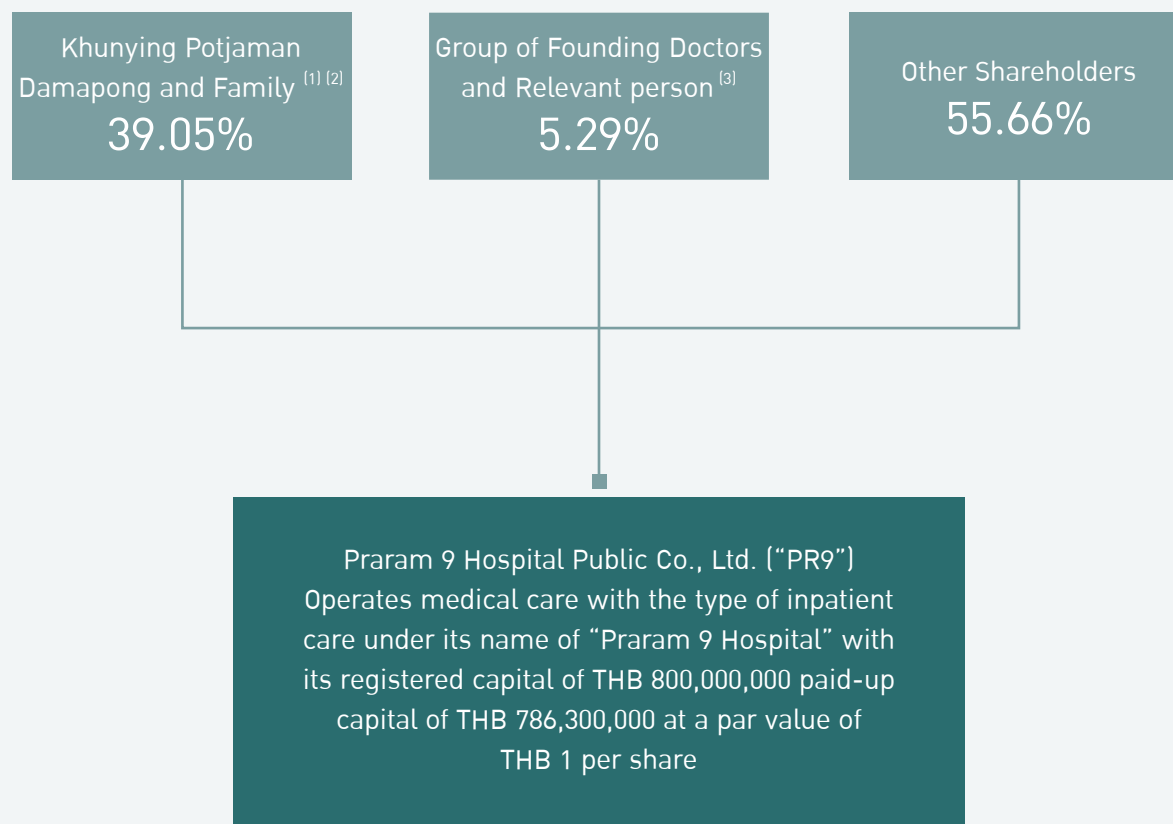
- Praram 9 Kidney Transplantation Institute performed exceedingly up to 82 cases of kidney transplant per year since starts of the operation in 1992.
- The Hospital was the first private hospital providing 640-slice CT Scanner. (640-slice CT Scanner)

Year 2018

- The Hospital received AXA Provider Award: Best Utilization Award of 2017 presented by AXA Insurance Public Co., Ltd.
- The Hospital received Thailand Top Company Award 2018 presented by University of the Thai Chamber of Commerce, in collaboration with Business+ magazine of ARIP Public Co., Ltd. ("ARIP").
- The Board of Directors No. 3/2018 on 12 March 2018 and the 2018 Annual General Meeting of Shareholders resolved to approve the dividend payment in excess of retained earnings to its shareholders, which paid THB 84 per share in total of 6,000,000 shares (before changing the par value) with the total amount of THB 504,000,000.
- The Hospital changed the par value from THB 100 per share to THB 1 per share and increased its registered capitals from THB 600,000,000 to THB 800,000,000 for supporting the first issuance of new ordinary shares to the public. According to the resolution of the 2018 Annual General Meeting of Shareholders on 28 March 2018, the Company applied to list its ordinary shares on the Stock Exchange of Thailand.
- The Hospital registered its conversion to Public Company Limited and changed its name to Praram 9 Hospital Public Co., Ltd. on 29 March 2018.
- The Memorandum of Agreement for the referral of Kidney transplants' patients from 9 leading private hospitals, including, Rajyindee Hospital (Hat Yai), Rajyindee Hospital network, Paknambo Hospital network was made. This helped increase access to care for patients with kidney disease living in remote areas.
- The Hospital changed its Vision, Mission, and Logo for the first time in 26 years for rebranding to reflect the potential and quality of its healthcare services, according to the resolution of the Board of Directors No. 5/108 on 14 August 2018.
- The Hospital was ranked No. 8 in the Hospital category and No. 4 in the Private Hospital Category by BrandAge magazine in Thailand's Most Admired Company 2018. For the first year of its Hospital that was recognized the top 10 Hospitals of the aforementioned survey.

SHAREHOLDER STRUCTURE

The Company operates its health care services under the name of “Praram 9 Hospital Public Company Limited”. Besides, the Company has operations of its own without any affiliate and associate companies. The shareholder structure of the Hospital as of 31 December 2018 is as follows:



Note :

- (1) Khunying Potjama Damapong and family refer to Khunying Potjaman Damapong, Mr. Panthongtae Shinawatra, Ms. Pinthongtha Shinwatra Kunakornwong, and Ms. Peathongtarn Shinawatra. A group of the shareholders is formed upon their surname and public disclosure of general information with the exclusion of organizing a shareholder group as per Article 258 Securities and Exchange ACT B.E. 2535 or shareholders who are under the same authority or any relationship or manners acting in conjunction with others according to Notification of Capital Market Supervisory Board No. Tor.Jor. 7/2552.
- (2) Khunying Potjama Damapong initially held shares in 1996 through purchasing minority shareholders' stocks, which was not a group of founding doctors, of 200,000 shares at a par value of THB 100, representing 5 percent of its registered capital and paid-up of THB 400,000,000, divided into 4,000,000 ordinary shares, with a par value of THB 100. Purchasing additional shares until 2001, she reserved to buy its capital increase shares of 1,921,625 shares at a par value of THB 100 by applying oversubscription due to partial subscription rights of existing shareholders. As a result, she holds 2,856,625 shares, at a par value of THB 100 per share, registered capital and paid-up of THB 600,000,000, divided into 6,000,000 ordinary shares at a par value of THB 100 and becomes a majority shareholder of its Company up to the present time. Subsequently, according to the Annual General Shareholders' Meeting 2018, which was held on March 28, 2018, has the resolution to approve in increasing the Company's registered capital from THB 600,000,000 (six hundred million baht) to THB 800,000,000 (eight hundred million baht); by issuing 200,000,000 capital increase new ordinary shares with a par value of 1 baht per share. On October 25, 2018, the Company had registered the increase in paid-up capital of THB 180,000,000 (one hundred and eighty million baht) with paid-up capital of THB 780,000,000 (seven hundred and eighty million baht). On November 30, 2018, the Company had registered additional increase in paid-up capital of THB 6,300,000 (six million three hundred thousand baht). Currently, the Company has paid-up capital of Baht 786,300,000 (seven hundred and eighty six million, three hundred thousand baht) with a par value of 1 baht per share. Until present, Khunying Potjaman Damapong holds 292,062,500 shares with a status of the Company's major shareholders.
- (3) A group of founding doctors and relevant persons refer to Dr.Satian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, and Dr. Prasert Trairatvorakul, and related persons according to Article 258 Securities and Exchange ACT B.E. 2535 of 4 aforementioned doctors.

NATURE OF BUSINESS OPERATION

NATURE OF PRODUCTS AND SERVICES

The hospital operates a private hospital business, inpatient care type, with 166 licensed beds (Information as of December 31, 2018). The hospital provide Tertiary Care, covering health promotion services, prevention, treatment and rehabilitation of common diseases such as obstetrics gynecology, surgery, medical, pediatrics, orthopedic and specialized diseases through Praram 9 Kidney Disease Institute, Rama 9 Cardiovascular Institute and specialized medical centers in various fields. The hospital emphasizes on providing quality Value for Money Services. The readiness of the medical team and medical personnel with expertise and modern medical equipment as well as developing and improving work processes and providing efficient services allowing the Hospital to receive International standard accreditation from JCI, including Clinical Care Program Certification: CCPC, i.e. (1) care of kidney transplant recipients and (2) care of diabetic patients from JCI.

At present, the Hospital main customers are divided into 2 types: (1) general customers who accept service and pay for medical expenses by themselves and (2) the group of customers of the organization parties, both government and private sectors; and the insurance parties group, namely, the group of customers who are personnel, staff or employees who receive medical welfare by the original affiliation organization are the hospital parties. In which, such parties will be responsible for paying medical expenses to the hospital.

The Hospital revenue structure in 2016 – 2018

Income type	For the accounting period ending 31 December							
	2015		2016		2017		2018	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
1. Revenue from hospital operations	1,960.3	98.2	2,238.3	98.5	2,421.5	98.6	2,701.1	98.8
Out-patient Department: OPD	1,032.8	51.7	1,186.8	52.2	1,291.4	52.6	1,494.3	54.7
General customers group	834.3	41.8	937.6	41.2	998.0	40.6	1,143.1	41.8
Group of customers of the contracting organization	198.5	9.9	249.2	11.0	293.4	12.0	351.2	12.9
Inpatient Department: IPD	927.5	46.5	1,051.6	46.3	1,130.1	46.0	1,206.8	44.1
General customers group	700.4	35.1	769.4	33.9	851.4	34.7	903.1	33.0
Group of customers of the contracting organization	227.1	11.4	282.2	12.4	278.7	11.3	303.7	11.1
2. Other Revenue ⁽¹⁾	36.2	1.8	34.2	1.5	33.7	1.4	32.4	1.2
Total Revenue	1,996.4	100.0	2,272.5	100.0	2,455.2	100.0	2,733.5	100.0

Note:

(1) Other income, such as shop service fees, deposit interest gain (loss) from investments in available-for-sale securities and others

Nature of medical services provided is classified by type of service.

Currently, the Hospital's medical services operated through 2 Medical institutions and 20 Medical centers, which are as follows.

Medical Institute

1. Praram 9 Kidney Transplant Institute
2. Praram 9 Cardiovascular Institute

Medical Center

- | | |
|--------------------------------------|--------------------------------------|
| 1. Diabetes and Metabolic Center | 11. Rehabilitation Medicine Center |
| 2. Gastroenterology and Liver Center | 12. Radiology Center |
| 3. Neurology Center | 13. Eye Center |
| 4. Obstetric Gynecology Center | 14. Ear Nose and Throat Center |
| 5. Surgery Center | 15. Dental Center |
| 6. Medical Center | 16. Psychiatric Center |
| 7. Pediatric Center | 17. Skin and Cosmetic Surgery Center |
| 8. Praram 9 Orthopedic Center | 18. Hair Center |
| 9. Check-Up Center | 19. Breast Clinic |
| 10. Emergency Center | 20. Thyroid Clinic |

Apart from the aforementioned Medical Institutes and Medical Centers, the hospital as well has 3 major medical support services plans as follows:

1. Medical Record Department
2. Pharmaceutical department and Drug and Medical Supplies Department
3. Medical laboratory department



Nature of medical services is classified in accordance with the patient service provided.

Service characteristics of the hospital can be classified into 2 main categories and has the revenue structure as follows:

(1) Outpatient services (OPD)

In 2016, 2017 and 2018, the hospital has 369,745 outpatient visits, 390,185 times, and 432,314, respectively, with an average growth rate of 9.2 percent. Per year or equivalent to 34.2 percent, 36.1 percent and 40, respectively.

As of December 31, 2018, the hospital has 114 medical examination rooms and operation rooms, with the capability of providing maximum outpatient services of approximately 2,964 persons per day or approximately 1,081,860 persons per year. For the six-month period ended June 30, 2017 and for the six-month period ended June 30, 2018, have the number of times outpatients visit the hospital of 179,730 times and 205,136 times, respectively. Moreover, the growth rate is by 14.1 percent per year or implying the rate of outpatient using the services of 33.5 percent and 38.2 percent, respectively.

Information and statistics of outpatient service capability (OPD) in 2016 - 2561 and for the six-month period ended 30 June 2017 as well as for the six-month period ended 30 June 2018

Service Capacity	Unit	For the Year Ended December 31		
		2559	2560	2561
Number of outpatient examination room	Room	114	114	114
Maximum outpatient service capacity ⁽¹⁾	Times per year	1,081,860	1,081,860	1,081,860
Number of outpatient visit	Times per year	369,745	390,185	390,185
Outpatient visit rate ⁽²⁾	Percent	34.2	36.1	36.1

Note :

- (1) Calculated from the number of examination rooms x Number of time perform examinations or operations (average 13 hours per room) x Average rate of patients visiting per room per hour (2 Persons per room per hour) x number of days (365 days per year and 181 days for the six months period ended June 30)
- (2) Number of outpatients / maximum outpatient service capacity

(2) Inpatient service (IPD)

As of December 31, 2018, the Hospital has a total number of beds open for patients of 163 beds, with 166 as a licensed beds in total. The inpatient rooms can be classified as follows.

Table 3: Type and number of patient rooms available as of June 30, 2018

Type of Patient room	Number of licensed bed	Number of open bed
1. General rooms	139	136
2. Intensive Care Unit: ICU room ⁽¹⁾ and Cardiac Care Unit: CCU room ⁽²⁾	24	24
3. Neonatal Intensive Care Unit: NICU	3	3
Total	166	163

Note :

- (1) ICU room: For patients with severe or critical conditions or as a postoperative patients where doctors will be available 24/7.
- (2) Cardiac care room (CCU): For patients with heart disease such as Ischemic heart disease, Coronary artery Patients with heart failure problems Heart surgery patients

In the year 2016, 2017 and 2018, the Hospital has inpatients admitted in for the services of 12,408 persons, 11,952 persons and 13,038 persons, respectively, with the compound annual growth rate of 0.7% per annum or equivalent to inpatient visit rate of 71.6%, 69.5% and 67.9, respectively.

ข้อมูลจำนวนเตียงจากทะเบียนและจำนวนเตียงที่เปิดให้บริการผู้ป่วยใน (IPD)

Number of beds	Unit	As of December 31		
		2016	2017	2018
Number of licensed beds	Bed	166	166	166
Number of beds available for service	Bed	149	149	158
General rooms ⁽¹⁾	Bed	122	122	131
ICU and CCU	Bed	24	24	24
NICU	Bed	3	3	3

Note :

- (1) During the year 2015 to 2017, the Hospital has renovated 7th, 10th and 16th floor, resulting in a decrease in service beds from 153 in 2015 to 149 in 2017.

Nature of target customers

The Hospital has a target customer group consisting of 2 main groups, classified according to service group and payment type which are as follows.

(1) General Customer Group

(1.1) **General disease groups:** The hospital provides medical services that cover general illnesses through basic medical centers, namely, the Obstetrics Gynecology Center, Surgery Center, Medical Center, Pediatrics Center and Orthopedic Center. Including various specialized medical centers such as diabetes and metabolic Center, Gastroenterology and Hepatobiliary (Liver) Center, Psychiatric Center, Eye Center, Ear Nose and Throat Center and Dental Center, etc. The hospital as well has team of doctors and medical personnel, including modern medical tools and equipment where the Hospital emphasizes on the quality of service and patient safety.

(1.2) **Patients with complex diseases and ICU patients group:** The Hospital provides medical services on complex diseases such as kidney transplant, Heart Bypass Surgery, Balloon Angioplasty and Neurosurgery, etc. Due to the availability of the team of doctors and medical personnel who possess knowledge, experience and expertise in treating complex specialized diseases and jointly planning for patient treatment; resulting in good and safe treatment for patients. The hospital as well has the availability of medical teams and medical personnel who have expertise in the care of ICU patients. The Hospital has ICU room with 12 beds and CCU room with 12 beds; as well as vital signs monitoring devices, Respirator Dialysis machine and other modern medical equipment and tools. Allowing the hospital to have the capability and readiness to provide care services for ICU patients 24 hours seven days a week.

(1.3) **Group of Customer that emphasizes on health promotion:** The Hospital has started to expand the customer group; from a group of patients admitted to Wellness group that focuses on promotive health care, preventive and Rehabilitative more. The hospital has continuously expanded the scope of medical services to be more comprehensive and comprehensive.

(2) Group of customers of the contracting organization

(2.1) **Contracting organization group:** The location of the Hospital is located in the heart of the urban community, with many large office buildings located in the surrounding areas and nearby area; as well as continuous growth from being developed into a new business central;

by having Marketing Department directly contact various companies to offer medical services. Furthermore, the Hospital has continuously organized activities to build relationship with the contracting organization. In the year 2018, the proportion of revenue from customers of contracting organization group, is estimated at 8.5 percent.

(2.2) **Contracting insurance companies group:** The Business Development Department performs its duty in taking care, contact and coordinate with the contracting insurance companies, namely, life insurance companies and non-life insurance companies with health insurance services; in order to support the growth of health insurance trends that increased. In the year 2018, the proportion of revenue from customers is estimated at 18.8 percent of revenue from hospital operations.

Moreover, the hospital target customer group also consisted of domestic and foreigner customers. This includes both foreigners who are travelling to Thailand for medical treatment and foreigners who are working and/or living in Thailand. Foreigner customers are considered to be another group of customers with potential for future growth. The Hospital has developed and improved service quality to support patients from abroad, established partner network in countries such as Myanmar, China and Cambodia. The Hospital has as well increased public relations channels, to promote service to the leading international business network, Marketing and public relations for Chinese customers groups that come to work and travel in Thailand through Alipay and other social media channels. In 2018, the proportion of the Hospital's revenue from foreigner customers is estimated at 14.6% of revenue from hospital operations. The main foreigner customers of the hospital are Burmese, Chinese, Cambodian and Japanese citizens who have a combined revenue ratio of approximately 72 - 75% of revenue from all foreign customers in 2018.

MARKETING OUTLOOK AND INDUSTRY COMPETITION

Industry Outlook

(1) Opportunities for growth in the medical service business in Thailand

Medical service businesses in Thailand have a tendency to grow continuously, resulting from people having more interest in health and becoming more health conscious, the increasing in the proportion of elderly, improvement in medical service industry in terms of more coverage and better quality; as well as received support

from the public sector policies. Key factors that supported the growth of medical service business or hospital business in the future.

Thai economy has a stable growth trend and has better direction

International Monetary Fund (“International Monetary Fund” or “IMF”) predicts that the growth trend of Thailand GDP during 2017 to 2020 will have an average growth rate of 3.8 % which has a better direction and less volatility; when compared to the past period between 2008 and 2016, which has GDP growth rate at 2.9% with high volatility. The stable economic growth and better direction in the future will help build consumer confidence. At which will affect the trend in better spending of the people and may include the opportunities in expanding of health care expenses from both the public and private sectors in the future.

Increased in the proportion of elderly to the total population in Thailand

The Office of the National Economic and Social Development Board (“NESDB”) predicts that the population of Thailand will increase from approximately 63.8 million people in 2010 to approximately 66.4 million people in 2025; and will decrease down to 63.9 million people in the year 2040. Such is a result from the decrease in the total fertility rates, with the increased in the elderly population ratio at 19.1% in 2020. (Source: Office of the Economic Development Board and the National Society (NESDB). The increase in the number and proportion of the elderly population will result in the demand for more medical services; due to the fact that the elderly have tendency to get sick easily and may have complications disease. In addition, elderly require continuous treatment which will support the future expansion trend of the medical service business in Thailand.

Growth of the health insurance business

Net health insurance premiums, which are ordinary life insurance premiums and groups with health contracts as supplementary contracts; as well as non-life insurance premiums with health insurance have consistently grown significantly. Which increased from Baht 22,210 million in 2007 to Baht 71,053 million in 2017 or equivalent to the average growth rate (CAGR) of 12.33% per year (Source: Office of Insurance Commission (OIC or OIC)). The growth of such health insurance premiums is supported from the public awareness of the importance of health care, disease prevention and more medical treatment; including getting health insurance in order to support higher medical

expenses in the future which resulted in the growth of the private hospital business.

Growth of foreigner patients target group in Thailand

The medical service business has been supported by the government since 2004 with the goal to develop Thailand to be an International Medical Hub.; which has been continuously operated, resulting in continuous growth of foreigner patients group. Such foreigner patient group can be divided into 2 main groups, which are:

- (1) The group of foreigner patients traveling to receive medical services in particular or medical tourism groups from various countries such as Burma or Myanmar, Japan, Middle East countries and Europe, etc. The new market groups with high growth potentials are Cambodia, Laos, Myanmar and Vietnam (“CLMV group”) and China
- (2) Foreigner patients who are “Expatriate” or “EXPAT”, such as China, Japan, South Korea, the United States and the European Union, At which this group usually have spouses or offspring that travel with them to stay in Thailand as well.

Rate of illness and death from serious diseases of Thai people has increased

In the year 2015, Thailand has approximately 3.2 million serious, non-communicable diseases, including blood pressure, diabetes, ischemic heart disease, Arteriosclerotic Heart Diseases, bronchitis, asthma, liver cancer, lung cancer, Colonic Carcinoma, breast cancer and cervical cancer. Serious non-communicable diseases are high blood pressure, diabetes and ischemic heart disease is the type of disease that has the highest number of patients. All serious non-communicable disease can be estimated for 38.0%, 24.7% and 10.0%, respectively. The most common cause of the disease comes from the body’s Metabolic Syndrome, resulting in increased demand for medical treatment on these diseases.

(2) Factors that may affect the growth and cost of future medical services businesses

The increase in the number of new hospitals and the number of beds provided by both existing and new service providers

During the years 2013 to 2015, it was founded that the number of beds in public hospitals has decreased

continuously, which may be a factor from the shortage of medical personnel in Thailand. While the number of private hospital beds continue to grow in the same period and is likely to continue growing in the future. As a result from merging of business and creating of affiliation network of the existing service provider. This also includes building several new hospitals from the existing and new service providers. This as well includes expanding service in the form of Private Wing in Public Hospitals with the same capital as government sectors but provide services and charge for the service with the same manner or equivalent to the public sectors such as Siriraj Piyamaharajkarun Hospital, Chulalongkorn Hospital, and Bhumisirimangalanusorn Building, etc.; which may result in higher competition for private hospital business. Including may have additional management costs, both from a limited number of physicians and medical personnel and from expenses for public relations and management to create the differences and attract future medical customers.

Shortage of doctors and medical personnel

During the years 2012 to 2016, the number of doctors and medical personnel in Thailand has continuously increased, by approximately 4.3% to 6.2% per year. However, the increased of medical personnel may affect the operating costs of hospitals in the future.

Marketing and Competition

1. Standard for tertiary medical services

The hospital is a Tertiary Care Unit that has the capability to treat complex diseases with team of doctors and medical personnel who possess knowledge and expertise, together with modern medical tools. In addition, there are 22 Medical Institutes and Specialized Medical Centers, such as the Praram9 Kidney transplant Institute and Rama 9 Cardiovascular Institute, Surgery Center, Neurology Center, Gastroenterology and Liver Center, Diabetes and Metabolic Center which is the advantage of the hospital in the competition in terms of the growth of patient volume and medical revenue.

2. Competition

The hospital is located within the new central business district of Bangkok (New Central Business District: New CBD) which covers the area of Praram 9 Road, Ratchadaphisek Road, and New Petchburi Road. Besides the hospital, there are 4 other private hospitals. Located within a radius of 5 kilometers.

The hospital places competitive position and strategy by focusing on providing specialized medical services, especially the strengths in treating complex disease with the multidisciplinary team; The Company provides services that has been certified with world-class services from JCI, the world's largest medical standards organization. Both at the hospital level and the level of care for patients with specific diseases such as Kidney transplant and taking care for diabetic patients with Value for Money Services rate for customers.

Competitive advantage

(1) Distinction in Medical Institutes, Medical Center and potential for complex treatment services with the Multidisciplinary Team

The Hospital continuously emphasizes on the development of the potential and quality of medical services since opening the service that starts from recruiting physicians and medical personnel with specialized skills and expertise, on varieties of subjects until being able to provide comprehensive medical services to customers. Then starts from preventive diagnosis, risk, care, rehabilitation and monitoring as well as promoting health with a team of multidisciplinary personnel with expertise and skills. The hospital has applied modern medical technology, including effective medical equipment to be used in treatment. At present, the hospital has medical institutes and specialized medical centers that are outstanding and capable of treating complex diseases, such as:

- 1.1) Praram 9 Kidney transplant Institute
- 1.2) Praram 9 Cardiovascular Institute
- 1.3) Diabetes and Metabolic Center
- 1.4) Minimally Invasive Surgery: MIS
- 1.5) Obstetrics Gynecology Center And Pediatric Center

(2) Provide medical services with value for money services fees rate

Medical services at reasonable and cost effective rates (Value for Money Services). The hospital places importance on providing effective medical services at appropriate rates or Value for Money Services medical expenses when compared to the rates of service or medical expenses of other leading private hospitals that provides medical services in a similar quality level. The hospital had been awarded the AXA Provider Award: Best Utilization Award organized by the AXA Insurance Public Company Limited ("AXA") for the year 2017, which is a

confirmation that the Company provide effective medical service at Value for Money Services of hospitals.

In addition, the target service group of the hospital which covers the mass affluent to affluent segment; which can be considered as group with high growth potential and with large population base and the have the most expansion.

(3) Strategic location with potential and high growth opportunities

The location of the hospital is located in the new central business district of Bangkok (New Central Business District: New CBD), which is the key strategic points to help support the growth of the hospital. Such key strategic points are as follows:

(3.1) Increased of office buildings, department stores and residence.

(3.2) Density and population growth in the surrounding area: The location of the hospital is surrounded by many large residential communities with high population density and has a high population growth rate.

(3.3) Being a center connecting significant transportation infrastructure systems which allows the hospital to expand the customer base more widely.

Significant competitive strategic

(1) The expanding of the hospital network and continuous medical cooperation

The hospital plans to expand the customer base and provide specialized medical treatment services with the multidisciplinary team; especially the treatment of kidney disease and kidney transplant in order to support the increasing demand for medical treatment through an affiliate network. The affiliate hospital will send patients who need kidney transplant to the hospital. In order to receive treatment with treatment quality that has been certified with specialized only world-class standards from JCI on the care of kidney transplant patients. The hospital will help strengthen academic cooperation to develop the potential of personnel in the treatment of kidney disease to the affiliate network hospitals.

(2) Construction of new buildings and improvement of existing building to support the expanding scope of medical services, in order to be more comprehensive and extensive as well as to support the number of customers with higher growth.

The hospital plans to expand the service area and improve the utilizing of the space for maximum benefits; in order to support the expansion of the existing customers group which is a group of patients who emphasized on disease treatment and curative medicine. Along with expanding the scope of medical services to be more comprehensive and extensive, in order to expand the customer base into new customers group which focuses on promoting better health care. The hospital has a project to invest in construction of new building on the area close to the existing building with distance of 50 meters from the existing building. The new building is a 16-storey high building with 2 basement floors, currently is under construction. It is expected to be completed and available for service within the fourth quarter of 2019.

In addition, after moving some medical centers to the new building, the hospital has a project to improve the service area of the existing building in order to make the most out of the available space. The main objective is to increase the capability in supporting the increase in number of inpatients, especially in complex disease patients.

(3) Expanding the scope of services by focusing on more health promotion (Health Promotion Services)

The hospital plans to extend the strengths and expertise in providing curative medicine in a wide range of subjects in order to expand the scope of Conventional medicine into holistic health care. Such will be done by focusing on providing health promotion & Wellness to group of patients who are not suffering from any illness but pay attention and take care of their health and care and want to promote their health to be stronger for a better quality of life.

The holistic health care consists of cooperation from specialized physicians from various field of work, such as rehabilitation physicians, physical therapist, Sports medicine physicians, psychiatrists and nutritionists etc. There are 22 branches with availability to provide services from medical institutes and specialized medical centers.

(4) Introducing technology to help increase the potential of medical services and increase efficiency in internal work processes in order to step into becoming Digital Hospital

The hospital is well aware of the importance of technology in helping to increase the efficiency of medical services, increase patient safety as well as facilitate and

create new experiences to customer; including increase the efficiency of the hospital work process. In the beginning, the Hospital has planned and developed the most effective information and communication management system, by storing and saving medical information, including treatment history, patient medical records and dispensing medicine, all into electronic systems; which helps the management and service of the hospital become more efficient.

(5) Emphasizing on aggressive marketing and corporate image adjustment

The Company has analyzed, planned and determined the positioning by aiming for the Hospital brand to be widely known and interesting, attract customers to use the services and reflects the strength in providing quality value for money services to the general public. The Company has hired marketing and public relations consultant and strengthens the marketing team to enhance such image. At present, the Company proceeded to adjust the business direction and conduct more aggressive marketing, such as online advertising in order to create more broadly engagement with the target group of customers. In addition, the hospital has established marketing strategy for contracting organizations group and foreigner customers group with the aim for long term expansion of customer base.

Distribution and Distribution Channels

The Hospital customers are divided into Thai and foreign customers, where the Hospital has strategies for creating channels in expanding the acceptance of different patients. With the competence in treating complex diseases with Multidisciplinary Team; allowing the Hospital to be able to provide services to both domestic and international patients. In providing services to domestic patients, the Hospital has expanded the service through health check-up and medical treatment, contracts with companies, stores and organizations in the country and expansion of hospital network. While for international patients, are done by accepting patients through the embassy service contract and become a member of the Foreign Chamber of Commerce as well as contracts through foreign medical tourism agents.

PROCUREMENT OF PRODUCTS AND SERVICES

1. Provision of Doctors and Medical Personnel

With the hospital operating reputation for over 26 years, together with the reputation and good relationship among doctors who are the founder and executives with medical professionals and medical schools in Thailand; allowing the hospital to be able to continuously invite and seek for quality medical personnel with expertise in various fields to work with the Hospital. Moreover, the hospital has proceed with various aspects in the provision and development of medical personnel, such as preparing human resource management plan in order to maintain personnel with competency to stay with the hospital in a long time term and human resource management in order to continuously develop the learning of personnel and to create love and commitment to the hospital. This includes creating good working and society environment within the hospital to create motivation in working such as providing a Doctor Lounge, a place where doctors can relax, chat, brainstorm, consult on case studies among doctors which is one of the measures to help strengthen the relationship of doctors in the hospital to be even stronger. The hospital emphasizes on providing continuous services, which is one of the key factors in treating patients with complex diseases.

Moreover, the hospital has conducted analysis of the medical personnel's capacity to support the growing service in accordance with the hospital's strategic plan and have drawn up plan to support the continuous long-term service and expansion; such as determine appropriate remuneration and incentives for new doctors. This includes providing medical welfare, dormitories for medical personnel, scholarship for nursing students and nursing assistants in several universities; in order for them to join the hospital after graduation. Furthermore, the Company has made cooperation agreements for the provision of medical personnel in various fields, such as medical treatment service contracts with Bio Score Marketing (Thailand) Co., Ltd. to provide specialized medical personnel in caring and maintaining hair treatment and medical service contracts with Rehab Direct Company Limited to provide physical therapists or occupational therapists for the Rehabilitation Center, etc. In the past, the Hospital had never had any experienced in shortage of medical personnel.

Number of Personnel of the Company, As of December 31, 2018

Line of Work	Number (person) As of December 31, 2018
Full-time Doctor	117
Part-time & Night shift Doctor	443
Consultant	149
Nurse	344
Other Medical Personnel ⁽¹⁾	585
Other Department ⁽²⁾	348
Total	1,986

Note :

(1) Medical personnel means medical services department such as pharmacists, radiologists, nutritionists, physical therapists, etc.

(2) Other departments, including business development department, Business Administration Department, Department of premises and others.

2. Drug and Medical Supply

The Company has policies to mainly purchase general drugs and medical supplies from domestic manufacturers or distributors of foreign manufacturers. At present, the hospital has established approved vendor lists where the executive committee, the drug committee and the procurement committee make consideration on the approved vendor list at least once a year. The consideration shall be made from various factors, such as production licenses, distribution of medicines and medical supplies and certificates in accordance to the Good Manufacturing Practice (GMP) standards, quality, price, reputation, doctor's needs, delivery time and the repayment period, etc. The hospital has contacted and ordered medicines and medical supplies from several distributors a have no contract obligation relating to the purchase of medicines and medical supplies with any particular supplier; thus reducing the risk of supplying medicines and medical supplies. Moreover, the hospital have affiliate network with other hospitals in sharing drug and pharmaceutical price information to be used as a price reference in drug and medical supplies bargaining from drug and pharmaceutical vendors. At present, the hospital has more than 190 registered drug dealers and over 220 pharmaceutical suppliers.

In addition, the hospital has introduced robots to provide intelligent drugs to help in the preparation of medicines since 2014, which helps to reduce errors and increase the efficiency of drug and medical management for patients. As a result, purchasing medicines and medical supplies can be effectively planned.

3. Procurement of medical equipment and tools

The Hospital has continuously explored the needs of medical equipment and tools. In addition, the Hospital has established medical equipment committee that consisted of a team of doctors on each field; to closely monitor the progress of medical equipment technology in order to plan for the allocation of resources as needed in providing quality medical treatment. The medical equipment presented such plan to the Budget Committee to plan the Hospital's budget before presenting to the Executive Committee and/or the Board of Directors for approval (as the case may be), Such will be consider from several factors such as new technology, safety, product quality, price, value, after-sales service and necessity, including the consistency in strategy and the availability of medical personnel. In the case where the medical equipment purchase approval has a value of Baht 100,000 or more, at least 2 distributors shall be nominated to the Medical Equipment Committee and/or the Board of Directors that have been appointed from time to time to consider. In the case that the purchase value is more than Baht 5 million or more comparisons and purchases selection shall be made to propose for further approval; in order to ensure transparency, except in the case where there is only one distributor or is a specific tool.

At present, the hospital purchased equipment and tools from local distributors from the domestic distributors who have been directly appointed by the manufacturers. This type of company can provide after-sales service and instantly repair the equipment and tools if there are problems, defects or damage, which are repaired by skilled technicians. For order conditions, the Hospital has a payment period of approximately 30 days with distributors, depending on the

type of equipment or equipment purchased and the negotiation with the distributors. In addition, the Hospital has a service contract in "Medical equipment management for the whole system" with the leading companies that have particular expertise in maintenance and repair to ensure that the medical equipment and tools are ready to be used and are highly effective. As well as being a consultant and support necessary information for the hospital in procuring or long-term medical planning.

ENVIRONMENTAL AND SAFETY IMPACT MANAGEMENT

The hospital has operated with responsibility to the service users, personnel and society with responsibility by giving priority to environmental care, health, occupational health and safety. The company has a Facility Management and Safety: FMS working group that acts as a center for the management of buildings, facilities, safety, health and environment. With the following measures to proceed in this regard as follows:

1. Environmental impact

The Company provides health care and treatment services, which the procedures for medical treatment required the used of hazardous objects and cause hazardous waste. With this fact the Company has established policies, regulations and plan to prepare the work system regarding the environmental impact management in writing; to be guidelines for the Company's personnel to adhere to. This includes training for the Company's personnel In order to ensure the safety of personnel, service recipients, employees who enter the area, neighbors and the environment as well as to prevent and mitigate environmental impacts and restoring places that impact on the environment.

(1) Waste water management

The Company has control system for waste-water treatment with daily inspection of sediment level to check the wastewater primary quality before releasing to external water sources and hired an outsourcing to analyze the water every month. The company's waste water treatment system can handle 500 cubic meters of waste water per day which is sufficient for the current service level. The Company has regularly controlled the treatment of wastewater before being exported to the external system.

(2) Garbage disposal

The Company has classified the waste into 4 categories, namely general garbage, hazardous garbage, infectious garbage, and recycles garbage.

The Company hired Bangkok agency to dispose general garbage and hired a private company that has been certified to manage and take care of infectious and hazardous garbage, respectively. This is to prevent environmental impacts due to the management of non-standard waste systems

(3) Hazardous material and waste management

The Company has management system related to hazardous objects that have been imported to be safely and systematically used, by cataloging the Hazardous objects, procedures for selecting, moving, storing, using dangerous objects; as well as control and supervise the separation, dispose and disposal of all hazardous waste. The personnel that are involved in hazardous materials and waste will use protective equipment while working. The Company will assess the risks in operations that are related to hazardous objects once a year and prepare solutions and monitoring guidelines.

(4) Chemical spill management

The Company has established procedures to implement in the case where the hazardous substances spill, fall or in contact with the body; as well as established the procedure in considering and investigating to find a way to prevent potential risks. The Company has defined emergency in the case of leaking of hazardous substances that cause serious damage to life, assets and environment. This is one of the Company's emergency codes with clear support of regulations and operational process. The management is separated according to the type of chemicals which include radiation, hazardous chemicals and medical gas, such as setting up a warning sign "Dangerous Area or Dangerous Area do not enter" at the scene of the accident, where dangerous objects spilled or break. This includes blocking the personnel or people in the incident area out from the area and notify the officers specified in the implementation procedure to accordance with the type of hazardous substance that has been leaked.

(5) Saving natural resources

The Company has a policy to support the saving of natural resources, by campaigning to use the stairs in walking up and down inside the building and turn off the water, lights and air conditioner every time when not using In addition, the Company has an energy route project to reduce the Company's energy consumption. In the year 2011 - 2018, the Company was able to save energy consumption of approximately Baht 10 million with the following projects:

B.C.	Project
2018	<ul style="list-style-type: none"> Set up the Building Automation System (BAS) to control lighting in the parking building and 1st-5th floor hall.
2017	<ul style="list-style-type: none"> Change the light bulb on the hallway of the 2nd and 4th floor and the Company name sign on the rooftop . Install speed control system for Chiller water pump Set up the Building Automation System (BAS) to control the opening and closing of the air conditioner on the 1st to 5th floor.
2016	<ul style="list-style-type: none"> Change the street lamp Change the light bulb in the parking lot 2A - 4B
2015	<ul style="list-style-type: none"> Change the light on the company's entrance and the shrine area Timer install Project, Hall lamp, 2nd and 3rd Floor Reusing water from the treatment pond project Change the hot water boiler system into a heat pump
2014	<ul style="list-style-type: none"> Change the light on the company alley and Spot light that shines on the sign and building. Change the light bulbs of balloon lamp on the fences around the company
2013	<ul style="list-style-type: none"> Change the refrigeration system, air conditioning system (Chiller) Replace the light bulb in the parking lot 2A-4B
2012	<ul style="list-style-type: none"> Change the light of the Company sign Boiler Hot Water Project: Change from using fuel oil to LPG. Install filter film to reduce the heat in the air. Install Limit Switch and Control Cabinet
2011	<ul style="list-style-type: none"> Change light bulb (T8) to energy saving lamp (T5) Attached air curtain electric glass door on the Company's entrance — exit door Improve the parking control lighting system

2. Security operations

The Company place significant on operational safety in order to reduce the risk that may affect service recipients and employees. The Company has hired a security company that has been licensed; which the security guards, who have passed the training in accordance to the course of the security company, have been allocated to work within the Company. The Company then has drawn up guidelines for the security guards, to be in consistent with the operating period and the work location of each security guard. The Company as well provides the security chief to regulate the operation of the security guard and determine to have meeting between the security company and the vehicle and security department every month. The department will assess the work and performance of the security company on a monthly basis.

(1) Safety of the service site

The Company has policy to create the safety of the service sites such as

- Monitor and supervise the internal and external of the Company building 24 hours a day, in

compliance with the regulation of duty of full time security guard.

- Check the CCTV cameras at every installation point, along each floors and the area in front of the camera to ensure that nothing is blocking the camera and observe unusual things.

- Install various alarm systems at the risky point.

- Facilitate vehicles to enter and exit the Company to ensure safety, by using hand signals and whistles to achieve maximum safety.

- Check that the equipment is in a ready-to-use condition. If the device is not in a ready-to-use condition, such device shall be repaired or made adjustment for the device to be in a ready-to-use condition.

(2) Fire Safety

In the past, the Company had never experienced a fire problem. However, the Company has prepared fire protection at all times, including trainings, fire plan rehearsal,

disaster response plan rehearsal with neighboring buildings and preparing for the actual situation that may occur. This includes the installation of necessary equipment in the Company, such as smoke detectors, heat detectors, fire extinguisher equipment and fire alarm warning devices.

Moreover, the Company also has measures to support fire safety such as









- Set fire escape route, Fire Assembly area and communicate to all Company's internal personnel to acknowledge.
- Check the fire escape door, fireproof door, emergency light, fire exit sign, emergency exit 1 time per month to ensure that they are in working condition at all times.
- Prepare fire escape signs, Fire Assembly area sign, charts showing fire escape routes, signs, signs or symbols to be comprehensive and clear

In addition, the Company also has made Industry All risk Insurance, in order to reduce the risk in the event of accidents (Please consider more details in the topic Assets used in business operations)

UNFINISHED JOB (FUTURE PROJECTS)

The hospital has planned a future strategy in order to enhance the Hospital's potential in providing medical services, both supporting the continuous expansion of the current service group which focuses on the treatment and treatment of curative medicine; along with expanding the scope and developing medical service style to be more extensive and comprehensive. In order to expand the customer base into the service group that gives importance to health promotion and wellness, this will extend knowledge, expertise and medical experience from providing current medical institutions and centers services; to be able to take care and promote the daily health of holistic health care, which is expected to have high growth opportunities in the future. In addition, the hospital sets the goal of becoming a Digital Hospital under the digital transformation plan by introducing information technology to help increase work efficiency and adding new experiences of service recipients to feel impressive and broadly spread the words. This includes helping to increase the efficiency and safety of the hospital services in the future. The details of the hospital's future investment project are as follows:

Comparison diagram of current services and future project development

	Current	Providing Comprehensive Medical Service in accordance with the Future Project.			
	Excellence in Complicated Disease Treatment	Health Promotion	Disease Prevention	Curative Medicine	Rehabilitation
		 + 			
	Current Building ⁽¹⁾	New Building ⁽¹⁾			
 Functional Space	Approximately 32,825 square meters	Approximately 57,325 square meters			
 The total number of beds provided	163 Beds (Number of licensed beds is 166 beds)	The maximum number of licensed beds is 313 beds. Expected to gradually open for business with in the year 2022			
 Number of bed in ICU/ CCU/ NICU/ Step-down ICU ⁽³⁾	27 Beds	72 Beds			
 Medical Center	2 Medical Institutions And 20 Medical Centers	2 Medical Institutions and 23 Medical Centers			
 Additional Facilities	449 Parking Spaces	<ul style="list-style-type: none"> • Information technology system development project for emphasizing onbeing Digital Hospital • 830 Parking Spaces • Healthy food and beverage stores, shops, beauty salons and banks • The exhibition section for health promotion and coworking space 			

Source : Hospital information forecast

Note :

- (1) The Image is an accessory to the depiction only. The actual building may differ from the picture after the completion of the construction and renovation.
- (2) Information as of June 30, 2018
- (3) ICU refers to the intensive care unit; (CCU) refers to the cardiac care unit; NICU refers to the neonatal intensive care unit (NICU); and Step-down ICU refers to the Step Down Intensive Care Unit.

1. Construction of new building project

The hospital is in the process of building a new building in the vicinity of the current building, which has a distance from the existing building at approximately 50 meters. The building is designed to be a 16-storey high with 2 basements. The total construction area is approximately 39,300 square meters with a utility space of approximately 24,500 square meters. Providing both outpatient (OPD) and inpatient (IPD) services, divided into 83 OPD examination rooms (excluding outpatient rooms for emergency departments) and Inpatient room (IPD) with 59 beds, 3 operating rooms, and a parking space that can accommodate approximately 381 vehicles to facilitate those who come to use the service. In addition, information technology will be introduced to support the service. The hospital expects that the construction of the new building will be completed available for services within the 4th quarter of 2019.

There will be allocation of space in the new building by focusing on providing medical services for the group of service recipients who are in need of Health Promotion & Wellness. This includes the group of patients with primary illness which consisted of significant medical centers such as Comprehensive Gastroenterology (GI) and Hepatobiliary (Liver) Center, Check-up center, Pain and Rehabilitation Center, Metabolic Center, Allergy Center, Skin and Beauty Center, Hair Center and etc. Such centers may be moved to the new building. In order to be able to develop, expand the scope and service style to be more extensive and comprehensive, such as

- Development of One-stop service for endoscopy and intestine preparation for gastrointestinal and liver centers
- One Stop Service Check-up Center, the new health check-up center is expected to have an area of approximately 1,500 square meters; where the service recipients can check all parts of the body within the same area such as running on treadmill to monitor heart rate, chest x-ray, ultrasound, and seeing the specialized doctors such as ophthalmologists, etc., resulting in a more efficient service and the recipients received more convenient service.

In addition, the hospital plans to add a new medical center to expand the scope of medical services in the hospital's new building area, such as

- Pain and Rehabilitation Center focuses on a group of patients who are not sick or to get treatment but want to look after their health in the form of preventive health care and health promotion. The center is expected to have an area of approximately 1,500 square meters with modern medical tools and innovations such as hydrotherapy pools and Cryotherapy technology, etc., to be used in the treatment and provision of medical services that are more modern and effective. The hospital plans to open a new medical center in conjunction with the Rehabilitation Center. The services are formerly provided in the existing building which focuses on providing physical rehabilitation services for patients to return to normal conditions, such as rehabilitation therapy for patients with paralysis, paralysis and pain patients from office syndrome, etc.

- Metabolic Syndrome Care Center focuses on early detection of risk or disease to prevent and reduce the risk of serious diseases; which may not appear as a clear physical illness in the early stages, such as the Metabolic Syndrome, which is considered a risky group that is silent and has risk of developing a more severe and dangerous diseases, such as kidney disease, heart disease and diabetes, etc. The hospital will provide medical advice on disease prevention, starting from the encountering of risk factors to giving treatment advice which will evaluate holistic health to analyze individual health. This leads to design of suggestions for behavior modification of having meals, exercises that designed for each person and /or proceeding to send patients to medical institutions and specialized medical centers for further treatment.

- Allergy Center provides diagnostic services, evaluate the treatment results and treat allergies comprehensively; by allergy specialists who graduated from the American Board of Allergy & Immunology. In addition, Allergy Center provides skin test services for allergens and pulmonary function tests in patients with suspected asthma, along with continuous follow-up of

treatment results so that the service recipients can properly and appropriately take care of themselves as well as able to enhance the quality of life and good health.

Furthermore, to providing extensive service areas and bringing innovation and modern technology to help facilitate and create impression in the hospital service, plan, allocate and add more facilities such as restaurants and beverages that focus on health benefits; the exhibition

section for health promotion including co-working space, shops, beauty salons and banks, etc. on the 1st and 2nd floors of the new building. This is to promote the atmosphere of service under the concept “Hospitals are not just a place for patients” by aiming for the Hospitals to be a Professional Healthcare Community, a center that take care and promotion of new health and lifestyle, including various health promotion activities.

Summary of services provided by medical institutions and primary medical centers in the existing building and new building

Existing Building	New Building
<ol style="list-style-type: none"> 1. Kidney Transplant Institute 2. Praram 9 Cardiovascular Institute 3. Diabetes and Metabolic Center 4. Praram 9 Orthopedic Center 5. Obstetrics Gynecology Center 6. Surgery Center 7. Medical Center 8. Neurology Center 9. Emergency Center 10. Rehabilitation Center 11. Radiology Center 12. Breast Clinic 13. Thyroid Clinic 	<ol style="list-style-type: none"> 1. Comprehensive Gastrointestinal and Liver Center 2. Comprehensive Check-up Center 3. Pain and Rehabilitation Medicine Center 4. Metabolic Center 5. Allergy Center 6. Pediatric Center 7. Radiology Center 8. Ear Nose and Throat Center 9. Eye Center 10. Dental Center 11. Psychiatry Center 12. Skin and Cosmetic Surgery Center 13. Hair Center

The Hospital expects that the construction of the new building will have the investment budget at approximately Baht 2,343 million. The details are as follows.

Estimated investment for the construction of new building

Investment details	Estimated Investment (Million Baht)
1. Building, work system, Interior decorations	1,610
2. Land	333 ⁽¹⁾
3. Medical equipment and tools	300
4. Others	100
Total	2,343

Note:

- (1) The hospital has already purchased the land and received the ownership of the land on November 29, 2017. The hospital placed a deposit of Baht 20,000,000 for the purchase of land on the day entering into purchase and sell land contract. The hospital had paid the purchase price of land at the amount of Baht 301,030,000 in accordance with the promissory note the seller on November 1, 2018. The said amount includes the registration fee for the transfer of land ownership under the contract.

As of December 31, 2018, the contractor estimates the progress of the construction project to be approximately 50 percent of the total project. The person responsible for the construction, structure and architecture as well as the person managing and controlling construction; is a company with expertise and experience in construction projects, especially the hospital business. Therefore, the hospital is confident that the project will proceed as planned.

Picture of work progress during construction of new buildings



2. Renovating Existing Building

After the construction of the new building project has been completed and some medical centers have been moved from the existing building to provide service in the new building as aforementioned. The hospital will proceed with the improvement of the service area in the existing building to make the most out of the space available. The space of the existing building will be allocated to accommodate the increased in the number of patients admitted to the hospital existing and recuperate, which is the current main service group of the hospital; especially diseases that are complex and require high medical expertise such as heart disease, kidney disease, brain disease, cancer and etc. The existing building is the location of Praram 9 kidney transplant institute, Praram 9 Cardiovascular Institute, Diabetes and Metabolic Center, Neurology Center, Emergency Center and etc. In the future, there may be changed to to appropriately be in consistent with the situation and need of medical service recipients. The hospital plans to improve the Re facade to have image

that is in consistent with the new building. The project budget is approximately at Baht 370 million between 2018 - 2022 with the following details:

- **Step Down ICU Patient Development Program**

The hospital plans to build and develop Step Down ICU patients room to take care of patients who are out of crisis and has less complicated care need than ICU patients, though there is still a need to closely monitor the symptoms and taken care by medical personnel. The information technology will be used in the design and development of various services to support services and help facilitate patients. In providing this service will help reduce the unnecessary expenses for the rehabilitation in the hospital of patients which is in line with the business plan that focuses on providing the Hospital's value for money services. In addition, the hospital will be able to effectively manage the services of the high demand severe or critical patient room.

Image of Step Down ICU patient room sample



Source : Hospital information

Note :

- (1) The image is used as accessory to the description only. The actual building, after the completion of construction and renovation may differ from the picture.

• Increasing the ICU and CCU patient room project

The hospital is in the process of planning to renovate the 5th floor area to be ICU patient room and CCU patient room with 24 beds, to accommodate the continuous increasing number of critically ill patients; especially for patients with complex diseases such as kidney disease, heart disease and cancer that continuously required 24 hours intensive medical care. Initially, the Hospital expected to start proceeding with the improvement of the area within the 4th quarter of 2019 and is expected to be completed and available for service within the 4th quarter of 2020.

• Inpatient room improvement project

The hospital is in the process of modernizing inpatient room by installing additional medical systems and equipment, in order to enhance the service in the inpatient room (IPD In-Rooms Application), such as the system for calling a nurse, ordering food and viewing cost information, etc. This will help facilitate and allow the patients to receive quality services as well as raise standards to be better.

(Please consider more details in the Research and development category) This includes planning for the improvement of the area that is currently a medical center where the medical center will be moved to a new building when the construction is completed. Such area will be used as inpatient room to support the increasing trend of inpatient services. This includes improving some of the inpatient room to be more spacious and comfortable. Initially, it is expected that after the renovation of the inpatient room is completed the Hospital will have the potential to provide inpatient services in the existing building, increased up to 91 beds from inpatient rooms providing services at a total of 166 beds as of December 31, 2018, by the year 2022.

After the renovation of the 9th floor to be Step down ICU patient room, the improvement of the 5th floor to be ICU patient room and inpatient room renovations have been completed.; it is expected that the Hospital will have potential in providing highest inpatient services at a total of 313 beds with 254 beds in the existing building and 59 beds in the new building by the year 2022.

Summary of forecasting potential of inpatient services in accordance to the initial number of beds in the hospital during 2017 - 2022

Building	Estimate the potential of providing services to inpatients (beds)					
	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022
Existing building						
General room	122	122	140	140	161	182
Step Down ICU	-	21	21	21	21	21
ICU and CCU	24	24	24	48	48	48
NICU	3	3	3	3	3	3
Total existing building	149	170	188	212	233	254
New building						
General room	-	-	59 ⁽¹⁾	59	59	59
Total new buildings	-	-	59	59	59	59
Total	149	170	247	271	292	313

Note:

- (1) It is expected that the construction of the new building will be completed and will be available for services within the fourth quarter of 2019.

• Project to improve the Re Facade structure of the existing building

The hospital is in the process of planning the renovation of the current structure of the existing building in order to have a modern image and in conform to the new building. Initially, it is expected to be completed by 2021.

3. Information technology system development project for becoming a Digital hospital

The hospital planned to develop the information technology system and apply more advanced technology to implement. The goal of stepping into becoming a Digital Hospital, where technology is applied and implemented both in terms of maintenance and providing medical services for service recipients; as well as increasing the efficiency of the Hospital's internal work processes. The information technology system development project can be divided into 4 aspects as follows:

1. Personnel

- For senior personnel and executives
- For the entire organization

2. Architecture and infrastructure of information systems

- The development of the Healthcare Information System (HIS)
- Updating the Backup Computer Center into a cloud operating system

3. Process improvement and management

- Development of electronic workflow systems
- Development of system for contacting and coordinating for inpatient care teams
- Development of data analysis system

4. Services

- Application development for inpatients
- Mobile application development for patients
- Development of Command Center System

The hospital expects the project to be completed by the year 2020 under a total budget of approximately Baht 50 million (Please look for more details in the topic of research and development).

4. Development of construction site for staff and medical personnel project

- **Home Office Construction Project**

The Hospital is in the process of planning to construct a 6-storey high Home Office building. After the construction is completed, the hospital plans to move some the administrative staff that station at the existing building and/or the Home Office building that the Hospital is currently renting, to station at the new Home Office building. The Hospital as well plan to improve the space of the existing building to support the medical services for the number of service recipients that are constantly increasing. The new Home Office building will have a total construction area of approximately 1,320 square meters which located at the corner of Marayat Di Intersection, having distance of approximately 100 meters from the current hospital building location. The construction is expected to be completed in the third quarter of 2019 under the total operating budget of approximately Baht 70 million.

- **Nursing dormitory construction project**

The hospital is in the process of planning to construct an 8-storey high nursing dormitory, with no more than 80 rooms for nursing accommodation in order to support the future expansion of the manpower rate to be sufficient for the Hospital's service capabilities. The dormitory is located on Thiam Ruam Mit Road, Huai Khwang Subdistrict, Huai Khwang District. It is expected that the construction will be completed by 2019 under the operating budget of approximately Baht 200 million (including land and construction costs).

As of March 27, 2018, the Hospital had signed an agreement, to purchase and sell land for the construction of such nursing dormitories, with the Company's major shareholder. The purpose is to purchase the plot of land, title deed no. 6223, at the price of Baht 180,000 per square wah with a total price of Baht 60,120,000, which is approximately 28 percent lower than the appraisal value; which has been appraised by Chart Valuation and Consultant Company Limited, a property appraisal company that has been approved by the Office of the Securities and Exchange Commission (SEC). The Hospital Place a deposit as land cost worth Baht 4,000,000 on the day signing the contract and paid the remaining amount on the transferred date of Baht 56,120,000, by issuing a promissory note with the payment period for the land, on November 1, 2018.

RESEARCH AND DEVELOPMENT

The company has planned the development of information technology capabilities, including Company's personnel development to change the concept and develop various features that is necessary. The goal is to prepare for becoming a Digital Hospital in accordance with the Company's digital transformation policy, which has four main objectives:

- 1) Enhancing medical care efficiency
- 2) Increasing patient safety
- 3) Adding new experiences of service recipients in terms of convenience and speed of service. In order to impress and broadly grow word of mouth.
- 4) Increasing efficiency in the work process of the company By reducing duplication of work And reduce the use of the company's resources

The company has research and development that is currently under study and currently operates in 3 aspects as follows:

1. **Architecture and infrastructure of information systems**

Since 2015, the Company has continuously improved the IT system in order to support the analysis of large and complex databases, for example

Healthcare Information System (HIS) such as Further development of the Healthcare Information System (HIS), such as the development of a mobile information system (Mobile HIS) to allow physicians to access patient information, view the examination results, prescribe and provide advice on medical treatment even outside Hospital. At present, the development of the Mobile HIS system has been completed and the doctors can practically use it.

Improving the backup computer center to be a cloud DR site in order to prevent business risks and ensure that the business can continue to run itself despite an emergency. At present, the project has been completed.

2. **Improving work processes and management**

The company plans to applied the information system into the work process and management with the aim of saving work time, reducing costs, reducing personnel burden and reducing operational errors, for example

E-Document and E-Workflow development of electronic process systems which will be applied to document processes such as purchasing, repairing and incidence reporting. In addition, paperless work helps reduce the expense from paper waste and helps protect the environment which is in accordance with the Company's social and environmental responsibility policy. Initially, the Company has completed testing the first set of the work process system and will gradually test other work processes in according to the operation plan. The Company expected that all of the work process will be changed into electronic style with in the year 2020.

Developing system used in contacting and coordinating for inpatient care team at which he main goal is to ensure the coordination of various departments such as Nursing Department, Pharmaceutical Department, Nutrition Department, Physical Therapy Department, Finance Department and Insurance Department become more effective. Such is done by adjusting the contact and coordinate style into electronic or online which will help increase convenience and speed in contacting and coordinating as well as forwarding information between the parties. Resulting in the reduction of waiting time in discharging the patient, increase the turnover rate of the patient room and can accept more patients. At present, the project has been completed and is in the process of testing the system to be able to work correctly and in accordance with the objectives.

Developing and establishing business intelligence system to increase the ability to use information for the analysis and support medical decisions with maximum efficiency and effectiveness, such as analyze past treatment history. This includes assisting in the planning of management and business operations in order to be able to adapt to events in time, such as data relationship analysis in order to be used in the design of new products or marketing processes and customer service to be different and impressive

by the service recipients. The hospital has started to develop such data analysis systems continuously since 2015.

3. Services

The Company has applied technology to design and develop various services, with the aim to expand the scope and style of medical services and to impress customers In order to increase the opportunity for the service recipients to repeatedly come back and use the service as well as broadly spread the words. The significant developments are as follows.

Developing IPD In-Rooms Application to be use in nursing calls, ordering food, viewing expense information, and etc. in order to support services and help facilitate patients.

Development of Praram 9 Patient Mobile Application The system will help promote the experience in receiving service prior to the patient arrival at the hospital. During service until after receiving services such as appointments, treatments, patient registration and medication reminder; including publicizing company information.

Developing a Command Center for monitoring and be on guard for disease or conditions that require close monitoring, such as blood glucose follow up and exercise in diabetic patients or examining and monitoring of heart function in patients with arrhythmia, etc. This includes giving advice on treatment of patients through Telemedicine, a supplementary service, which will be jointly developed with Praram 9 Patient Mobile Application and Medical Wearable Device. Such device will connect and send data to the hospital's database system. The medical personnel will monitor the situation, take care, prevent and is on the alert to provide treatment that may be needed in a timely manner, 24 hours a day. At present, the Company is in the process of studying and developing; preliminary is expected to be completed and will be available for commercial use by the year 2019.

The Company's research and development expenses for the year 2015-2018 are as follows:
For the accounting period ending 31 December

For the accounting period ending 31 December			
2015 Million Bath	2016 Million Bath	2017 Million Bath	2018 Million Bath
7.7	15.0	20.1	22.1

RISK FACTORS

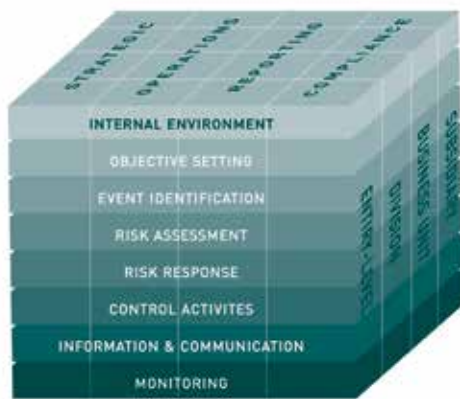


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By linking the international standard risk management system COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management) with the service quality development process that has been certified by the Joint Committee International-JCI.

”

In addition to proactive business operations, Praram 9 Hospital emphasizes on effective risk management process by linking the international standard risk management system COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management) with the service quality development process that has been certified by the Joint Committee International-JCI.



In order for the risk management to be effective, The Risk Management Committee (RMC), which consisted of senior management, has determined for related persons to identify, evaluate, manage and monitor the risks annually. The main risk management process that is used by the hospital is Root Cause Analysis (RCA), Failure Mode Effect Analysis (FMEA) and Leading Key Risks Indicators. Such risks process is used for continuously monitoring significant risk in accordance with the COSO risk management framework. The Hospital's significant risk factors are as follows.

1. STRATEGIC RISKS

The organization's significant strategic risks is "Unable to drive the company's strategic according to the goal set", especially in specialized medical center revenue, owing to the continuous of the increasing number of competitors in the same industry. The hospital prioritized on the urgent management of such risks which is finding measures / motivation for creating a group of highly skilled physicians to support the services available; as well as creating marketing plans and campaigns that communicate in compliance with the hospital's aptitude. In addition, other

significant factor is that the hospital's staff / executives are not aware of or lack understanding of the organization's strategic. Thus, to reduce the cause of communication the executive therefore increases communication channels for employees at all levels so that they will understand the organization strategic and continue to create leading indicators tracking system.

2. OPERATIONAL RISKS

2.1 Service Praram 9 Hospital has the risk in "maintaining the level of service to be in the patient's satisfaction criteria". The hospital therefore has developed several service systems, such as the development of IPD Alert program to reduce errors from communication on discharging patient procedures. In addition, the hospital has as well improve the discharging patients procedure to reduce the discharge time, which includes service level agreement (SLA) and manpower planning; to ensure that it is sufficient for the service provided, along with creating various trigger tools to alert various incidents in advance.

2.2 Personnel "The risk of shortage of medical personnel" is considered an industry-wide risk of medical services. Praram 9 Hospital has developed risk management process, starting from increasing the channel of recruiting medical personnel through Social Media and allowing friend to invite friend to directly contact the institutions that produce medical personnel, including the granting of scholarships. The hospital conducted survey on compensation and compared to other hospitals to be able to compete with the market and maintain the personnel. Moreover, the hospital has created the Career Path for all employees to have career advancement.

2.3 Information system HIS (Hospital Information System) system is the main information system the Hospital used where "HIS system interruption" is the main concerned. In order to reduce such risk the hospital has made Cloud DR Site Real Time, established maintenance plan, installed firewall protection, Antivirus, and Endpoint Control. Moreover, for sustainable risk reduction the hospital has organized a



training course on threats from internet for doctors and staff at least once a year.

3. COMPLIANCE RISKS

Praram 9 Hospital has practiced in accordance with various regulations related to the operating area. However, the hospital has concerned with medical services in “being sued / claim for compensation of medical treatment” which directly affects the image and reputation of the organization. In order to prevent such risks Praram 9 Hospital has the following risk reduction measures;

- Develop a process of reporting, mediation and heal when there are complaints from service recipients;
- Monitor the incident report closely on errors in providing nursing care, practice in compliance with medical treatment standards then linked to the enterprise risk management system;
- Organize teaching and learning activities on topics related to patient care at least once a month in order to enhance the personnel skills;
- Develop services providing and the use of IT systems that are applied to the medical treatment process to the personnel on a regular basis;
- Make Mortality & Morbidity Conference or Interesting case conference at least once a quarter;
- Develop the storage process of leading key risk indicators.

4. FINANCIAL / REPORTING RISK

4.1 Investment Praram 9 Hospital has invested in information systems to support the expansion of services nevertheless there are uncontrollable external factors. Such uncontrollable factor is rapid change in technology causing the risk of “investment in information system to be wasted and not worthwhile”. The Hospital therefore hired an information consultant to consider the procurement of practicable technologies to be used in the information technology. Moreover, the Hospital as well sent representatives to attend international meetings to monitor the



progress of technology nevertheless the consideration of selecting technologies to be used shall be approved by the committee, who is the representative of the relevant interdisciplinary. Furthermore, apart from the investment into information technology, investment shall be approved by the Executive since the company has to place importance on managing financial liquidity.

4.2 Financial Operations The hospital still ha concerned over the operation of medical services on “Unable to collect medical fees or unable to collect the full amount of medical fees after providing the medical care causing recurring debt” which caused damages to billing. In order to build financial management standard and reduce damages, Praram 9 Hospital has established Deposit Advanced & Deposit Topping Up during Admission along with systematically tracking the outstanding cases. In addition, the hospital has a reminding pop up message for cases with financial risk in the system.

5. MACRO RISKS

5.1 Disaster Risk Praram 9 Hospital has proactive preventive measures to manage natural disasters, by assessing the annual Hazard Vulnerability Analysis (HVA) program and determine the responsible person to monitor proactive situations. In addition, the hospital has prepared a disaster review plan and appointed a committee to be in charge directly.

5.2 Risk from epidemics Praram 9 Hospital has measures to prevent epidemics that cover SARS, Acute Respiratory Diseases, Avian Influenza H5N1, New Influenza strains 2009, Ebola virus Disease (EBOLA), MERS Disease or Middle East respiratory syndrome and H1N1 Influenza; by tracking information and News from Thai news agencies and Foreign news agencies, including the preparation of preventive plans and assessing situations on a periodic basis.

5.3 Risk from political unrest In order to support the political unrest situations, the hospital has measures in preparing, reviewing and rehearsing plans for mass casualty, at least 1 time per year.

PROPERTY USED IN BUSINESS OPERATION

PROPERTY, BUILDING AND EQUIPMENT

As of 31st December 2018, the particulars and net book value of the property, building and equipment of the Company as appeared in the Company's financial statement are as follows:

Assets	Ownership Characteristic	Encumbrance	Net book value (MB)
1. Land & Land Improvement	Owner	None	536.6
2. Buildings, building improvement and condominium units	Owner	None	408.5
3. Building service systems	Owner	None	217.4
4. Tools and medical instruments	Owner	None	270.5
5. Office furniture, fixtures and equipment	Owner	None	103.6
6. Motor vehicles	Owner	None	11.7
7. Assets during installation & construction in progress	Owner	None	587.8
Total Net Book Value			2,136.1

1. PROPERTY AND BUILDING USED IN OPERATION AND /OR UNDER CONSTRUCTION

As of 31st December 2018, the Company has property, building and improvements used in the business operation as follows:

Assets	Ownership Characteristic	Encumbrance	Net book value (MB)
Land and buildings used in the operation			
1) Existing Building Location: 99 Rama 9 Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok 10310			
Land: 6 Rai 74 Square Wah Land Title Deeds No. 177014-15, 177075-76, 187558-59 and 187648	Owner	None	126.7 ⁽¹⁾
Building: Usable area about 32,825 Square Meter and parking area about for 449 cars	Owner	None	358.9 ⁽²⁾
2) Residential units for nurses Location: 888/202-239 Lumpini Park Rama 9-Ratchada, Huai Khwang District, Jaturatis Road, Bangkok 10310			
Building: 38 residential units, Lumpini Park Rama 9-Ratchada	Owner	None	55.6 ⁽²⁾
Total land and buildings used in the operation			541.2

Assets	Ownership Characteristic	Encumbrance	Net book value (MB)
Land and building under construction			
1) New Building Location: Jaturatis Toad, Bang Kapi Sub-district, Huai Khwang District, Bangkok			
Land: 2 Rai 3 Ngarn 89 Square Wah Land Title Deed No. 4012	Owner	None	332.6 ⁽¹⁾
Building: Usable area about 24,500 Square Meter and และที่จอดรถประมาณ 381 คัน	Owner	None	575.5 ⁽²⁾
2) Office Building (Home Office) Location: Corner at Good Manner Intersection in front of the by-road to the Hospital			
Land: 94 Square Wah Land Title Deed No. 28442	Owner	None	15.3 ⁽¹⁾
Building: Usable area and parking area	Owner	None	1.2 ⁽²⁾
3) Nursing Dormitory Location: Huai Khwang Sub-district (Northern Sam Sen Nok), Huai Khwang (Bang Sue) District, Bangkok			
Land: 334 Square Wah Land Title Deed No. 6223 (1879)	Owner	None	62.1 ⁽¹⁾
Building: Usable area and parking area about 3,986 Sq. m.	Owner	None	3.4 ⁽²⁾
Total land and buildings under construction			990.1

Note :

(1) Inclusive of the land and land improvements (if any)

(2) Inclusive of the buildings, building improvement and condominium units and the assets during installation & construction in progress

2. LAND, NEAR PRARAM 9 HOSPITAL BUILDING, REGISTERED THE RIGHT OF SERVITUDE FOR THE COMPANY'S BENEFITS

The owners of 9 land parcels near Praram 9 Hospital agree to register the right of servitude for the benefit of the Company's business operation with the following details:

Details of the Land	Utilization
Land title deed no. 2877, 13 Rai 2 Ngarn 91 Square Wah, approximately	<p>To be used as pathway, road, the way to the main road, electricity system, water supply, telephone, drainage as well as all public utilities through the land. Such land owners have already made the power of attorney empowering the Company to have sole authority to manage the servitude benefits thereon since 19th October 1995, including the traffic operations on the land, title deed no. 2877, for the period of 30 years: 1st November 1995 - 31st October 2025.</p> <p>However, the owner of the land, title deed no. 2877, has agreed and registered it under the right of servitude of the Company's land without time limit. In conclusion the right of servitude is legal enforceable until registration of the cancellation thereof or termination by the law such as the cease of using the servitude right for the period longer than 10 years.</p>

3. LAND AND BUILDING UNDER THE UTILIZATION AGREEMENT OF THE COMPANY

3.1. Parking Area

On 19th November 2015 the Company took a lease on the land within Sirat Expressway, Sector A around the Asoke-Dindaeng parking area Project (Northern Area), 820 Square Wah, for car park under 3-year lease term to be expired on 18th November 2018. However, on 31st December 2018 the Company was on the process of renewal of the lease.

3.2. Office Building

On 12th April 2016 the Company took a lease on the space at OAI Tower, 1170 New Petchburi Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok 10320. The leased space is on Floor G, v4, 5, 8 of Building No. 3, totaling 1,040 Square Meter, as the Company's office. The lease agreement is for 3 years to be expired on 30th April 2019. However, the Company can make a renewal by giving written notice to the Lessor at least 90 days prior to the expiry of the lease term.

On 16th January 2018 the Company took a lease on the space of a 7-floor Building, 976/20 Soi Praram 9 Hospital, Rim Klong Samsen Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok. The leased area is the 7-floor office building with rooftop and billboard, totaling about 600-640 Square Meter (excluding rooftop and billboard) to be used for the Company's office. The lease agreement is for 2 years to be expired on 31st December 2019.


4. INTANGIBLE ASSETS


As of 31st December 2018, the particulars and net book value of the Company's intangible assets as appeared in the Company's financial statements are as follows:

Assets	Net Book Value (Million Baht)
Computer software - cost	186.5
Less: Accumulated amortization	(83.7)
Less: Allowance for impairment loss	(20.0)
Book Value - Net	82.8

5. TRADEMARK / SERVICE MARKS

The Board of Directors' Meeting No. 5/2561 held on 14th August 2018 resolved to revise the Company's vision, mission and logo for the purpose of rebranding in reflection of the capacity and quality of medical services of the Hospital. The Company is now in process of new registration of sign or emblem or logo of the Company, both the old one and new ones approved on 14th August 2018, with Department of Intellectual Property, Ministry of Commerce. It is expected that the Company will be granted the permission of such new registration, both the old and new ones within 2018 and 2019, respectively, to be further used in the business of hospital. However, according to the Trademark Act B.E 2534, the registration of a trademark shall be valid not longer than 10 years and renewable for 10 years at each time. The following shows the trademarks and service marks under the process of new registration:

Trademark / Service Mark	Description
	<ul style="list-style-type: none">• Old trademark / service mark for the Hospital• On process of new registration• The Company applied for new registration on 30th January 2018• Application Form No. 180103090

Trademark / Service Mark	Description
	<ul style="list-style-type: none"> • New trademark / service mark for the Hospital • On process of registration • The Company applied for the registration on 17th August 2018. • Application Form No. 180127072

6. BUSINESS LICENSE

The license for medical services, including the license to engage in a hospital business and the license to operate a hospital.

License to engage in a hospital business: issued by the Department of Health Service Support, Ministry of Public Health to the person or juristic person granted a permission to engage in a hospital business with a valid period until the end of the 10th calendar year from the issuing year thereof.

License to operate a hospital: issued by the Department of Health Service Support, Ministry of Public Health to the medical professions having authority to control, monitor, oversee the operation of the hospital for the valid period not longer than the end of the 2nd calendar year from the issuing year thereof.

The Company has completely obtained the above-mentioned licenses with the following particulars:

Type of License	License to engage in business	License for operation
License No	10201000657	10201004757
License	Praram 9 Hospital Company Limited by Doctor Satian Pooprasert and Doctor Viroon Mavichak	Doctor Arthit Jiaranaisilawong
Valid until	31 st December 2018, renewable every 10 years	31 st December 2018, renewable every 2 years
Others	Hemodialysis services	-

7. KEY AGREEMENTS

7.1. Agreements essential for business operation

A. Medical Management

Party	BIOSCOR MARKETING (THAILAND) COMPANY LIMITED ("Bioscor Marketing")
Term	3 years from 1st August 2017
Material Issues	Bioscor Marketing has agreed with the Company to perform medical management with respect to hair restoration, hair treatment, hair cell root, scalp of the patients, for the Hospital, under the name of "Hair Center"

B. Cooperation Agreement

Party	REHAB DIRECTION COMPANY LIMITED ("Rehab Direction")
Term	1 st January 2017 - 31 st December 2018. Should neither party make a notice of termination as agreed therein, the Agreement shall be further enforceable for a period of 1 year at each time.
Material Issues	Rehab Direction has agreed with the Company to cooperate with the Company in providing medical services and treatment as well as the rehabilitation to the patients receiving service at the Company; providing physical therapists / occupational therapists sufficient for all patients everyday throughout the valid period of the Agreement for treatment of patients, including any undertakings subject to the terms and conditions under the Agreement. However, the physical therapist / occupational therapist of Rehab Direction must be the person permitted to perform professional practice of the art of healing.

C. Agreement to sell and to buy the land (For construction of new building)

Party	KHUNYING POTJAMAN DAMAPONG
Material Issues	The Company would like to purchase the land, title deed no. 4012, land no. 161, survey page 1115, Bang Kapi Sub-district, Huai Khwang District, Bangkok from Khunying Potjaman Damapong for construction of the building for extension to the Company's business. The land is sold at whole plot of 2 rai 3 ngarn 89 Square Wah (1,189 Square Wah) free from mortgage, leasehold, encumbrance, residential right and right of usage, as well as any obligation, eviction, protest nor claim. The selling price is Baht 270,000 per Square Wah, totaling Baht 321,030,000. The registration of ownership transfer was on 29 th November 2017. The payment for selling price was fully made on 8 th November 2018.

D. Turnkey Construction Agreement on Construction of Structural and Architectural Works of the Building for Extension to Praram 9 Hospital

Party	NL DEVELOPMENT PUBLIC COMPANY LIMITED ("NL Development")
Term	The duration of construction is 720 days from 10 th March 2017 to 27 th February 2019. However, the Agreement term is adjustable only when there is a change directly affecting another part of works.
Material Issues	NL Development agrees to be employed on turnkey basis for construction of structural and architectural works on part of the building for extension until completion with safety protection in compliance with Engineering Standards Institute of Thailand and the laws strictly.

E. Employment Agreement on Management and Supervision of the Construction of the Building for Extension to Praram 9 Hospital

Party	SASI D&M COMPANY LIMITED ("Sasi D&M")
Term	From 9 th February 2017 until completion of the Project according to the construction plan
Material Issues	Sasi D&M agrees to be employed for management and supervision of the construction of the building for extension (including pile foundation work). The building will consist of 16 floors and locate on the land, title deed no. 4012, land no. 161, survey page 1115, Bang Kapi Sub-district, Huai Khwang District, Bangkok in compliance with professional standards.

F. Agreement to Sell and to Buy the Land (For Construction of Nursing Dormitory)

Party	KHUNYING POTJAMAN DAMAPONG
Material Issues	The Company would like to purchase the land, title deed no. 6223 (1879), land no. 204, survey page 2013 (216), Huai Khwang Sub-district (Northern Samsen Nok), Huai Khwang District (Bang Sue), Bangkok from Khunying Potjaman Damapong for constructing a nursing dormitory) The land is sold in whole plot, 3 Ngarn 34 Square Wah (334 Square), free from mortgage, leasehold, encumbrance, residential right and right of usage, as well as any obligation, eviction, protest and claim. The selling price is Baht 180,000 per Sqaure Wah, totaling Baht 60,120,000. The registration of ownership transfer was on 20 th April 2018. The payment for selling price was fully made on 8 th November 2018.

G. Advisory and Supervisory Agreement for Construction of 8-Floor Nursing Dormitory

Party	G22 ENGINEER AND ARCHITECT COMPANY LIMITED
Term	290 days from 1 st July 2018 The construction must be supervised until completion within 31 st July 2018.
Material Issues	G22 Engineer and Architect agrees to be employed for monitoring and managing a 8-floor nursing dormitory on the land, title deed no. 6223 (1879), land no. 204, survey page 2013 (216), Huai Khwang Sub-district (Northern Samsen Nok), Huai Khwang District (Bang Sue), Bangkok according to the professional standards.

H. Agreement on Construction of Nursing dormitory

Party	CHAIWAT CONSTRUCTION COMPANY LIMITED
Term	From 1 st December 2018 to 30th November 2019 each part of the works must be completed under the main plan, including the coordination for installation of movable furniture.
Material Issues	Chaiwat Construction agrees to be employed for construction of a 8-floor nursing dormitory pursuant to the drawing, including 1. Architectural structure and assembly work 2. Electric and communicative works 3 air-conditioning and ventilated system 4. Sanitary and fire prevention system.

I. Employment Agreement for Design and Construction of 6-floor Building on Turnkey Basis

Party	NL DEVELOPMENT PUBLIC COMPANY LIMITED
Term	The completion period is within 11 months from 7th June 2018 to 6th May 2019 (inclusive of the duration for removal of machine)
Material Issues	NL Development agrees to be employed for construction of 8-floor building, Praram 9 Hospital on turnkey basis. key)

7.2 Insurance Agreement

A. Property Risk Insurance Policy

Type	Property Risk Insurance
Insurer	Bangkok Insurance Public Company Limited
Location of the Insured Property	99 Rama IX Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok 10320
Coverage	The insurance is against property risk and third-party liability. This policy covers all losses or damage to the insured property in case of fire, thunderbolt, bomb, hail, fire catching or natural explosion, aircraft devices, storm, wildfire, water damage (excluding flood), flood disaster, vehicle damage, smoke damage, damage from electric appliances, earthquake damage, volcanic eruption or underwater waves or tsunami, strike, insurrection or malicious act (excluding the acts for political, religious or ideological purposes), including the accidents from external factors which are not exemption of the policy (GIA FORM)
Term	From 30 th June 2018 to 30th June 2019 (365 days)
Total Insurance Capital	Baht 1,100,000,000
Insured Property	All construction (excluding foundation work) as well as decorations, additions, and connected part of the building and improvements to the building and lifts, structural works and various systems within the building.

B. Contractor All Risks Insurance Policy

Type	The insurance is against contractual performance under the construction agreement (Contractor All Risks Insurance - CAR)
Insurer	Muang Thai Insurance Public Company Limited
Name of Project	A 16-floor hospital building with 2 underground floors (59 beds)
Insured Place	Land, title deed no. 4012, land no. 161, survey page 1115, Huai Khwang Sub-district, Huai Khwang District, Bangkok
Term	From 13 th March 2017 to 3rd March 2019 (720 days) with special coverage of loss or damage incurred during the maintenance period of 12 months
Coverage and Insured Capital	<ul style="list-style-type: none"> Part 1 Construction work and civil engineering work; and Part 2 Installation of engines, totaling Baht 1,500,000,000 Part 3 Third Party Insurance, totaling Baht 100,000,000

C) Professional Indemnity Insurance Policy

Type	Professional Indemnity Insurance
Insurer	Bangkok Insurance Public Company Limited
Term	From 5 th October 2018 to 5 th October 2019 (365 days)
Coverage	Medical professional liability or in connection with the damage from providing public health service by profession; inspection/examination process; action, error or negligence of doctor or medical profession or medical personnel providing public health service; providing emergency first aid by medical personnel who is not a doctor; unintentionally insulting, unintentional Intellectual property infringement; and the loss of document relating to the public health service.

7.3 Financial Agreement

On 27th April 2018 the Company made a loan agreement with a commercial bank in the territory ("Creditor") at the limit of Baht 2,000 Million for making payment for the land purchased, construction, equipment used in new building improvements and for improvement of the existing buildings. This loan is clean and must be settled within 21 months from the first drawdown date or no later than 31st January 2020, whichever is earlier, together with the interest at floating rate plus fixed amount to be payable on monthly basis.



8. POLICY ON INVESTMENT TO SUBSIDIARY OR ASSOCIATED COMPANY

As of 31st December 2018, the Company had no investment in its subsidiary or associated company and without plan to do so soon. Therefore, the Company did not make a policy on investment to subsidiary or associated company. However, in the future when the Company has plan to make an investment in a subsidiary or associated company, the Company will prepare the policy on investment to subsidiary or associated company and any other measurement relevant thereto.

LEGAL DISPUTE

As of December 31, 2018, the company has not been involved in the arbitration procedures, claims, legal procedures or has been a litigant in any cases (1) that may have a negative impact on the company's assets, which has the amount higher than 5 percent of the company's shareholders' equity; (2) that affects the company's business operations significantly but are not able to evaluate the impact into numbers; and (3) that is not caused by company's normal business.



GENERAL AND OTHER SIGNIFICANT INFORMATION

GENERAL INFORMATION

Company Name	- PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED
Types of Business	- A private hospital business
Address	- 99 Rama IX Road, Bang Kapi, Huaykwang Bangkok 10310
Web Site	- www.praram9.com
Phone	- 02-202-9999
Fax	- 02-202-9998
Stock Type	- Common Stock
Registered Capital	- 800,000,000 Baht
Par Value of	- Baht 1 per share
Paid-up capital	- 786,300,000 Baht

REFERENCE INFORMATION

Securities Registrar	- Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Phone: 02-009-9000 Fax: 02-009-9991
Auditor	- Miss Kosum Cha-Em CPA number 6011 or Mr. Termphong Opanaphan CPA number 4501 or Miss Manee Rattanabunnakit CPA number 5313 E Y OFFICE COMPANY LIMITED 33 rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Khlong Toei, Bangkok 10110 Telephone : 02-264-9090 Fax : 02-264 0789
Interna Auditor	- Ms. Wanna Malueangnon ACC-PLUS Consultant Company Limited 33 Soi Chat San Suthisan Winitchai Rd., Khwaeng Samsen Nok, Khet Huai Khwang, BANGKOK 10310 Phone: 02-693-3581 Fax: 02-274-7650
Legal Consultant	- Hunton Andrews Kurth (Thailand) Co., Ltd. 1 Q House Lumpini Bldg, 34 th floor, Sathon Tai Rd. Khwang Thung Maha Maek, Khet Sathon, Bangkok 10120 Phone: 02-645-8800 Fax: 02-645-8800
Financial Advisor	- PHATRA SECURITIES PUBLIC COMPANY LIMITED 6,8-11/F Muang Thai Phatra Office Tower 1 252/6 Ratchadapisek Road Huaykwang Bangkok 10310 Phone: 02-305-9000 Fax: 02-305-9535

SECURITIES AND SHAREHOLDERS INFORMATION

NUMBER OF REGISTERED CAPITAL AND PAID- SHARES

As of December 31, 2018, the company recorded its registered capital of Baht 800,000,000, divided into 800,000,000 ordinary shares with a par value of 1 baht per share; and paid-up capital of Baht 786,300,000, divided into 786,300,000 ordinary shares with a par value of 1 baht per share.

The Annual General Meeting of Shareholders 2018 of Praram 9 Hospital Public Company Limited, on March 28, 2018, has approved of increasing the Company's registered capital from Baht 600,000,000 (six hundred million baht) to Baht 800,000,000 (eight hundred million baht); by issuing 200,000,000 new capital increase ordinary shares (two hundred million shares) at the par value of 1 Baht (one baht) per share as follows

1. To support the issuance and offering of company's ordinary shares to the public for the first time (IPO) at 167,500,000 shares (one hundred sixty seven million five hundred thousand shares)
2. To allocate the capital increase ordinary shares to the directors and/or executives, who are the founders of the company, at 12,500,000 shares (twelve million, five hundred thousand shares).
3. To offer to the stabilization agent of the company in relation to the greenshoe options at 20,000,000 shares (twenty million shares).

On October 25, 2018, the company registered the increased of paid-up capital at Baht 180,000,000 (one hundred and eighty million baht), from Baht 600,000,000 (six hundred million baht) to Baht 780,000,000 (seven hundred and eighty million baht) in accordance with Article 1 and 2. Subsequently, the offering of shares to the Company's stabilization agent is in accordance with Article 3. The stabilization agent has exercised the right to purchase 6,300,000 ordinary shares (six million three hundred thousand shares) in Offering price of 11.60 baht per share (eleven baht sixty satang) which is the same price as the IPO price. By which the company had sold 6,300,000 shares (six million three hundred thousand shares) at a par value of 1 baht (one Baht) to the stabilization agent in order to return to the lenders, who are directors or executives that are the Company's founders; which consisted of 4 individuals, namely, Dr. Satian Pooprasert, Dr. Prasert Triratvorakul, Dr. Viroon Mavichak and Dr. Mongkol Tanjapatkul (The "Share Lenders"). Where on November 30, 2018, the company has registered the increase of paid-up capital of the company with the Department of Business Development Ministry of Commerce, at the amount of Baht 6,300,000 (six million three hundred thousand baht). As a consequence, the company's paid-up capital changed from the original "Paid-up capital of Baht 780,000,000 (seven hundred and eighty million baht)" to "paid-up capital of Baht 786,300,000 (seven hundred and eighty Sixteen million three hundred thousand baht)."

SHAREHOLDERS

List of top 10 shareholders

The Company's shareholder structure as of January 22, 2019 after being listed in the Stock Exchange of Thailand can be summarized as follows

ORDER	NAME LIST	SHARE	PERCENT
1.	KHUNYING POTJAMAN DAMAPONG	292,062,500	37.144
2.	JPMORGAN THAILAND FUND	18,209,000	2.316
3.	OPEN—ENDED ABERDEEN SMALL CAP FUND	11,724,100	1.491
4.	MR. SATIAN POOPRASER	10,550,000	1.342
5.	BUALUANG BASIC DIVIDEND LTF	10,102,900	1.285
6.	MR. SANTI PIROMPAKDEE	10,000,000	1.272
7.	MR. PRASERT TRAIRATVORAKUL	9,950,000	1.265
8.	MR. MONGKOL TANJAPATKUL	9,350,000	1.189
9.	MR. VIROON MAVICHAK	9,250,000	1.176
10.	MR. PRASERT SATIANTIRAKUL	8,000,000	1.017
TOTAL		389,198,500	49.49

The company has no policy in the manner of two or more companies hold each other shares to cartel or to build the business group structure such as cross holding or pyramid shareholding.

DIVIDEND PAYMENT POLICY

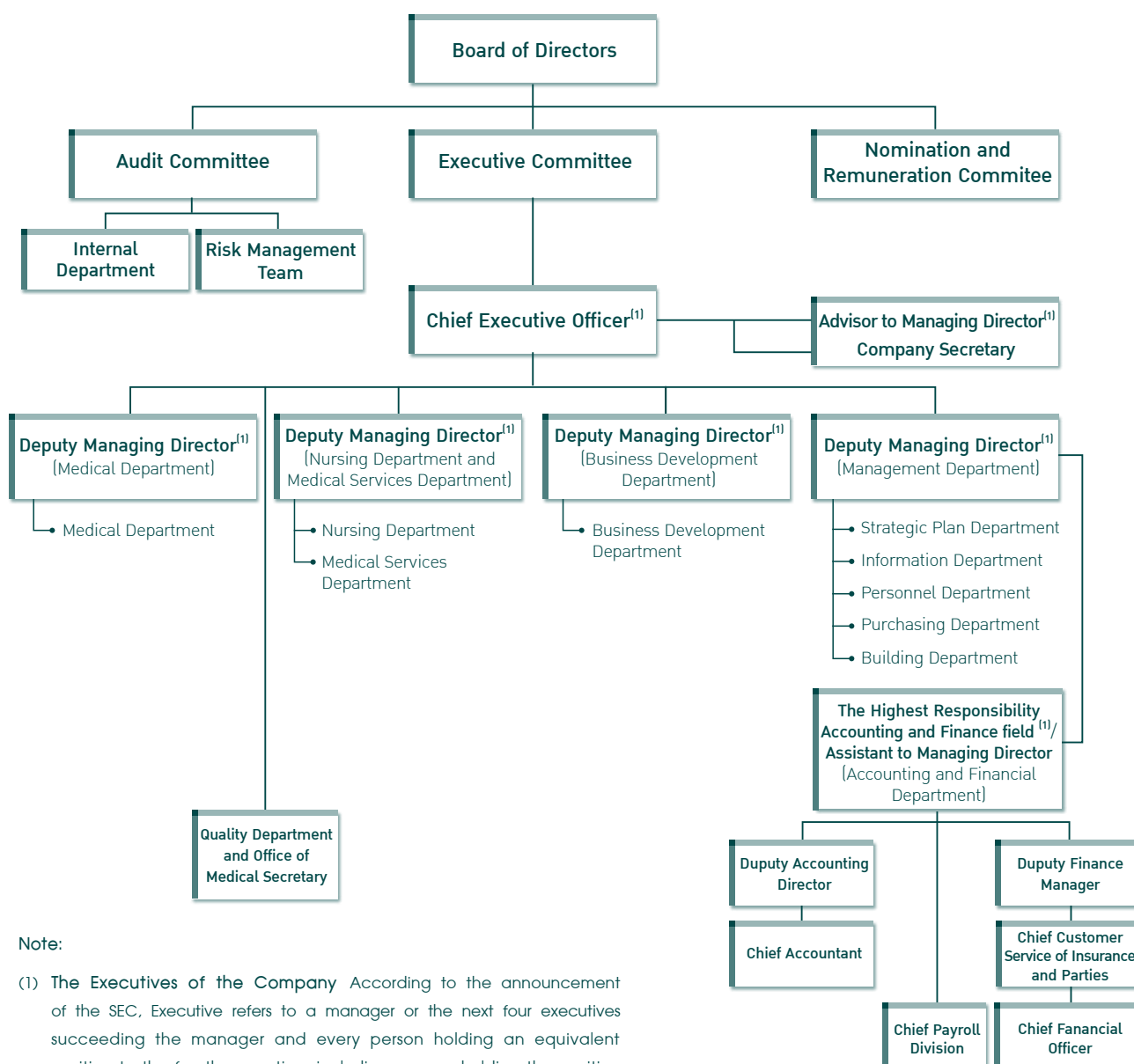
The company has a dividend policy of paying dividends to shareholders at a rate of not less than 40 percent of the net profit after corporate income tax, allocation of all types of reserves as specified in the Company's laws and regulations. However, the payments of such dividends are subject to change depending on the necessity and other suitability as the Board of Directors deems appropriate. The annual dividend payment shall be approved by the Shareholders' Meeting unless in the case of interim dividend payment at which the Board of Directors have the authority to authorize such payment; and will report to the Shareholders' Meeting to acknowledge in the next meeting.

MANAGEMENT STRUCTURE

As of December 31, 2018, the Company's management structure as approved by the Board of Directors Meeting No. 1/2018 (after the conversion) on March 30, 2018, comprised of the Board of Directors and 3 sub-committees, namely, the Audit Committee (Which as well has the scope of authority and responsibility for Risk management.),

the Nomination and Remuneration Committee and the Executive Committee.

On the other hand, the sub-committees are responsible for screening significant matters assigned and reporting directly to the Board of Directors. The Company's management structure can be summarized as follows:



Note:

(1) **The Executives of the Company** According to the announcement of the SEC, Executive refers to a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including persons holding the position of departmental manager or equivalent or higher in accounting or finance.

THE BOARD OF DIRECTORS AND SUB-COMMITTEE

The Board of Directors

As of December 31, 2018, the Board of Directors composed of 10 members,

- 3 Directors who has a position in management or is an Executive Director
- 4 Independent Directors
- 3 Non-Executive Directors

NAME	POSITION
1. MR. BHANAPOT DAMAPONG	Chairman of the Board of Directors (Non - Executive Director)
2. Dr. SATIAN POOPRASERT	Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer
3. Dr. VIROON MAVICHAK	Director / Member of the Executive Committee / Deputy Managing Director
4. Dr. PRASERT TRAIRATVORAKUL	Director / Member of the Executive Committee / Deputy Managing Director
5. MR. ATTAPOL SARIDDIPUNTAWAT	Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee (Non - Executive Director)
6. MRS. VILASINEE PUDDHIKARANT	Director / Member of the Nomination and Remuneration Committee (Non - Executive Director)
7. Assoc. Prof. Dr. SARANA BOONBAICHAİYAPRUCK	Independent Director / Chairman of the Nomination and Remuneration Committee
8. MR. KANIT PATSAMAN	Independent Director / Chairman of the Audit Committee
9. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Independent Director / Member of the Audit Committee
10. MR. PISET CHIYASAK	Independent Director / Member of the Audit Committee

With Miss. Marisara Thanasaksiri as company secretary, Information and related details of the Board of Directors are available in details of Directors, Executives, Regulators, assigned person to hold the highest responsibility in

accounting a finance line, and the person who has been assigned to take direct responsibility in supervising accounting and company secretary.

As of December 31, 2018, the company has 4 independent directors where 2 independent directors being doctors who perform outpatient examination and /or give consultant, as well as operate or perform medical procedures in the hospital, namely, Professor Wing Commander Doctor Sirintara SingharaNa Ayudhaya ("Prof. Wg. Cdr. Dr. Sirintara"), (Member of the Audit Committee), who is the hospital's consultant that does not perform outpatient examination but drop in to operate or perform medical procedure on case by case and Associate Professor Doctor Sarana Boonbaichaiyapruk ("Assoc. Prof. Dr. Sarana") who is a part time doctor. Assoc. Prof. Dr. Sarana has served as an advisor to the hospital's executive committee from October 28, 2016 until August 18, 2017 and has received meeting fees as compensation (without regular salary). However, in the case of Assoc. Prof. Dr. Sarana, who has received medical remuneration per year in a value that is higher than the criteria set forth in the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (amend). The Board of Directors Meeting No. 2/2018 (after the conversion) on May 15, 2018 and the Board of Directors Meeting No. 4/2561 (after the conversion) on July 31, 2018 has considered incompliance with Section 89/7 under the Securities and Exchange Act BE 2535 (including additional amendments) and has unanimous opinion (Excluding directors with conflict of interest) that in appointing Assoc. Prof. Dr. Sarana as the Company's independent director has no effect on performing duties and giving independent opinions to the company. Assoc. Prof. Dr. Sarana will be able to perform duties as Company's independent directors effectively, able to express opinions on the operations of the company independently; as well as being independent from the control of the executives, major shareholders and are not involved or have any conflict of interest in the management team's decision. In addition, Assoc. Prof. Dr. Sarana hold qualifications and competence in both the medical profession and medical academic and is a specialist who is expertise in cardiovascular disease, highly experienced. Assoc. Prof. Dr. Sarana is credible and well accepted in the medical community and patients where Dr. Sarana has performed outpatient examinations or work in several public and private hospitals. The appointment of Assoc. Prof. Dr. Sarana will be the most beneficial to the company, shareholders, and minority shareholders of the company.

AUTHORIZED DIRECTOR

Authorized director sign on behalf of the company in accordance with the company regulations and Certificate of Juristic Person Registration, Department of Business Development, Ministry of Commerce. As of December 31, 2018, namely, Mr. Satian Pooprasert, Mr. Viroon Mavichak, and Mr. Prasert Trairatvorakul where two of these three directors have jointly signed and affixed the Company's seal.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Directors shall be a person with knowledge and expertise, integrity and business ethics as well as have sufficient time to devote their knowledge, expertise and to perform duties for the company.

2. To have the qualifications and possess no prohibited characteristics under Public Limited Companies Act, Securities and Exchange Act and other relevant laws. Moreover, the Board of Directors should have no possession of characteristics indicating inappropriateness for trust in the management of a business with the public being shareholders as stipulated by the Securities and Exchange Commission.

3. The directors may assume directorships in other companies, but such directorships shall not be an obstacle to the performance of duties as a director of the Company and shall be in line with the guideline of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

4. The directors shall not undertaking a business of the same nature as and in competition with that of the company, or to enter to be a partner in an ordinary partnership or a partner of unlimited liability in a limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the company, whether for their own or others' benefit, unless the meeting of shareholders had been notified prior to appointment thereto.

5. Independent directors shall have qualifications relating to independence as determined by the Company and is in accordance with the guidelines announced by the Capital Markets Supervisory Board. In addition, the Independent directors shall as well be a person who is able to take care of the interests of all shareholders equally and does not cause conflicts of interest. Moreover, they must

be able to attend the Board of Directors' meeting by giving independent opinions. More details on Definition of Independent Director can be seen in "Independent Director" topic.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. The Board of Directors shall perform their duties with responsibility, caution, and integrity by taking into account the best interests of the company and every shareholder as significant. Including performing duties and governance the business to be in compliance with the Company's laws, objectives, articles of association, along with the resolutions of the Board of Directors' Meeting and the resolutions of shareholders' meeting.

2. Determine and consider approval for objectives, vision, strategies, business directions, goals, guidelines, policies, business plans, management structure and Company's approval authority. Including monitoring and supervision management, as well as manage and monitor the performance of Management Department.

3. Supervise the business to ensure that it is operates in accordance with the principles of Good Corporate Governance; operates with ethics and respect the rights as well as responsibility towards shareholders and stakeholders. Including conducting business that is beneficial to society and the environment, as well as being able to adjust under the changing factors.

4. Determined the approval authority on various matters in addition to the authority entrusted to the Managing Director in the Company's regulations, such as approval of the investment budget and the operation of various projects of the Company; unless such transactions requires approval from the Shareholders' Meeting. In considering of such approval shall be in accordance with the related laws, notifications and / or regulations throughout, until entering into significant contracts, including the appointment of Directors who retired during the year and payment of interim dividends to shareholders..

5. Draw up annual reports and is responsible for drawing up and disclosing consolidated financial statements, including the Company's separate financial statements at the end of the Company's accounting period; which has been audited by the auditors to ensure that the statements are accurate, complete and accurately in accordance with the generally accepted accounting standards in order to present to the Shareholders' Meeting for consideration and approval.

6. Implement with appropriate and efficient accounting system as well as established system for preparing financial reports and disclosing significant information accurately, adequately, timely and in accordance with the regulations, standards and related practice guidelines.

7. Consider and determine risk management policies that cover the entire organization and supervise for risk management to have system and process as well as adequate, appropriate and effective internal control.

8. Supervise the establishment of policy framework and remuneration structure that are appropriate and motivated for executives and employees at all levels

9. Establish Good Corporate Governance policy and Anti-Corruption policy in accordance with written Principle of Good Governance. The Company has responsibility towards all stakeholders with fairness by providing communication for all levels of the organization and for outsiders that is practical.

10. Supervise and manage conflicts of interest that may occur between the Company's stakeholders, including the prevention of undue use of assets, Company's information and opportunities as well as entering into transactions with those who are related to the company in an inappropriate manner.

11. Ensure the disclosure of roles and duties of the Board of Directors and sub-committees, number of times the meetings were held and the number of times each Director attended the meeting in the past year and report the performance of every sub-committee.

12. Monitor and supervise the Company's management and operations to be in accordance with the policies specified by the company; including laws related to business operations and Securities and Stock Exchange laws, Notification of Capital Market Supervisory Board and regulations of the Stock Exchange of Thailand, by mutatis mutandis, as not contrary to or inconsistent with other laws.

13. Consider approving various matters by taking into account the interests of shareholders and all groups of stakeholders of the company fairly.

ROLES AND DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

1. Have independent in proposing the meeting agenda.

2. Be a leader and oversee the Board of Directors Meeting and Shareholders Meeting to achieve effective results.

3. Reinforce the Board of Directors to participate in the meeting.

4. Help, recommend, and give suggestions that are beneficial to the Company's business.

5. Consider matters that may cause conflict of interest in order to be accurate and transparent.

Independent Directors

Good Corporate Governance and Business Code of Conduct Handbook of the Company required the Board of Directors must consist of at least one third of independent directors out of total directors, and shall not be less than 3 persons. All independent directors shall be knowledgeable, competent and qualified as independent in accordance with the specified by the laws, by being able to independently express opinions in the meeting. In addition, the independent director shall regularly attend the meetings and access to other financial and business information adequately to be able to express opinions independently. Maintain the benefits of those involved and supervised to prevent conflicts of interest between the company and the executives, directors, major shareholders in the same group. Moreover, independent directors shall report their independence once appointed and report annually to disclose in the annual report, including notifying the company to acknowledge when there are changes.

In this regard, the Company requires independent directors to hold the following qualifications

1. Hold no more than 1 % of total voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person; inclusive of the shares held by related persons of such independent director.

2. Is not an executive director, employee, staff, advisor with salary, or controlling person of the Company, its parent company, subsidiary, associated company, subsidiary company of the same level, major shareholder or controlling parties Unless, it has been at least two years after the person has held the position. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit who is a major shareholder or controlling person of the Company;

3. Is not related, whether by blood or legal registration as father, mother, spouse, sibling and child, including spouse of the offspring of other directors, executives, major shareholders, controlling parties, or persons who

will be nominated as directors, executives, or controlling parties of the company or subsidiary.

4. Not having or never had any relations with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, in the manner which such relation may impede the person from having independent judgment, the person should not currently be or never be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person. Unless, it has been at least two years after the person has held the position.

5. Not being or never been the auditor of the company's, its parent company, subsidiary, associated company, major shareholder or controlling person and is not a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, the Company's parent company, subsidiary company, associated company, major shareholder or controlling person. Unless, it has been at least two years after the person has held the position.

6. Not providing or never provided professional services, legal consulting, nor financial consulting services who received fees exceeding THB 2 million per year from the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and is not a significant shareholder, controlling person or partners of the such services providers. Unless, it has been at least two years after the person has held the position.

7. Not a director appointed as a representative of the Company's director, major shareholder, or shareholder who is related to major shareholders.

8. Not undertake any business in the same nature and in competition to the business of the Company or the Company's subsidiary, or is not a significant partner in a partnership nor an executive director, employee, staff, advisor with salary or holding shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

9. Not possess any other characteristics that deter the ability to express independent opinions with regards to the Company's business operations.

Audit Committee

As of December 31, 2018, The Audit Committee consisted of 3 Company's Independent Directors

Name	Position
1. Mr. KANIT PATSAMAN	Chairman of Audit Committee
2. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Member of Audit Committee
3. Mr. PISET CHIYASAK	Member of Audit Committee

Mr. Kanit Patsaman who has the knowledge and experience in accounting and finance and Lt. Panita Pakakij, the Office of Strategic Plan Manager to served as secretary of the audit committee in place of Ms. Jittikorn Thipparat, who was appointed by the Audit Committee Meeting No. 4/2561 (after conversion) on November 12, 2018.

SCOPE OF DUTIES AND RESPONSIBILITIES OF AUDIT COMMITTEE

1. Review the Company's financial reports to be accurate and disclose sufficient information in accordance with generally accepted accounting standards.

2. Review the Company's internal control system and internal audit system to ensure the appropriateness and effectiveness by reviewing together with the auditor and internal auditor; including considering the independence of the internal audit unit, consider approval on annual budget, manpower and resources necessary for the performance of the internal audit department.

3. Consider approval of the annual internal audit plan and supervise the internal audit unit operation is in accordance with the approved annual internal audit plan; and in accordance with the international standards in the practice of internal audit profession as well as assess the quality of the internal audit work annually.

4. Review the Company's compliance with the laws governing Securities and Exchange Act, including regulations and Notification of Stock Exchange of Thailand Including other relevant laws and standards that apply to the Company and / or the business of the Company.

5. Consider, select and propose the appointment of an independent party as the Company's auditor, along with to propose the remuneration of such auditors.

6. Consider giving opinions on entering into related transactions or transactions that may have conflicts of interest, to be in compliance with relevant laws and regulations as well as the regulations and Notification of the Stock Exchange of Thailand; to ensure that such transactions are reasonable and are for the highest benefit of the Company.

7. Prepare the report of the Audit Committee to propose to the Board of Directors by disclosing in the Company's annual report, at which such report has been signed by the Chairman of the Audit Committee.

8. Inspect, revise and comment on various policies related to the authority and duties of the Audit Committee, such as accounting policies, corporate governance policies, social responsibility policies, anti-corruption and etc.

9. Consider, evaluate and review the nature of risks that the Company is experiencing or the identification of risk and determine the risk appetite.

10. Consider and give opinions on comprehensive policies and scope of risk management both inside and outside the company; and give opinion in accordance with the business strategy and direction and presented to the Board of Directors.

11. Consider strategies and guidelines for risk management in accordance with the risk management policy, to be able to evaluate, monitor, and supervise the risk appetite as well as give approval on risk assessment results, guidelines and risk management measures, including operational plans to manage risks.

12. Supervise to have an individual to be responsible for compliance with risk management policies in order for the Company to maintain effective risk management system throughout the organization and continuous implementation.

13. To consider the structure and appoint risk management working group in order to assess and monitor risk management results.

14. To consider the budget and methods on responding to the risks that may occur and may occur with the Company, to be used as regulations in performing according to each type of risk situations and to propose to the Board of Directors for approval.

15. To review the appropriateness and adequacy of the policy, strategies and guidelines on the Company's risk management, to ensure that such policies, strategies and

practices are in compliance with the company's strategy and business direction as well as able to supervise the risk level to be at an acceptable level; including giving advice and support to the Board of Directors on Corporate Risk Management. In addition, to promote and support the improvement and development of the risk management system continuously and consistently as well as report to the Board of Directors on risks and risk management.

Moreover, the audit committee is as well responsible for monitoring risk management by considering from the scope of duties and responsibilities of audit committee in accordance with article 9-15

Executive Committee

As of December 31, 2018, the Executive Committee consisted of 6 Directors as follow:

Name	Position
1. MR. ATTAPOL SARIDDIPUNTAWAT	Chairman of Executive Committee
2. DR. SATIAN POOPRASERT	Member of Executive Committee
3. DR. PRASERT TRAIRATVORAKUL	Member of Executive Committee
4. DR. VIROON MAVICHAK	Member of Executive Committee
5. MR. SONGSAK PREMSUK ⁽¹⁾	Member of Executive Committee
6. MR. SOMCHAI PINYOPORNPANICH ⁽²⁾	Member of Executive Committee

Note:

(1) An expert in marketing and public relations strategies with knowledge and experience that is beneficial to the business of the company. Currently does not hold the position of Company's Director or the Executive.

(2) A qualified person in Medical Academic on Public Health and Pharmacy with knowledge and experience that is beneficial to Company's business. Currently does not hold the position of Company's Director or the Executive.

With Dr. Wittaya Wanpen, Assistant Managing Director, Office of Strategic Plan, as the Executive Committee Secretary.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

1. Prepare vision, strategy, business direction, goals, guidelines, policies, business plan, budget, management structure and Company's approval authority to propose to the Board of Directors for approval and consent; and proceed as approved by the Board of Directors, including checking and monitoring such operating performance to be in an efficient and effective manner.

2. Supervise the business operations related to general management of the company through the Company's managing director.

3. Monitor the Company's operating performance to be in accordance with the policy framework and goals approved by the Board of Directors as well as supervise to ensure that the operation maintain quality and efficiency.

4. Consider the annual budget allocation in compliance with the management; propose before submitting to the Board of Directors for consideration and approval.

5. Study the feasibility of investing in new projects as well as hold the authority to consider and approve the Company to invest or joint invest in various projects in the form that the Board of Directors deem appropriate. Including entering into contract and/or any transactions related to normal business operations or entering into financial transactions with banks or financial institutions in order to support normal business operations in accordance with the

authority limits; and/or as determined by the Board of Directors and/or in accordance with relevant laws and regulations and/or in accordance with the regulations of the Company.

6. Consider and monitor the Company's operating performance and propose the interim dividend or annual dividend payment to propose to the Board of Directors for approval.

7. Determine organizational structure, organizational management authority and policy framework for nomination, hiring, transfer, termination of employment, remuneration structure for determining salaries, compensation, bonus and

rewards as specified in the Human Resources Management Authority table approved by the Board of Directors.

8. Review and propose to the Board of Directors, consider and amend the scope of authority, duties and responsibilities of the Executive Committee in compliance with the circumstances.

NOMINATION AND REMUNERATION COMMITTEE

As of December 31, 2018, the Nomination and Remuneration Committee consisted of 3 Independent Directors and/or Non-Executive Directors, namely:

Name	Position
1. Assoc. Prof. Dr. SARANA BOONBAICHAIIYAPRUCK	Chairman of Nomination and Remuneration Committee
2. Mr. ATTAPOL SARIDDIPUNTAWAT	Member of Nomination and Remuneration Committee
3. Mrs. VILASINEE PUDDHIKARANT	Member of Nomination and Remuneration Committee

With Miss. Nuchanee Utong, Assistant Managing Director of Accounting and Finance (The highest responsible person in accounting and finance) as the Secretary of the Nomination and Remuneration Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

Nomination

1. Draw up policies, rules and procedures in nominating directors, audit committee and managing directors of the Company, to propose to the Board of Directors and / or propose to the Shareholders' Meeting for approval as the case may be.

2. Consider and nominate qualified candidates with knowledge, experience and expertise in order for such persons to hold the position of Directors, Audit Committee and Managing Directors; by nominating the Board of Directors to consider the appointment and / or propose to the Shareholders' Meeting for consideration and appointment (As the case may be).

3. Oversee the succession plan in order to prepare for the succession of the managing directors and senior management.

4. Review the criteria and method for nomination of directors to propose to the Board of Directors prior to the nomination of directors who completed the term.

5. Consider the independence of each independent director to ensure that the independent directors of the company is fully qualified

6. Consider the form and prepare the development plan for the directors, sub-committee and the managing director to develop knowledge of both current and new personnel in order for such personnel to understand the Company's business, roles and significant developments such as economic and industrial conditions, rules or laws related to the Company's business and etc.

Determination of Remuneration

1. Consider and establish policies and criteria for determining remuneration and other benefits (whether in cash, securities or any other form) of the Board of Directors, Audit Committee and the Managing Directors to propose to the Board of Directors Meeting and / or the Shareholders' Meeting to consider and approve.

2. Establish policies and criteria for assessing the performance of the Board of Directors, Audit Committee and the Managing Directors to consider the annual returns

and present to the Board of Directors for consideration and approval.

3. Disclose the policy and criteria in determining remuneration and other benefits; and establish report on the determination of such remuneration in the Company's Annual Report.

4. Consider and screen the structure of salary and other benefits of the Executive Committee.

LIST OF BOARD OF DIRECTORS AND SUBCOMMITTEES AS WELL AS ATTENDANCE OF DIRECTORS FOR THE YEAR, ENDED DECEMBER 31, 2018

The company has registered as a public company limited on March 29, 2018. The rights and responsibilities of Rama 9 Hospital Company Limited, a private company, immediately became Rama 9 Hospital Public Company Limited in the year 2018,

List of Directors	Position ⁽¹⁾	No. of Time Attended the Meeting / No. of with Rights to Attend the Meeting			
		Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee
1. MR. BHANAPOT DAMAPONG	Chairman of the Board of Directors	9 / 9	-	-	-
2. DR. SATIAN POOPRASERT	Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer	9 / 9	-	12 / 12	-
3. MR. PRASERT TRAIRATVORAKUL	Director / Member of the Executive Committee / Deputy Managing Director	9 / 9	-	12 / 12	-
4. MR. VIROON MAVICHAK	Director / Member of the Executive Committee / Deputy Managing Director	9 / 9	-	12 / 12	-
5. MR. ATTAPOL SARIDDIPUNTAWAT	Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee	9 / 9	-	12 / 12	2 / 2
6. Assoc. Prof. DR. SARANA BOONBAICHAIPRUCK ⁽²⁾	Independent Director / Chairman of the Nomination and Remuneration Committee	8 / 9	-	-	2 / 2
7. MRS. VILASINEE PUDDHIKARANT ⁽²⁾⁽³⁾	Director / Member of the Nomination and Remuneration Committee	7 / 9	4 / 4	-	0 / 0
8. MR. KANIT PATSAMAN ⁽²⁾	Independent Director / Chairman of the Audit Committee	9 / 9	7 / 7	-	-
9. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA ⁽²⁾	Independent Director / Member of the Audit Committee	9 / 9	7 / 7	-	-
10. MR. PISET CHIYASAK ⁽⁴⁾	Independent Director / Member of the Audit Committee	2 / 3	2 / 3	-	-
11. MR. SONGSAK PREMSUK ⁽⁵⁾	Member of the Executive Committee	-	-	11 / 12	-

List of Directors	Position ⁽¹⁾	No. of Time Attended the Meeting / No. of with Rights to Attend the Meeting			
		Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee
12. DR. SOMCHAI PINYOPORNPANICH	Member of the Executive Committee	-	-	10 / 12	-
13. MR. SOMBOON KUPTIMANUS ⁽⁶⁾	Former Director / Former Member of the Nomination and Remuneration Committee	5 / 5	-	-	1 / 1
14. DR. MONGKOL TANJAPATKUL ⁽⁷⁾⁽⁹⁾	Former Director / Former Member of the Executive Committee	-	-	7 / 8	-
15. DR. PROMMIN LERTSURIDEJ ⁽⁷⁾⁽⁹⁾	Former Director / Former Member of the Executive Committee	-	-	11 / 12	-
16. GEN. DR. SAHACHART PIPITKUL ⁽⁷⁾⁽⁹⁾	Former Director / Former Member of the Executive Committee	-	-	8 / 8	-
17. MISS PINTONGTA SHINAWATRA KUNAKORNWONG ^{(8) (9)}	Former Director / Former Member of the Executive Committee	-	-	5 / 5	-

Note:

- (1) Independent Directors mean Directors who are not Executive Directors and is not involved in routine management and is not a major shareholder of the Company, including having qualifications as specified by the Capital Market Supervisory Board.
- (2) Appointed as Director by the resolution of the Board of Directors Meeting No. 4/2560 on September 13, 2017, to replace Dr. Mongkol Tanjapatkul, Dr. Prommin Lertsuridej, GEN. Dr. Sahachart Pipitkul and Miss Pintongta Shinawatra Kunakornwong, who held the position of Director until September 13, 2017.
- (3) Mrs. Vilasinee Puddhikarant has been appointed as Company's independent director in accordance with the resolution of the Board of Directors Meeting No. 4/2560 on September 13, 2017 and has been appointed as the Audit Committee in accordance with the resolution of the Board of Directors' Meeting No. 5/2017 on September 28, 2017, by holding the position of Audit Committee until June 2018. Later Mrs. Vilasinee has been appointed as Director in place of being an Independent Director and has been appointed as a Member of the Nomination and Remuneration Committee in accordance to the resolution of the Board of Directors Meeting No. 3/2561 (after conversion) on July 31, 2018.
- (4) Appointed as a Director by the resolution of the Board of Directors Meeting No. 4/2561 on July 31, 2018 to replace Mr. Somboon Kuptimanus who resigned from the position of Director of the company In July 2018 and has been appointed Member of Audit Committee by resolution of the Board of Directors Meeting No. 4/2561 on July 31, 2018 to replace Mrs. Vilasinee Puddhikarant.
- (5) Appointed as Deputy Managing Director on July 6, 2017, and appointed as Member of Executive Committee by the resolution of the Executive Committee Meeting No. 7/2017 on July 20, 2017, holding the position of Deputy Managing Director until 17 October 2017. Subsequently, was appointed as Advisor of the Managing Director, after the organizational restructuring in accordance with the Company's announcement No. 121/2560 on October 17, 2017. A strategic expert in marketing and public relations with knowledge and experienced that is beneficial to the Company's business and had resign from the position of Advisor to the Managing Director on July 2018 and did not serve as a director and Executive as of July 31, 2018.
- (6) Resigned from the position of Director and the Member of Nomination and Remuneration Committee since July 2018.
- (7) Hold the position of Director and Member of Executive Committee until September 13, 2017. Subsequently, was appointed as an Advisor to the Executive Committee by the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017, and resigned from the position of Advisor to the Executive Committee since July 2018.
- (8) Appointed as Director and Member of Executive Committee by the resolution of the Board of Directors Meeting No. 2/2560 on March 23, 2017; holding the position of Director and Member of Executive Committee until September 13, 2017. Later, was appointed as an Advisor to the Executive Committee by the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and resigned from the position of Advisor to the Executive Committee on July 2018
- (9) Dr. Mongkol Tanjapatkul, DR. Prommin Lertsuridej, Gen. Dr. Sahachart Pipitkul and Miss Pintongta Shinawatra Kunakornwong attended the Executive Committee Meeting. For the year ended December 31, 2017, as the advisor to the Executive Committee, 3 times, 4 times, 3 times and 3 times, respectively; and attended the Executive Committee Meeting for the six-month period ended June 30, 2018, as Advisor to the Executive Committee, 6 times, 6 times, 6 times, and 4 times, respectively.

EXECUTIVE

As of December 31, 2018, The Executive In accordance with the definition of Executive of the SEC Notification No. KorChor. 17/2551 regarding Determination of Definitions in

Domestic relating to Issuance and Offer for Sale of Securities (according to additional amendment). There are a total of 6 persons as follows:

Name	Executive Position
1. DR. SATIAN POOPRASERT	Chief Executive officer
2. Dr. MONGKOL TANJAPATKUL	Advisor to Managing Director
3. DR. VIROON MAVICHAK	Deputy Managing Director Medical Department
4. DR. PRASERT TRAIRATVORAKUL	Deputy Managing Director Nursing and Medical Service Department
5. DR. SUTHON CHUTINIYOMKARN ⁽¹⁾	Deputy Managing Director Management Department / Deputy Managing Director Business Development Department
6. MISS. NUCHANEE UTONG	Assistant Managing Director Accounting and Finance Department / Highest person responsible for Account and Finance line.

Note:

- 1) Appointed as Deputy Managing Director, Business Administration Department on October 16, 2017, and currently appointed as Deputy Managing Director, Business Development Department.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE MANAGING DIRECTOR

1. Supervise, manage, operate and perform regular business activities for the Company's benefit to be in accordance with the vision, business direction, objectives and regulations; along with resolutions, regulations, policies, business strategies, goals, operational plans and annual budget plans that has been approved by the Board of Directors and/or the Shareholders' Meeting under the relevant legal framework and the scope of authority determined by the Board of Directors.

2. Supervise overall business operations in finance, marketing, personnel management and other operation in order to be in compliance with the policies, business strategies, goals, operational plans and the annual budget plan of the company approved by the Board of Directors.

3. Determine the Company's operation plan, investment plan, annual budget plan, including the structure and management authority as proposed by the management department; to propose to the Executive Committee and / or the Board of Directors for further consideration of approval

4. Inspect, monitor and evaluate the performance of the Company's management department regularly. Suggest solutions guideline to the problems and obstacles in order for the management department to implement the laid down strategy and business plan to be in accordance with the Company's policies and goals as well as report to the Board of Directors quarterly.

5. Issue orders, regulations, announcements and records within the company to ensure the Company's operations are in accordance with the policy and are for the Company's benefit, including maintaining discipline within the organization.

6. Assign any person to contact with external organizations which includes government agencies and other regulatory agencies as much as the managing director has authority or has been assigned.

7. Define organizational structure, organizational management authority, and management methods by covering the details in selecting development and training,

hiring, appointment, transfer and dismissal of employees as defined in the Human Resources Management Authority Table that has been approved by the Board of Directors.

8. Determine the wage rate, remuneration, reward, bonus and employees pay raise as specified in the Human Resources Management Authority table that has been approved by the Board of Directors.

9. Negotiate and enter into contracts and/or any transactions related to Company's normal business operations within the authority limits as specified in the Approval Authority Authorized by the Board of Directors; and/or as determined by the Board of Directors and/or in accordance with relevant laws and regulations and/or in accordance with the Company's regulations.

10. Has the authority to approve on entering into contracts and/or any transactions related to Company's normal business operations in accordance with authority limits approved by the Board of Directors, such as purchasing assets, making loan, applying for loans from financial institutions, spending of significant investments and/or in accordance with relevant laws and regulations and/or in compliance with the Company's regulations.

11. Appoint consultants for each field that are necessary for the Company operation within the authorities and limits amount as specified in authority limits and/or as determined by the Board of Directors.

12. Perform other duties as assigned by the Board of Directors, including having the authority to take any necessary action to perform such duties.

13. Delegate the authority to any person or persons to perform any act on behalf of the managing director. The delegation of authority, duties and responsibilities of the managing director shall not be made in the manner that the managing director or other persons delegated by the managing director able to approve transaction, which they or others may have conflict (as defined in the Notification of the Securities and Exchange Commission and/or the Capital Market Supervisory Board Notification and/or the Stock Exchange of Thailand and/or determined by relevant agencies), may have stake in or may receive benefit in any way or may have any conflicts of interest with the Company; unless the approval of the transaction is in accordance with the policies and regulations approved by the Board of Directors' Meeting.

COMPANY SECRETARY

The Board of Directors' Meeting No. 2/2018 (before the conversion) on February 28, 2018 has resolved to appoint Miss Marisara Thanasaksiri to be the company secretary. Miss Marisara has legal education qualifications and passed various training courses which helps support one's own duties; such as Company Secretary Program, CGR Workshop, etc. The appointment became effective since March 16, 2018, to perform duties in compiling and maintaining the Register of Directors, Invitation Letter of the Board of Directors Meeting, the Minutes of Meeting of the board of directors, Annual Report, Invitation Letter of Shareholders' Meeting, Minutes of shareholders' Meeting; which includes keeping the reports of conflict of interest reported by directors or executives. In addition, the company secretary shall conduct other tasks as specified by the Capital Market Supervisory Board and submit a copy of the report of conflict of interest under Section 89/14.

Shareholders and Stakeholders can directly contact the company secretary at:

Marisara Thanasaksiri

Praram 9 Hospital Company Limited

99, Rama IX Road, Bangkok, Huai khwang, Bangkok, 10310

Tel: 02-2029999 ext. 39605

E-mail : marisarat@praram9.com

(Please refer to company secretary profile for more details)

SCOPE OF DUTIES AND RESPONSIBILITIES OF COMPANY SECRETARY

1. Inform the related Executives to acknowledge on the resolution and policies of the Board of Directors and Shareholders; as well as give advice and initial recommendations to the Board of Directors in accordance with the laws, regulations, policies and rules of the Company and Good Corporate Governance practices that the Board of Directors must know. Monitor to ensure the compliance is consistent and report on changes to laws, regulations and/or regulations that are significant to the Board of Directors for acknowledgment.

2. Prepare and store documents such as director registration, Board meeting invitation letter, minutes of directors' meeting, annual report, shareholders' meeting invitation letter, minutes of the shareholders meeting and etc.

3. Proceed to ensue directors executives and other persons whom the Board of Directors deems appropriate to perform one's duties on reporting of the interests, preparing one's own and related parties' report of the interests in accordance to the legal requirements; along with keeping such reports and sending copies of such reports to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 business days from the date the company received such report.

4. Manage the shareholders' Meeting and the Board of Directors' Meeting in accordance with the laws, company regulations and relevant practices, including recording the minutes of meeting.

5. Monitor and supervise the disclosure and report information on the responsible area to relevant unit in accordance with the regulations and requirements of such unit.

6. Contact and communicate with general shareholders to be informed of shareholders' rights.

7. Perform any other duties in accordance with Securities and Exchange laws as prescribed in the Notification of the Capital Market Supervisory Board, including other related laws and regulations and/or perform any other duties assigned by the Board of Directors.

Summary of Significant financial Approval Authority Tables

Order	Details ⁽¹⁾	Manager	Assistant Chief Executive Officer	Deputy Managing Director	Chief Executive Officer	Executive Committee	Board of Directors
1.	Business Plan and Annual Budget	-	-	-	-	-	Approved
2.	Capital Budgeting per Project	-	-	-	10 Million Baht	>10 Million Baht	-
3.	Medical Tools and Equipment ⁽²⁾	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	10 Million Baht	>10 Million Baht	-
4.	Other Fixed Assets ⁽²⁾	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousand Baht	10 Million Baht	>10 Million Baht	-
5.	Project budgeting	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	10 Million Baht	>10 Million Baht	-
6.	Medications, Medical Supplies and Biomedical materials ⁽²⁾	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	5 Million Baht	20 Million Baht	Unlimited
	Other Extravagant Materials ⁽²⁾	5 Thousand Baht	10 Thousand Baht	1 Hundred Thousands Baht	5 Million Baht	20 Million Baht	Unlimited
7.	Costs and Expenses						
	- Cost of medical treatment	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	5 Million Baht	>5 Million Baht	-
	- Repair and Maintenance Expenses	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	5 Million Baht	>5 Million Baht	-

Order	Details ⁽¹⁾	Manager	Assistant Chief Executive Officer	Deputy Managing Director	Chief Executive Officer	Executive Committee	Board of Directors
	- Insurance Fees	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	5 Million Baht	> 5 Million Baht	-
	- Advertising, Public Relations and Sales Promotion expenses	10 Thousand Baht	50 Thousand Baht	2 Hundred Thousands Baht	1 Million Baht	>1 Million Baht	-
	- Domestic Travelling Expenses	-	-	50 Thousand Baht	1 Hundred Thousands Baht	>1 Hundred Thousands Baht	-
	- International Travelling Expenses	-	-	-	5 Hundred Thousands Baht	> 5 Hundred Thousands Baht	-
	- Other Expenses	-	10 Thousand Baht	2 Hundred Thousands Baht	1 Million Baht	>1 Million Baht	-
8.	Advance	-	10 Thousand Baht	1 Hundred Thousands Baht	5 Hundred Thousands Baht	> 5 Hundred Thousands Baht	
9.	Budget imprest Cash/Adjust Imprest Cash	-	-	-	Approved	-	-

Note:

(1) Budget approval authority only

(2) per each time of purchase

REMUNERATION FOR DIRECTORS AND EXECUTIVES

The Company has established well-defined and transparent remuneration for directors which is consistent with the roles and responsibilities and has considered the appropriateness by taking into account the highest benefit to the company. The details of the remuneration for directors and executives are as follows:

Monetary Compensation

1) Directors' remuneration (only remuneration as a director)

The Annual General Shareholders' Meeting for the year 2018, on March 28, 2018 resolved to approve the directors' remuneration at the amount of Baht 2,600,000, as summarized below.

Directors	Meeting Allowance (Baht/Person/Times)	
	Chairman	Directors
Board of Directors	30,000	15,000

Subcommittee	Meeting Allowance (Baht/Person/Times)	
	Chairman	Directors
Audit Committee	20,000	10,000
Executive Committee ⁽¹⁾	7,000	6,000
Nomination and Remuneration Committee	20,000	10,000

Note:

(1) Director who is an executive does not receive Executive Committee's meeting allowance.

The remunerations of the directors for the year 2017 and 2018, are as follows:

List of Board of Directors and Subcommittee	Meeting Allowance (Baht)	
	For the year ended December 31,	
	2017	2018
1. DR. BHANAPOT DAMAPONG	150,000	270,000
2. DR. SATIAN POOPRASERT	162,000	135,000
3. DR. PRASERT TRAIRATVORAKUL	150,000	135,000
4. DR. VIROON MAVICHAK	141,000	135,000
5. MR. ATTAPOL SARIDDIPUNTAWAT	166,000	239,000
6. Assoc. Prof. Dr. SARANA BOONBAICHAIIYAPRUCK	30,000	160,000
7. MRS. VILASINEE PUDDHIKARANT	30,000 ⁽¹⁾	155,000 ⁽¹⁾
8. MR. KANIT PATSAMAN	30,000 ⁽¹⁾	295,000 ⁽¹⁾
9. Prof. Wg.Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	30,000 ⁽¹⁾	215,000 ⁽¹⁾
10. MR. PISET CHIYASAK	-	50,000
11. MR. SOMBOON KUPTIMANUS	90,000	100,000
12. MR. SONGSAK PREMSUK	30,000	66,000
13. DR. SOMCHAI PINYOPORN PANICH	72,000	60,000
14. DR. MONGKOL TANJAPATKUL ⁽²⁾	108,000	-
15. DR. PROMMIN LERTSURIDEJ ⁽²⁾	87,000	-
16. GEN. DR. SAHACHART PIPITKUL ⁽²⁾	116,000	-
17. MISS PINTONGTA SHINAWATRA KUNAKORNWONG ⁽²⁾	60,000	-
18. MR. CHAROEN NUDSUKPOB	36,000	-
Total	1,488,000	2,015,000

Note:

(1) The allowance for 3 members of the Audit Committee attending the Audit Committee Meeting No. 1/2017 as of 30 November 2017, totaling Baht 40,000; was paid in March 2018 due to the consideration of remuneration for the Audit Committee at the Nomination and Remuneration Committee Meeting No. 1/2018 as of February 28, 2018.

- (2) Holding the position of directors and/or member of executive directors until September 2017; later, was appointed as an advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on 28 September 2017. In 2017, the Advisor to the Executive Committee (Including executives) received meeting allowance of Baht 5,000 per meeting as an advisor to the executive committee; and in 2018, the advisor to the Executive Committee (non-executive) received meeting allowance of Baht 5,000 per meeting as an advisor to the Executive Committee. The advisors of all 4 executive directors have received meeting allowance as the advisors to the committee, totaling Baht 78,000 in 2017 and Baht 80,000 in 2018, respectively.

Executive Remuneration (only remuneration as executive)

The Company has paid monetary compensation to executives, which consisted of salary and bonus for the year

ended 31 December 2017 and for the year ended 31 December 2018. The details are as follows:

	For the year ended December 31,	
	2017	2018
Number of executives (persons)	6 ⁽¹⁾	6
Remuneration (Million Baht)	18.5	33.8

Note:

- (1) Dr. Suthon Chutiniyomkarn has been appointed as Executive Vice President Business, Administration Department on October 16, 2017.

Other Remuneration

1) Directors' remuneration (only remuneration as a director)

The Company hold a policy in providing other remuneration to the Board of Directors in accordance with the agreement, such as medical welfare for directors and families as defined in the Company's regulations.

2) Executive compensation (Only remuneration as executive) remuneration

The company has a policy to provide other remuneration to the Company's executives, such as medical welfare, provident fund, insurance premiums, telephone fees, fuel bills, motorway fees, and etc.

The Board of Directors Meeting No. 4/2018 has a resolution to consider and approve the price policy (revised edition No. 1/2561); including medical treatment welfare for directors and/or executives who are founders, namely, Dr. Satian pooprasert, Dr. Viroon Mavichak, Dr. Prasert Trairatvorakul, Dr. Mongkol Tanjapatkul and family (spouse and children up to 25 years old). The Board of Directors Meeting's resolution has determined maximum coverage value per year and other welfare conditions causing the Company to have expenses from record of employees' welfare obligations relating to medical treatment welfare

for directors and/or executives who are founders; from the actuarial estimates for the year ended December 31, 2018, at the amount of Baht 9.0 million. Such record has been recorded as expenses for 1st quarter, three-month period ended March 31, 2018, which is equivalent to Baht 8.7 million and for 2nd- 4th quarter, has been recorded as expenses which is equivalent to Baht 0.1 million per quarter.

Moreover, in paying remuneration to the aforementioned directors and executives the Company's Annual General Meeting of Shareholders for the year 2018, on March 28, 2018 resolved to allocate the Company's capital increase ordinary shares and the offering of the Company's capital increase ordinary shares to the directors and/or executives who are founders of the Company. as well as to approving and assigning the Board of Directors, Managing directors and/or the person the Board of Directors or the managing directors assigned to have the authority in accomplishing any necessary action or actions related to the allocation, offering or sale of new ordinary shares. In this offering of shares, the allotments of shares for persons with relationships are as follows

- (1) The Board of Directors' Meeting No. 5/2561 on August 14, 2018 has the resolution to approve the rules

regarding the relationship of the Company's sponsors. The sponsors mean doctors who perform outpatient examination and/or give consultant as well as operate or perform medical procedures; which the Executive Committee Meeting No. 9/2018, on 20 September 2018, resolved to acknowledge the rules on the allocation of ordinary shares for employees who have relationship with the Company.

The Company has allocated the Initial Public Offering (IPO) of capital increase ordinary shares, totaling no more than 167,500,000 shares with par value of Baht 1 per share. Thus, the Company has allocated capital increase shares to doctors, which include doctors who hold the position of the Company's directors and employees which include the Company's executives. The names are as follows:

Name-Last name	Position	Maximum number of shares allocated (shares)	Proportion compared to all ordinary shares after IPO (percent)	Allocated price (Baht / share)
1. ASSOC. PROF. DR. SARANA BOONBAICHAIPRUCK	Independent Director and Chairman of the Nomination and Remuneration Committee	200,000	0.03	IPO price
2. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Independent Director / Member of the Audit Committee	100,000	0.01	IPO price
3. DR. SOMCHAI PINYOPORN PANICH	Member of Executive Committee	50,000	0.01	IPO price
4. DR. SUTHON CHUTINIYOMKARN	Deputy Managing Director Management Department / Deputy Managing Director Business Development Department	50,000	0.01	IPO price
5. Miss. Nuchanee Utong	Assistant Managing Director of Accounting and Finance and the highest responsible person in accounting and finance	50,000	0.01	IPO price
Total		450,000	0.07	

(2) The Shareholders Annual General Meeting for the year 2018, on March 28, 2018, resolved to approve the allocation of capital increase ordinary shares to directors and/or executives, who are the Company's founders; with the purpose of returning to the Company's founders who are directors and/or executives that had participated in the Company's past success. In addition, such allocation has the purpose of maintaining important personnel to work with the Company in the long run which will be beneficial to the Company's operations and performance in the future. Such action will be beneficial to the Company and shareholders as well as will benefit the Company performance and generate highest return to the shareholders in the future. The Company will be offering ordinary shares together with the Company's Initial Public Offering (IPO) but will not be

offering the capital increase ordinary shares to directors and/or executives who are the founders of the company.

By allocating no more than 12,500,000 ordinary shares with a par value of Baht 1 per share to be offered to directors and/or executives who are the Company's founders, at the price calculated from the book value per share ending at December 31, 2017 (based on the audited financial statements for the year 2017) and adjusted with dividend per share that has been approved at the Shareholders' General Meeting for the year 2018, by offering together with IPO. The offering of the capital increase ordinary shares offered to directors and/or executives that are the founders of the above mentioned companies will be prohibited from selling for a period of 12 months, commencing from the first trading date on the Stock Exchange

Name-Last name	Position	Maximum number of shares allocated (shares)	Proportion compared to all ordinary shares after IPO (percent)	Allocated price (Baht / share)
1. DR. SATIAN POOPRASERT	Vice-Chairman of the Board of Directors, Member of Executive Committee and Chief Executive Officer	3,500,000	0.44	2.65
2. DR. VIROON MAVICHAK	Director, Member of Executive Committee and Deputy Managing Director	3,000,000	0.38	2.65
3. DR. PRASERT TRAIRATVORAKUL	Director, Member of Executive Committee and Deputy Managing Director	3,000,000	0.38	2.65
4. Dr. MONGKOL TANJAPATKUL	Advisor to the Managing Director	3,000,000	0.38	2.65
Total		12,500,000	1.58	

In the case where the directors and/or the executives, who are the founders of the Company, exercised the right to purchase the Company's capital increase ordinary shares in full amount; so that in accordance with the financial reporting standard issue No. 2 on share-based payment which required the Company to appraise the fair value of ordinary shares provided to the Company's directors, executives and/or employees and record the difference between the fair value of ordinary shares and the offering price as expenses in the income statement. Hence, the offering of securities to directors and/or the executive, who is the Company's founders, in accordance with the above project, in this case the IPO price will be considered as a fair price. The difference between the IPO price and the offering price will immediately be recorded as expenses in the Company's income statement in the quarter the

Company offers to sell the securities to directors and /or executives, who are the founders of the company. Which will result in a significantly decrease in net profit in accordance to the Company's financial statements. The aforementioned expenses are at the amount of Baht 111.88 million.

However, in considering the Company's dividend payment for the year 2018 operation period, the Company aims to improve the Company's net profit by not using effect from the expenses incurred from the financial reporting standard issue No. 2 on such Share Based Payment to calculate the dividend payment for the operation period of the year 2018 in accordance with the Company's dividend payment policies. In order for preventing shareholders from being affect from such transactions.



PERSONNEL

Number of personnel

The total number of Company's personnel for the year 2017 and 2018, is 1,986 people, divided by line of work as follows:

Line of Work	Number of (people) As of December 31,	
	2017	2018
Permanent Doctor	111	117
Part Time Doctor	384	443
Consultant	131	149
Nurse	351	344
Other Medical Personnel ⁽¹⁾	556	585
Other Department ⁽²⁾	348	348
Total	1,881	1,986

Note:

(1) Medical personnel include other medical services such as pharmacists, radiologists, nutritionists, physical therapists and etc.

(2) Other departments include Business Development Department, Business Administration Department, Buildings and Utilities Department and other departments.

Employee Remuneration

The Company has paid compensation to employees, which exclude doctors, for the year 2017 and 2018. The details are as follows:

Remuneration	For the year ended December 31,	
	2017	2018
Salary and Benefits	522.1	585.9
Bonus	65.5	78.0
Other Remuneration ⁽¹⁾	74.8	94.6
Total	662.5	758.5

Note:

(1) Other compensation, such as medical expenses, provident fund, social security, life insurance, retirement fund and other welfares.

Provident Fund

The company has established provident fund in accordance with the Provident Fund Act BE 2530 (including the amended editions) by entering into a provident fund, K Master Pooled Fund, with Registration No. 23/2536; The Company has assigned Kasikorn Asset Management Company Limited to be the provident fund manager.

The main objective is to create morale and to motivate employees to work with the Company in the long term; by

which employees who join the provident fund will receive counterpart funds of 3% or 5% of the employees' salary base and employees will be paying contributions to the fund at the rate of 3% or 5% of the salary base depending on the employee's work tenure.

Major Labor Disputes over the Past 3 Years

-none-

CORPORATE GOVERNANCE

GOOD CORPORATE GOVERNANCE POLICY

Praram 9 Hospital Public Company Limited (“the Company”) registered as a public company limited on March 29, 2018 and listed its ordinary shares on the Stock Exchange of Thailand on October 30, 2018, under the securities symbol “PR9”. The Board of Directors recognizes the importance of officiating with the good corporate governance principles, therefore has the policy to continuously promote better corporate governance within the organization. With confidence that such is a significant factor which will help the Company’s business operations to be effective and grow sustainably. As good corporate governance is a tool that reflects the effectiveness of management systems, that are transparent and accountable; it leads to building confidence for shareholders, investors, stakeholders of the Company; and can be confidence that the Company operate business transparently and fairly to all stakeholders. In addition, this allows the Company to be able to adapt appropriately amid rapid changes in business and technology which results in long-term growth and create sustainable value for the business.

Since being converted into Rama 9 Hospital Public Company Limited in 2018, the Board of Directors has prepared policies on corporate ethics and good corporate governance in written form. The content covers 5 significant key principles of good corporate governance, including shareholders’ rights, equitable treatment of shareholders, taking into account the role of stakeholders, disclosure of information and transparency and responsibilities of the Board of Directors. In order to be able to cover various factors to be in consistent with changes in business operations in terms of goals, strategies and operations of the Company, the Board of Directors has therefore determined that the policy shall be revised and reviewed regularly on a yearly basis. The policy shall be accurate, complete, and clear in accordance with the guidelines that are in consistent with the principles of good corporate

governance (CG Code) of the Office of the Securities and Exchange Commission which has been revised. This includes being in consistent with the criteria of Thai Institute of Directors Association (IOD) as well as the international guidelines of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Company has also invited experts from external consulting companies to give lectures to the Board of Directors, executives and related parties to create mutual understanding. The Company also provides training to educate new employees on the orientation day and test their knowledge and understanding after the training. Then explain the answers for them to know which all employees shall attend the training and pass the tests on such topics, by treating it as part of the work regulations. Furthermore, the Company has publicize the policies to all directors, executives and employees of the company, including all relevant stakeholders, to acknowledged and adhere to as guidelines in officiating in the same direction. The Significant matters can be summarized as follows:

RIGHTS OF SHAREHOLDERS

The company recognizes and places importance to every shareholders of the company, to fairly and equally receive the basic rights as a shareholder and to build confidence among shareholders and investors. The Company has therefore defined the basic rights of shareholders in writing, in the Company’s corporate governance policy. The basic rights of shareholders consisted of the rights to buy, sell, and transfer the securities that one’s hold, the rights to receive profit sharing from the company, rights to attend shareholders’ meeting, rights to express opinions, the right to communicate between each other where the company will not obstruct or create obstacles. In addition, the shareholders rights also includes the rights to participate in making decisions on the Company’s significant matters, such as dividend allocation, stock repurchase, rights to purchase additional shares,

appointment or removal of directors, consideration of directors' remuneration, appointment of auditors, approval of significant transactions that affect the direction of the Company's business. This also includes the amendment of the memorandum of association and articles of association of the Company and the rights to receive sufficient, accurate and timely information. Thus, if the Shareholder Agreement has a significant impact to the company or other shareholders, the Company shall immediately explain. In addition, the Company has promoted the rights of shareholders in various aspects as follows:

1. Facilitating shareholders in the Shareholders' Meeting

- The Company has a mission to promote and facilitate shareholders and investors to fully exercise their rights through the Shareholders' Meeting, to allow shareholders to participate in making decisions on significant matters of the business or matters that affect one's own rights in various aspects. The company therefore has the policy to facilitate and encourage shareholders, investors, and institutional investors to attend the Company's Shareholders' Meeting, ie in organizing the shareholders' meeting. The company will determine the appropriate date, time and venue for the meeting. The meeting will not be held during public holidays or holidays that are consecutive for three days or more and will be held during normal business hours, within 08.30 - 16.00 o'clock by allocating sufficient time for meetings. The meeting place will be held in Bangkok which is the location of the headquarters. Such locations are located near public transportation with a transportation system that makes it easy to travel such as buses (MRT, Airport Rail Link and provide service car to pick up and drop off shareholders attending the meeting. This is for facilitating the Company's shareholders in attending the meeting.

- The Company provides stamp duty service in the proxy form to the proxy attending the meeting without any charge at the registration point in order to reduce the burden of the cost of providing stamp duty for shareholders.

- The Company has determined guidelines for the shareholders' identification documents in case of proxy for other persons to attend the meeting, a copy of ID card or a copy of a passport can be used in place without having to use the actual documents in order to avoid complications or to restrict the rights of shareholders to attend the meeting.

2. Operation prior to the Shareholders' Meeting

- The Company has the policy to allow shareholders to propose additional agenda and nominate qualified

persons to be elected as the Company's directors at the Annual General Shareholders' Meeting. This includes the opportunity for shareholders to submit questions on the Company or about the agenda in order to inquire on doubtful issues to the Company in advance, prior to the Company's Annual General Shareholders' Meeting. The Company has published details and criteria for granting rights on the Company's website at www.praram9.com. This includes the dissemination of these rights through the website of the Stock Exchange of Thailand, for shareholders and investors to acknowledge.

For the year 2019, Annual General Shareholders' Meeting, the Company provides opportunity for shareholders to propose additional agenda and nominate qualified persons to be elected as directors of the Company in advance; commencing from November 1, 2018 to December 31, 2018. Shareholders can send questions on the Company in advance, from November 1, 2018 to March 15, 2019.

- The Company has policies to publicize the Shareholders' Meeting Invitation Letter along with supporting documents in both Thai and English versions on the Company's website at www.praram9.com, at least 30 days prior to the meeting. As well as delivery the Shareholders' Meeting Invitation Letter in both in Thai and English versions, at least 21 days prior to the meeting. The information in the invitation letter should clearly specify date, time and venue of the meeting, as well as travel map, agenda, objectives and reasons for each agenda. Including providing separate votes for each item such as the election of directors (Separate the election of directors and the election of new directors into 2 agenda items), determination of directors authority, directors remuneration and significant and necessary information for decision making, opinion of the Board of Directors. Such information should be complete and sufficient to be used in making decision to vote in each agenda, along with posting on a daily newspaper for 3 consecutive days prior to the meeting and at least 3 days to inform and convene shareholders' meeting in advance and have sufficient information for preparing to attend the meeting.

- The Company's policies allow for shareholders, both minor shareholders and shareholders who are institutional investors to register to attend the Shareholders' Meeting in advance, prior to the meeting date. The Company foresees that such is a channel that can help facilitate all shareholders and prevent delays on the meeting date.

- The Company has the policy to protect shareholders' rights in the event that shareholders are not able to attend

the meeting by themselves. The Company allows shareholders to appoint any other person or Company's independent directors to attend the meeting on their behalf. The Company has specified the information of the independent directors, the proxy, in the proxy form which has been delivered together with the invitation letter to the shareholders. Including details of documents and necessary evidence for shareholders and proxies to be presented to the Company on the meeting date in order to protect shareholders' rights in attending the meeting.

3. Operation on the day of the Shareholders' Meeting

- Identifying the steps in attending the meeting to allow all shareholders to receive information to clearly and accurately understand the procedures of the Shareholders' Meeting. Therefore, in operating shareholders' meeting, prior to the starting of the meeting, the company secretary will introduce the directors, executives and vote counting inspectors as well as the Company's auditors for shareholders

to acknowledge. This includes informing the number of shareholders who attend the meeting, both shareholders who come in person and proxy, including explaining the procedures and methods of voting. In addition, at the end of the clarification of the Board of Directors in each agenda the Chairman of the Board of Directors will allow shareholders to ask questions and express their opinions in sufficient and appropriate time. The Board of Directors will answer the questions related to the business and the agenda for the shareholders to acknowledge and recorded in the minutes of the Shareholders Meeting of the Company. In the event that the shareholder is a foreigner, the Company has arranged for staff to be an interpreter to translate questions and answers to shareholders, including for the Shareholders' Meeting to acknowledge.

In the past year of 2018, the Company held 1 Shareholders' Meeting with the Board of Directors, the first 4 executives and the Company's auditors which all attended the meetings. The details are as follows:

Name list of Directors and executives	Postion	Shareholders' Meeting (Number of meetings attended / Number of times eligible to attend the meeting)
1. MR. BHANAPOT DAMAPONG	Chairman of the Board of Directors (Non - Executive Director)	1/1
2. DR. SATIAN POOPRASERT	Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer	1/1
3. DR. VIROON MAVICHAK	Director / Member of the Executive Committee / Deputy Managing Director	1/1
4. DR. PRASERT TRAIRATVORAKUL	Director / Member of the Executive Committee / Deputy Managing Director, Nursing and Medical Services Department	1/1
5. MR. ATTAPOL SARIDDIPUNTAWAT	Director / Chairman of the Executive Committee / Member of the Nomination (Non - Executive Director)	1/1
6. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Independent Director / Member of the Audit Committee	1/1
7. Assoc. Prof. Dr. SARANA BOONBAICHAIRAPRUCK	Independent Director / Chairman of the Nomination and Remuneration Committee	1/1

Name list of Directors and executives	Postion	Shareholders' Meeting (Number of meetings attended / Number of times eligible to attend the meeting)
8. MR. KANIT PATSAMAN	Independent Director / Member of the Audit Committee	1/1
9. MRS. VILASINEE PUDDHIKARANT	Director / Member of the Nomination and Remuneration Committee (Non - Executive Director)	1/1
10. MR. SOMBOON KUPTIMANUS ⁽¹⁾	Member of the Nomination and Remuneration Committee (Non - Executive Director)	1/1
11. MR. PISET CHIYASAK ⁽²⁾	Independent Director / Member of the Audit Committee	0/0
12. DR. SUTHON CHUTINIYOMKARN	Deputy Managing Director, Management Department / Deputy Managing Director, Business Development	1/1
13. MISS. NUCHANEE UTONG	Assistant Chief Executive Officer Accounting and Finance Department / Highest Responsible Person in Accounting and Finance Field	1/1

Note:

(1) Mr. Somboon Kuptimanus retired from the position of Director, was effective since July 10, 2018.

(2) Mr. Piset Chiyasak was appointed as Independent Director and Member of Audit Committee, effective since July 31, 2018.

- The voting, vote counting and vote counting methods in each agenda, the Company arranges to use ballots for every agenda and in the election of directors the Company gives shareholders the opportunity to vote to elect directors individually; by arranging the use of a barcode system to facilitate the shareholders and to create rapidity and accuracy even more. The Company will instantly present the vote counting result to the shareholders to acknowledge and for transparency in voting and vote counting in the shareholders' meeting every time. The Company invited independent legal counsel from outside as the shareholders representative check the voting and ensure that the shareholders' meeting is transparent and in accordance with the laws and the charter of the Company.

- The Company has the policy to conduct the shareholders' meeting in accordance with the order of the meeting agenda as stated in the invitation letter, without adding any sudden significant information during the shareholders' meeting. Including avoid adding other matters

agenda items that is not scheduled in advance or change the order of the meeting agenda or significant information without notifying the shareholders in advance. This is for the shareholders to be acknowledged of the matters to be considered in advance for decision making in attending the meeting.

- The Company has policies to allow all shareholders to have equal rights in expressing opinions, suggestions or asking questions on related agendas independently and allocated appropriate time prior to the voting. The Company's directors and executives answered questions and clarified false statements in the meeting appropriately.

- In determining remuneration for directors, such as regular remuneration, meeting allowances, other benefits (if any), the Company has clear policies, methodology and criteria by compare to the same industry. This includes meeting plans of the Board of Directors and sub-committees, business expansion and profit growth which shall be approved by the Nomination and Remuneration Committee and the

Board of Directors before proposing to the shareholders' meeting for approval.

4. Operation after the shareholders' meeting

- The Company will publish the resolution of the shareholders' meeting with the vote result after the closing of the shareholders' meeting or the slowest, within 9.00 hours of the next business day from the date of the Shareholders' Meeting through the website of the Stock Exchange of Thailand and the Company website at www.pram9.com

- The Company will record and prepare the minutes of the shareholders meeting in both Thai and English versions correctly and completely, on essential matters, such as the proportion of shareholders attending the meeting, rules and procedures for voting and counting of votes, names and positions of directors, CEO, the first 4 executives, auditors, inspectors to count and validate votes at the meeting, content of the meeting agenda, Issues, questions, answers, suggestions, comments, and resolutions of the meeting, together with voting results, agree, disagree, abstain, and waste cards; in order for shareholders who did not attend the meeting to acknowledge and verifiable. The Company will publish the minutes of the shareholders' meeting on the Company website at www.pram9.com So that Thai and foreign shareholders can get information quickly and equally as well as check the accuracy of information without having to wait for the next meeting and submit it to the relevant authorities within the period specified by the law.

EQUITABLE TREATMENT OF SHAREHOLDERS

The company recognizes and places importance to treating all shareholders equally. The Board of Directors therefore has established a policy by taking into account the rights of every group of shareholders, all major shareholders, minor shareholders, Institutional shareholders and foreign shareholders are treated equally in exercising their rights as shareholders. As well as received care for benefits correctly, fairly and transparently, in order to protect shareholders from being exploited by the regulator which the Company has implemented the following

1. Types of shares and voting rights

The Company shares are of the same type as the company's regulations, ie ordinary shares with specifying shareholders names. All shareholders have the right to vote in proportion to their shareholding; with one share equivalent to one vote and holding a majority vote as a resolution. In case of a tie vote, the Chairman of the meeting shall cast

the deciding vote, as one extra vote apart from voting as a shareholder.

2. Shareholding structure of the Company

The Company has policies to disclose the shareholding structure that has the top 10 highest holding proportion of the Companies, namely, major shareholders, shareholders with authority to control the business, shareholders who are institutional investors, including the proportion of minor shareholders (Free Float) of the Company. As well as maintaining the shareholding ratio of minor shareholders in accordance with the rules set by the Stock Exchange of Thailand. At present, the Company has a proportion of minor shareholders of more than 40 percent, as of the closing date of the register on October 24, 2018 prior to being listed on the Stock Exchange of Thailand. The Company has a proportion of minor shareholders of approximately 54.95 percent. The Company has disclosed the shareholding structure of the Company in the annual report, annual registration statement (Form 56-1), Company website at www.pram9.com and the website of the Stock Exchange of Thailand. In addition, the Company has transparent and auditable operating structure and there is no complex shareholding structure with difficulty identifying Beneficial Owner. This includes no cross holding or having a pyramid holding structure in any way.

3. Invitation letter to the Shareholders' Meeting

The Company places importance on treating each shareholder equally, regardless of whether it is a major shareholder, minor shareholders or foreign shareholders by organizing the Annual General Shareholders' Meeting. Every shareholder will receive information on the meeting agenda in advance and even though the majority of the Company's shareholders are Thai, the Company still prepared the invitation letter for the Shareholders' Meeting and related documents in 2 languages, Thai and English to facilitate the Thai and foreign shareholders. As well as published complete invitation letter to the meeting both in Thai language format and English on the Company website at www.pram9.com, at least 30 days in advance of the meeting date. The Company has as well sent the invitation letter to Shareholders' Meeting along with supporting documents for the shareholders to studying in advance, at least 21 days prior to the meeting.

4. Proxy and proxy to attend the shareholders' meeting

The Company has prepared a proxy form in accordance with the Ministry of Commerce's form, which

determined for shareholders to select and use as deemed appropriate for both Form A, Form B, and Form C. (Proxy forms only for the custodian) published on the Company's website at www.pram9.com. Together with delivering of the proxy form B to shareholders, which is the form that can determine the direction of the vote on their own, together with the invitation letter. The invitation letter shall specify details of the document information and evidence necessary for shareholders and proxies to present to the Company on the meeting date. Including simple step-by-step proxy instructions for the shareholders to be able to correctly prepare and not having problems in attending the meeting of proxies. This is to facilitate and maintain the rights to shareholders in the event that they are unable to attend the meeting by themselves.

5. Broadcasting of Shareholder's Meeting

The Company arranges for the live broadcast of the meeting and video record of the shareholders meeting and broadcast on the Company's website at www.pram9.com as services to shareholders, investors and interested parties that have no opportunity to attend the meeting.

6. Report of conflict of interest of the Company's Board of Directors and the Executives

In order to be in compliance with the Securities and Exchange Act of Thailand and create fairness to all stakeholders, the Board of Directors therefore has established policies regarding reporting of interest of directors and executives of the Company; which specified that the first 4 directors and executives shall report to the Company of their own interests or of the person related. In the case of having a stake in the management of the Company's business or its subsidiaries (if any) conflict of interest of directors and executives shall be reported as follows:

(1) First time reporting: Report to the Company by informing the company secretary when the director or executive takes the position of director or executive.

(2) Report of changes in stakeholder data: report without delay within 3 business days from the date of data change by specifying the number of changes. The company secretary shall send a copy of the revised report to the Chairman of the Board of Directors and Chairman of the Audit Committee for acknowledgment within 7 working days from the date the Company received the said report.

(3) Report of conflict of interest or involvement in the consideration item: The directors and executives who have conflict of interest or is related to the transactions that the Audit Committee or the Board of Directors to consider.

Inform the company secretary to acknowledge the Company on relationship or the conflict of interest of one's own and persons involved in the said transaction, at least 10 days prior to the consideration of agenda of the Board of Directors Meeting (Or at least 3 days before sending the invitation letter and/or agenda documents). As well as recorded in the minutes of the Audit Committee or Board of Directors Meeting at that time and shall not participate or have voting rights in considering as well as having no authority to approve the transaction.

After the Company was listed on the Stock Exchange of Thailand in 2018, the first 4 directors and executives of the Company, all of whom had submitted the report of conflict of interest form to the company secretary to store as a registration database of the Company's directors and executives. The company secretary had sent a copy of the report on such conflict of interest to the Chairman of the Board of Directors and Chairman of the Audit Committee for acknowledgment and had stored as information.

7. Preparation and dissemination of minutes of Shareholders' Meeting

In order for the shareholders can acknowledge and be able to check the Company's Shareholders' Meeting information within a reasonable time, the Company therefore has the policy to publish the minutes of the shareholders' meeting; which contains complete significant information, namely, significant content of the agenda, resolutions, along with the vote results of agreeing, disagreeing, abstaining and bad cards. This includes inquiries, clarification and Comments in the meeting. The Company has prepared both Thai and English versions and published simultaneously on the Company website at www.pram9.com, within 14 days of the meeting; in order for the Thai and foreign shareholders to quickly and equally receive information and check for the accuracy of the information without having to wait for the next meeting. Along with submitting to the Department of Business Development, Ministry of Commerce within the time specified by law.

8. Policy to prevent the use of internal information

The Company has established guidelines in keeping and preventing the use of insider information that may be significant and may affect the changes in the company's stock price; by prohibiting individuals or agencies that know internal information to disclose such information to unrelated agencies or individuals unless the Company had disclosed such information to the public. The Company has as well determined for the Board of Directors, Executives Committee, Executives and the Company's employee, as well as Advisor

to the Chief Executive Officer that have acknowledge the significant insider information that has effect or may affect the price change of the Company's securities. This includes financial information, which the said persons shall refrain from trading the company's securities during the 30 days prior to the financial statements or internal information are disclosed to the public and during the 24 hours after the Company's information has been publicly disclosed. Those related to such information shall not disclose that information to other persons, unless such information has been notified to the Stock Exchange of Thailand. The Company has disclosed the policy on prevention of the use of insider information for all directors, executives and employees to acknowledge and adhere to, through the Company website at www.praram9.com. The Company's new staff will be informed of this policy as the Company has included in the course for new employee orientation.

9. Policy to prevent conflicts of interest

The Company has established policies and guidelines on prevention of conflicts of interest on the principle that any decision in conducting business activities, it shall be for the best interest of the Company and shareholders and should avoid actions that cause conflicts of interest to ensure fairness to all stakeholders. Therefore such is considered as the Company's policy to prevent personal exploitation from being a director, executives or employees of the company. As a result, the Company has formulated the implementation regulations for directors, executives and employees of the company as follows

(1) Avoid making related party transactions or connected transactions with oneself or related persons that may cause conflicts of interest with the Company. Except for transaction that will support the medical services and/or are transactions that are reasonable and most beneficial to the Company.

(2) Refrain from seeking benefits for oneself and others by bringing information or insider information that has not been disclosed to the public or confidential to use or to disclose to outsiders.

(3) Does not use documents or information obtained from being the Company's director, executives or employees, in doing their own business or other persons that have competitive characteristics or have the same characteristics or related to the Company.

10. Policy on related party transactions and connected transactions

The Company has established the policy on related

party transactions and/or connected transactions in order to ensure the transparency and fairness in the business operations of the Company. The details are as follows:

- Conducting related party transaction and transaction approval

In conducting related party transactions or connected transactions, the Company has to implement in accordance with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand. By which directors, executives or persons who may have conflicts of interest in the said transaction shall not be able to participate or have the rights in voting to approve the said transaction.

- Measures and procedures for entering into related party transactions

(1) In considering of the entering into related party transactions, the Company shall applied the same rules as general customers and/or the general public as well as shall be in accordance with the Company's normal operating procedures in order to support the business operation which shall be fair and reasonable as well as create the highest benefits to the company.

(2) If there is no such price, the Company shall consider comparing the price of the products or services with the external price, under the same or similar conditions.

(3) The Company may utilize the report of independent appraisers, who has been appointed by the Company, to compare prices for significant related party transactions in order to ensure that such prices are reasonable and are for the best interest of the group company

(4) In conducting Company's related party transactions that the directors, executives or persons who may have conflicts or related interests which is not a normal business transaction or have different trade conditions from transactions with general customers or the third party will be able to proceed only when such transactions have been approved by the Board of Directors Meeting with a majority vote in which directors, executives or persons who may have conflicts or related interests must participate in considering and approving that transaction and must not have any special conditions or conditions that is different from normal and shall be in accordance with the rules set by the Company.

(5) The company shall disclose information on transactions that may have conflicts of interest or related transactions in accordance with the regulations of the

(6) The Internal Audit Division shall review the

conducted of related party transactions according to the audit plan which shall be reported to the Audit Committee. There shall be control measures, inspection and supervision to ensure that there are randomly re-examine the conduct of actual transactions to be accurate and in accordance with the criteria that the corporate governance agencies has determined

- Approval of related party transactions or connected transactions

In the case where such law determined that the related party transactions shall be approved by the Board of Directors or the Shareholders' Meeting prior to the entering into any related transactions (if any). The Company shall organize for the Audit Committee to participate in the meeting to consider and gives opinions related to the necessity in entering into transaction and reasonableness of the transactions. However, when entering into normal business transactions or normal business support transactions that are trade agreements with general trading conditions and transactions that are trade agreements with none general trading conditions the Company shall ensure that the transactions are in accordance with the following principles.

(A) transactions that are trade agreements with general trading conditions

To conduct related party transactions which are normal business transactions or normal business support transactions, that are trade agreements with general trading conditions and are beneficial to the Company's business or operations; the Management or the Executive Committee shall propose the Board of Directors to approve the transaction agreement in the principle before entering into the said transactions. If the said transactions have trade agreements in the same manner as ordinary person ought to be done with the general partner of contract in the same situation; with the bargaining power of trade that is free from the influence of oneself being a director, executive or related person

The management department shall prepare a summary report of such transactions to report at the Audit Committee Meeting and the Board of Directors Meeting every quarter. The transactions that are in accordance with the general trading conditions are trade conditions with fair prices and conditions and did not cause the transferring of benefits are as follows:

- is the price and conditions that the Company has received or provided to the general public

- is the price and conditions that the connected person provided to the general public

- is the price and conditions that the Company can show to the general public that it is the entrepreneurs that operate business in the same manner to the general public.

(B) Trade agreement transaction that is not a general trade condition

Trade agreement transaction that is not a general trade condition shall be considered and commented on the necessity and reasonableness of the transaction where the director shall audit prior to submitting to the Board of Directors and/or the Shareholders' Meeting (As the case may be) for approval; that is in compliance with the securities and exchange laws and other relevant rules. This includes being in compliance with accounting standards and the company will disclose the related transactions as mentioned in the notes to the financial statements of the Company.

In the event that the Audit Committee does not have an expertise in considering the related party transactions that occurred, the Company shall appoint persons with knowledge, expertise or specialty such as auditors, assets appraisers or experts in related fields that are independent from the Company; and persons who may have conflicts with the Company to be the person who gives opinions on such related party transactions in order to be used in the decision making of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting (As the case may be). This is to ensure that the conduct of such transaction is necessary and reasonable by significantly taking into account the interests of the Company and shareholders.

Policies and trends of future related party transactions

The Company's related party transactions that occurred and may occur in the future may be necessary and/or reasonable in conducting such transactions for the Company's highest benefit; and determined to be in accordance with the general business nature. The price and including the conditions of such transaction are fair and at arm's length basis, no transfer of benefits between the Company and the person who may have a conflict. At which the Company's Audit Committee will give opinion on the necessity and appropriateness of the transactions. In addition, If the related party transaction is conducted, the directors, executives or persons who may have conflicts of interests will not be able to participate or have the right to vote for the approval of such transactions. This is with the purpose of having truly transparency and independence in

considering and making decision in conducting the transactions.

11. Policy for directors and senior management to inform the trading of the Company's shares

Due to the Securities and Exchange Act BE 2535 (as amended) and the Notification of the Office of the Securities and Exchange Commission No. SorChor. 38/2018, requiring the directors and the first 4 executives and persons who have relationships, namely, spouses or those who live together as husband and wife as well as underage offsprings holding shares exceeding 30 percent of the total voting rights of such legal entity and the holding of such shares is the largest proportion in that legal entity. Such shall report the holding of securities in electronic form via the online system to the Securities and Exchange Commission within 3 business days from the date of trading or transfer of the Company's shares. The first 4 directors and executives to submit a copy of the report to the company secretary on the same day that the report is submitted to the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Board of Directors has settled the policy for the first 4 directors and executives to notify the company secretary on the trading of the Company's shares at least 1 day in advance, prior to the trading. If wanting the company secretary to facilitate and coordinate the reporting of changes in securities holdings to the Securities and Exchange Commission And after that, to report the change of holding of such securities to the Board of Directors' meeting for acknowledgment every quarter.

12. Financial assistance

In the year 2018, the Company has no related transactions in the form of financial assistance to other companies such as loans, credit guarantee according to the proportion in accordance to the joint venture agreement.

13. Violation / non-compliance with the rules of asset trading



In the year 2018, the Company has no trading of asset that violate / not in comply with the regulations of the Stock Exchange of Thailand

ROLE OF STAKEHOLDERS AND BUSINESS ETHICS

The Company realizes and places its importance on the rights of all stakeholders both internally and externally, including shareholders, employees, customers, partners, competitors, creditors, as well as society and environment as a whole. The Company ensures those rights are protected and are treated fairly, with the belief that a successful and sustainable growth organization will have to be driven and grow along with surrounding societies. The Company also supports and promotes business ethics among its alliances, to ensure that the consciousness of social development also grows in tandem with the Company, according to roles and responsibilities of each group of stakeholders to ensure steady growth of Company's business and able to fairly award all parties. The Company, therefore, determines its policy and practice towards stakeholders, which include shareholders, employees, customers, partners, competitors, creditors, societies and environment, as well as its policy relating to business ethics as follows.

1. Policy on the Role of Stakeholders

1.1 Shareholders

The Company has strong intention to operate its business with transparency and efficiency, based on honesty and good ethics, by creating good business performance and sustainable growth and with great effort to ensure business sustainability. The Company adheres to obligation given to its shareholders to satisfy and maximize shareholders' benefits in the long run. To continuously generating shareholder returns, as well as to transparently and reliably disclosing information to shareholders, the Company sets its shareholders' policy and guideline as follows.

Policy and Guideline for Shareholders

(1) Respect and promote shareholders' rights to ensure that the shareholders are taken care of and are facilitated properly as well as treating all shareholders fairly and justly.

(2) Perform duties with honest, as well as making any professional decisions with discretion, caution, and fair towards major and minor shareholders, for the utmost benefits of the entire shareholders.

(3) Ensure that the Company's assets are safe-kept to prevent material damages or fraud.

(4) Regularly present Company's actual status, turnover, financial condition, and other significant reports to shareholders, as well as conveying Company's current and future direction in both positive and negative ways, based on fact with sufficient supporting information.

(5) Manage and administrate to ensure that the Company has sufficient capability to achieve long-term and short-term objectives effectively and efficiently, as well as ensuring Company's competitiveness to achieve its target performance, in order to generate shareholders' annual returns, or dividend, according to the announced dividend policy.

(6) Company's directors, executives, and all other employees are prohibited from disclosing any unpublished company related information for their own personal gains and / or performing any transaction that may lead to conflict of interest with the Company.

1.2 Employees

The Company realizes that employees are the most valuable resources and are significant factors contributing to Company's success. The Company, therefore, sets its policy to develop and promote cultures of harmony within organization, as well as adhering to fair and equal treatment of employees in terms of opportunity, career advancement, compensation, benefit, development of capability, knowledge, personal rights, and to improve employee's health and safety, using the following practices:

Policy and Guideline for Employees

(1) Fair and equal treatment of all employees and paying proper compensation.

(2) Treat employees politely with respect to individualism and human rights.

(3) Determining compensation fairly based on employees' roles and responsibilities, in line with Company short-term and long-term business performances.

(4) Promote employees' career advancement by clearly determining employees' development direction and ensure that all levels of employees are systematically and continuously developed such as giving an opportunity of employees to suggest to supervisor, the training course / seminar of interest that will benefit employee's works, and inform human resources department to consider according to Company's internal procedure. Each function has to determine 4 trainings / seminars on this way each year. This

may include inviting external speakers or setting up mentor system, aiming to ensure that employees will effectively perform current duties and will be ready for more responsibilities in the future.

(5) Using merit system as a basis of salary increase and/or promotion, by also considering knowledge, responsibility, and potential of each employee altogether.

(6) Ensuring that the process to protect complainant or the person reporting misconduct from any damages or harms, process of fair employee investigation and proper employee punishment based on Company's regulations exist.

(7) Determining anti-corruption guideline, as well as fostering all employees to act in compliance with related laws and regulations such as strictly prohibiting the use of inside information.

Policy and Guideline on Employees' Compensation and Benefit

The Company realizes its duty to improve quality of life of all employees, as a motivation to drive organization to mutual success. The Company, therefore, determines its compensation and benefit policy on a fair and justified basis. Employees, regardless of genders, are equally rewarded according to their knowledge and experiences. The Company considers salary adjustment and bonus on an annual basis. In addition, the Company utilizes KPI (Key Performance Indicator) as a tool to justify short-term compensation to motivate employees. For long-term remuneration, the Company provides its employees the provident fund, cooperative, and other benefits as follows:

(1) The Company pays its salary, wages, bonus, special compensation, and provides benefits on a fair basis, aligning with its business performance and profitability, and in a competitive level within industry.

(2) To support employee upon retirement and to incur tax benefits, the Company makes a contribution to employees' provident fund and social security fund.

(3) To provide free medical treatment and maternity expenses to employees, and offer discount for medical service for family members.

(4) To provide benefits via Rama 9 Hospital Cooperative to promote and support employee's saving, as well as offering loan interest with lower than that of financial institutions, in case members have some financial difficulties.

(5) Subsidy of loan interest in the Government Housing Bank

(6) Cheap accommodation for nurses working with the Company, to ensure nurses' convenience and availability during hours of emergency.

(7) Other benefits as appropriate such as vaccinations, holidays, cremation supports, special events or activities for employees, employee's uniforms, employee's transportation, birthday gifts and special payments.

(8) Employee training to promote better understanding in financial management in each stage of life or risk level, as a guideline after retirement.

Policy and Guideline on Knowledge and Capabilit Development

The Company aims to continuously develop its employees working in every level and function to enhance ability and increase capability of human resources, which are company's important foundation. To ensure that its employees are ready for the emerging challenges and opportunities, the Company sets its policy and guidance for the directors, managements, and all other employees to place their importance on professional knowledge and capability development by regularly participating in both in-house and outside trainings and seminars whenever there is a chance. In the past year, the Company supported training to develop its employees as follows:

(1) "Neonatal Resuscitation Program" training course

(2) PALS: Pediatric Advanced Life Support training course

(3) Thai Financial Reporting Standards for Publicly Accountable Entities (TFRs for PARs) training course

(4) Code of Conduct training for all employees

In 2018, the total training hours, both in-house and outside training, which employees participated in are as follows

No. of Employees	No. of training hours	Average training hours
1,100	3,246	3

Policy and guideline on employees' health and safety

Realizing an importance of occupational health, safety, and working environment which are factors

affecting employees' operation in the future, the Company sets its safety, occupational health and working environment policy as follows.

(1) Promote better understanding and awareness in safety, occupational health, and working environment among directors, management, and employees.

(2) Set Company's rules, regulations and guidance relating to safety, occupational health, and working environment in alignment with relevant standards and laws.

(3) Have a campaign for its employees to cooperate and work according to Company's safety, occupational health, and working environment plan, as well as suggesting opinion to improve working environment and working safely approach.

(4) Ensure that employees could work safely with good occupational health by establishing measures to prevent accident and building safety awareness among employees, as well as conducting training and promoting good hygiene among employees.

(5) Monitor, evaluate, and improve safety, occupational health, and working environment systematically and continuously by creating awareness of safety, occupational health, and working environment among employees, emphasizing that the work belongs to all employees and involves all management and employees in the process.

In addition, the Company also realizes the risk of employees working in the hospital and are more exposed to chemicals or diseases than usual. The Company, therefore, promoted and conducted trainings to ensure that personnel working in the hospital are able to appropriately protect themselves from infection and to look after employees in terms of safety and hygiene. The list of training is provided below.

(1) Respiratory Fit Testing course to ensure that employees are able to wear protective equipment correctly and effectively

(2) Personal Protective Equipmentcourse - equipping and removing personal protectives

(3) Safety officer course for supervisor

(4) Basic firefighting course and fire drilling and evacuation of the year 2018

In addition, the Company also established Infectious Disease Prevention and Control Committee, tasking to inspect, assess risk and prevent others to have

personal contact with contagious patients, or to treat those who have already been in contacted by patients suspected of being contagious.

In 2018, Company had its statistics of employee absent, accident, and illness from work as follows

Item Type	Number Day/Times	No. of the day Average per person
Employees leave of absence for the year 2018		
• Errand leave	231	0.18
• Sick Leave	1,584	1.24
• Annual leave	9,052	7.98
Occupational accident rate	16	16
Rate of sickness from work	None	None

1.3 Customers

The Company show its responsibility towards customers by maintaining its service quality and standard, as well as fully satisfying the needs of customers as much as possible to create customers' satisfaction in the long run. Apart from that, the Company also provides to its customers the precise information of services, as well as establishing proper channels for customers to report problems or complain, allowing the Company to prevent and solve its service issues swiftly. This includes:

Policy and Guideline to Customers

(1) Provide services with curtesy, sincerity, and mindfulness, as well as with enthusiasm. All of which are fast, accurate, and reliable.

(2) Provide physicians and medical personnel with different expertise, and good quality and modern medical equipment, to ensure that customers are properly treated in accordance with medical standards. The Company adopts international standards and guidelines such as Joint Commission International Accreditation Standards in its services.

(3) Provide accurate, adequate, and timely information to its customers to acknowledge and to utilize them to make a decision effectively, without exaggeratedly advertising of its services.

(4) The Company will maintain the confidentiality of every client without using it for Company's own or relating person's benefit, and will not disclose the information of its customers without permission from the customers or Company's authorized person, unless it is

information that must be disclosed to the relevant person as legal process.

(5) Establish communication channels allowing customers to inquire and make a suggestion to the Company or to ask for supports and advices relating to the Company 24 hours a day via either call center number 1270 or via the Company's website at www.praram9.com.

1.4 Partners

The Company has policy to treat its partners fairly, honestly, without taking any advantage of partners for the utmost benefit of the Company based on a fair basis. The Company, therefore, determines its partner selection plan and guideline towards partners by taking the following issues into consideration: the partner's reputation, laws compliance, regulations, and important norms, as well as adhering to agreement made between the Company and its partners, to ensure fair and equal benefits among all parties. This includes:

Policy and Guideline to Customers

(1) Partner selection process which based on equal information given and establish a committee to select partners, using identical criteria of selection to ensure fairness as follows:

- Business size and/or financial status
- Workforce readiness
- Readiness of equipment or source of raw material used in production
- Experience, expertise, and historical performance

- Work deliverable
- Guarantee and after-sales services
- Partner's credibility

(2) Ensure agreement and memorandum of understanding are made in a proper and fair manner

(3) Strictly adhering to the agreed conditions and urgently informing the partner in the event that such conditions cannot be met to find solution based on business relationships.

(4) Not calling for, not accepting, or paying any benefit, in a dishonest way, to trade partners

(5) Support and promote partners to operate business fairly under good corporate governance to grow sustainable with the Company.

(6) Establish channels allowing partners to report abuses or unfair treatment in any case to the Company's Audit Committee. All the complaints or clues of the misconduct reported to the Company will be kept confidential. The Audit Committee will call for investigation and seek the solution (if any), and will report to the Board of Directors.

Reporting Channels

(6.1) Via post to:

Audit Committee
Pharam 9 Hospital Public Company Limited
99 Rama IX Road, Bang Kapi,
Huaykwang, Bangkok, 10310

(6.2) Via phone: 1270

(6.3) Via the Company's website at
www.praram9.com

1.5 Competitors

Policy and Guideline to Competitors

Conducting fair and transparent business operation based on good corporate governance in competition, under the framework of trade competition laws, are the business practices that the Company has focused on and adhered to as follows:

(1) Perform business operation within good competition and widely accepted framework.

(2) Support and promote free and fair trade and refrain from any act of monopoly or oblige its partners to only trade with the Company

(3) Refrain from breaching and eliciting of competitors' confidentiality using dishonest, illegal, or unethical approach.

(4) Refrain from destroying competitors' reputation using accusation

(5) Refrain from entering into trade agreement or any act leading to unfair competition or trade monopoly

(6) Refrain from defamation, abuse, or distorting competitors' facts

1.6 Creditors

Policy and Guideline to Creditors

The Company has its policy of fair treatment and responsibility towards creditors, for both trade creditors and financial institution creditors, and obliges to debt payment in an agreeable timeframe to maintain its credibility by adhering to practices towards creditors to ensure fairness as follows.

(1) Strictly abiding to contract terms, agreements, obligations made with creditors in terms of objectives, spending of loan, payment of debt and interest, maintenance of collateral mortgage under relevant agreement, as well as looking after property or other agreeable conditions.

(2) Correctly and adequately report Company's financial status, information, or any other facts to creditors regularly and in the event that the Company is unable to comply with any conditions under agreements, the Company will strictly adhere to information disclosure provision and will urgently inform its creditors to mutually and reasonably seek solutions on capital management.

(3) In the event that the Company faces financial problems or there are issues that might significantly affect its financial status or repayment ability, the Company sets its plan to resolve the issue by taking into consideration fairness against creditors and stakeholders and the management are tasked to constantly report how the problem is solved to the Board of Directors.

(4) To maintain the interest bearing debt ratio under the rates specified, of less than 2, by institution creditors.

1.7 Society and Community

Policy on Society and Community Responsibility

The Company recognizes the importance of sustainability in business under corporate social responsibility, by focusing its business operation while looking after the stakeholders in all aspects; from economy, society, to environment morally and ethically, as well as adhering to the principle of corporate governance to operate business in compliance with related laws and

acting against all forms of corruption. The Company hopes that its business will be a key driver for sustainability of community and society.

The Company is attentive and places its importance on the safety of society, environment, and quality of life of those who are the part of business operation and encourages its employees to be conscious and responsible for environment and society, as well as ensuring that its employees strictly act in compliance with related laws and regulations. The Company also took part in a number of activities aiming to develop and preserve environment and society, as well as local cultures in the area where it operates. The Company determines its policy and guideline on social and community responsibility as follows.

(1) Promote honesty, fair, ethics, in business operation in accordance with rules of competition and in compliance with laws, regulations, and ethics, as well as rejecting behaviors that obstructs fair competition.

(2) Promote respect in human rights and fair treatment of others, regardless of difference in race, skin color, gender, age, language, religion, mental status, and social status.

(3) Develop human resources and fair treatment of labors

(4) Promote and develop Company's service regularly to ensure customers' good health and satisfaction and that the Company is able to meet the needs of the customers.

(5) Promote environmental cares and acting in compliance with laws, regulations, and standards relating to environmental management.

(6) Promote and support activities that help all the stakeholders in the society and community such as providing medical support to people in the community. For more details on social and community development activities, please see topic: Responsibility for Society and Environment.

1.8 Environment

Business Policy under Environmental Standards

The Company has its policy in environmental care by requiring that operations under Company's business must strictly comply with environmental management related laws, regulations, and standards, as well as acting and monitoring to ensure its abiding with laws relating to environment such as Promotion and Conservation of National Environmental Quality Act, B.E. 2535, Health

Ministerial Regulation on Infectious Waste Disposal BE 2545, Bangkok Provisions on Waste Collection and Disposal of Waste or Solid Waste B.E.2544 and Ministry of Natural Resources and Environment Announcement Subject: Determining the type of food and sources of pollution that must be controlled to discharge waste water into public water sources or into the environment, and other related enforcements. The Company also determines preventive and corrective measures when there is environmental impact due to business operation of the Company. Moreover, the Company utilizes natural resources effectively and efficiently. The Company has its system in place, that is of good quality, to treat production waste and to assess environmental management system. The Company determines its guideline on environment as follows.

(1) The Company manages its waste disposal system by hiring external entity that has been certified to dispose garbage, infectious waste, and hazardous waste to prevent environmental impacts due to the substandard management of waste systems.

(2) The company hires external juristic person that has been certified to measure the quality of the environment in the Hospital which is one of the measures to monitor health of personnel working in the Hospital. This is achievable by measuring and evaluating the working environment in physical, chemical and biological aspects. The results of this measurement will be used to increase the efficiency of hazard control and prevention, hazard surveillance, and to prevent diseases that may occur.

Policy on effective use of resources

The Company strives to conduct its business under the responsibility of all stakeholders, as well as society, community and environment. It also recognizes the importance of maximizing the use of resources while minimizing affect towards society and environment. The Company believes that effective and efficient management and allocation of resources will enable the organization to achieve the goal of creating value for the business and of sustainable growth. The Company has therefore established a policy to use resources efficiently, by tasking executives and employees to control and appreciate the value of resources, as well as reducing the use of natural resources and supporting the reuse of natural resources that have been used for the utmost benefit, coupled with cultivating and developing concrete guidelines to prevent or to reduce the impact on the environment. The Company supports the economic use of natural resources. This matter is considered along with the approval of the company's annual budget and is the responsibility of all executives and employees to

cooperate and comply with the prescribed measures. The guidelines for the effective use of natural resources are as follows.

(1) Support and set up campaign of natural resources and energy saving both within hospitals and office; for examples, a campaign to use the stairs instead of elevator, turning off electrical appliances when not in use, and using energy saving devices.

(2) Promote, set up campaigns and measures to ensure that all employees are aware of and cooperate to reduce unnecessary use of resources, as well as the use of natural resources for utmost benefit by adhering to the principles of Reduce, Reuse, and Recycle.

(3) Enable E-Document system in order to adopt electronic working system in the work process to increase working speed, reduce the work process, and to reduce the use of documents and consumables.

Environmental knowledge training and using of resources

The company recognizes the importance of the environment and foresees that most of the environmental issues are caused by misunderstanding of users. Therefore, the company has the policy to promote and encourage all of its employees to be aware of the value of resources in all aspects, as well as the impact of business operation towards environment by organizing environmental training for its employees as a mean to support working and enhance their knowledge.

In the year 2018, the company organized training / seminars related to environmental matters as follows.

(1) Basic knowledge of energy engineering in preparation for requesting associate engineering permit, by Engineering Institute of Thailand Under His Majesty the King's Patronage.

(2) Personnel development course to enhance capability and to create network of energy responsible person. Apart from that, there is also an energy saving project by replacing electrical equipment, installing smart lighting system, and energy-efficient air conditioning, in order to reduce energy consumption and save costs.

(3) Course for drinking and wastewater treatment systems

(4) Course for generator system

(5) Cleaning / cleaning tools usage course for cleaners

(6) Fire safety practice course

(7) Mass casualty incident course

2. Human Rights Policy

The company values and respects human rights by requiring all the doctors, nurses and other medical personnel and employees to treat patients and customers with equality using the same standards without discrimination. Therefore, all the customers are served equally according to the patient rights, regardless of differences in race, skin color, sex, age, language, religion, mental status, and social status. In addition, the company provides a proper channel for its customers to give suggestion and complaints.

The company places its importance on and respect patients' rights by assigning patients' rights topics in the orientation for all new employees, allowing them to acknowledge, understand, and able to act accordingly, while acknowledging its patients of their rights and duties by posting on various points of services within the company.

3. Fair Labor Treatment Policy

The company recognizes the importance of human resource development and fair treatment of workers which is a factor that will increase the value of the business and enhance its competitiveness resulting in a sustainable growth in the future. The company has set out the following policies and guidelines.

(1) Respect employees' rights according to human rights and comply with labor laws

(2) Ensure fair employment process and employment conditions, including consideration on performance evaluation and compensation on a fair basis.

(3) Promote personnel development via trainings, seminars, and various related academic training to develop employees' knowledge, competency and potential of personnel, including cultivating good attitude, morality, ethics and teamwork.

(4) Providing various benefits for employees as required by law and beyond

(5) Focus on organizing work environment and various facilities required for work to ensure safety, as well as ensuring that employees are able to work safely with good hygiene in the workplace.

(6) Allow employees to express their opinions or complaints about unfair treatment or wrongdoing in the company, as well as providing protection to employees who report such matters.

(7) Encourage all employees to adhere to and respect rights of others, starting from refrain from using aggressive words, writing, verbal or withhold from expressing aggressive, obscene, threatening, and harassing behaviors, or acting as an adversary while communicating with others.

4. Policy on non-infringement of intellectual property and copyright

The company applies the concept of corporate social responsibility in its business, using fair business practices to build confidence among all stakeholders without taking advantage of other benefits obtained from unethical act. One of the important guidelines is to respect the intellectual property rights of others. The company does not support the operation that violates intellectual properties, whether they are copyrights, patents, trademarks or trade secrets. The company has defined the relevant practices as follows.

(1) The company will not use information, documents, publications, or trade secrets that are not allowed to use legally or acquired incorrectly. If the company uses information, documents, publications of others, the company will refer to the source of information or the author, or showing link connecting to the work of the creator.

(2) Every employee's computer will only install software that is legitimate and in case employees require specific software to work, the Information Technology Department will install copyrighted software that the company has purchased.

(3) Ensure that there is a regular check that Information, documents, publications that will be used in the business are not copyrighted works of others

5. Policy to promote and develop innovation

With the current global conditions, the advancement of technology and the speed of the digital world have brought significant changes to the way of life of human and business operations. In order for the Company's business operations to respond to changes in the current era, the Company therefore has the policy to promote and develop innovation. Based on research focus, innovation development and create new things to increase product quality as well as increase market value which elevates the competitiveness of the Company to be in compliance with the goals and strategies of the Company. The development of the innovation of the Company will not only be considering on the economic value of the organization but the Company will also develop the potential of the employees to be aware of the changes, taking into account human needs as a center and break the details into

customers or all stakeholders concerned and under social and environmental responsibility which creates value for society; in order for all sectors to have the ability to grow sustainably at the same time.

6. Anti-Corruption Policy

The Company places importance on business management based on transparency, ethics, adhering to corporate governance principles and is in compliance with laws related to fraud prevention and anti-corruption, giving or receiving bribes to government officials or the private sectors. The Company has clearly defined the organizational structure to share responsibility, work process and the command line in each unit; in order to have a proper balance of authority and a concise examination including setting guidelines for directors, executives and employees of the company to prevent involvement in corruption as follows:

(1) Directors, executives and employee of the Company are prohibited from performing or accepting corruption in all forms, either directly or indirectly; which covers all relevant departments and to regularly review compliance with the anti-corruption policy in order to comply with changes in regulations and legal requirements

(2) Directors, executives and employees of the Company have duties to report to the Company on actions that are subject to corruption that are related to the Company. By notifying the supervisor or responsible person and cooperate in examining the facts.

(3) The Company will provide fairness and protect the complainants who report corruption. Including persons who cooperate in reporting and in investigating process of corruption

(4) The Board of Directors and the management of the Company must behave as a role model in anti-corruption. Promote and support anti-corruption policies to communicate to all employees and related parties. Including reviewing the appropriateness of policies and measures to be suitable for changes in business conditions, regulations and legal requirements.

(5) Those who commit corruption will be subject to disciplinary action in accordance with the regulations set by the company and may be punished in accordance to law if the action is illegal.

(6) The Company provides training and dissemination of knowledge to directors, executives and employees of the Company to have an understanding in implementing in accordance with the anti-corruption policy as well as

promote morality, honesty, responsibility and one's obligations.

(7) The Company encourages contractual parties, business partners or other persons who shall perform duties related to the reporting of violations of the Company's anti-corruption policy.

(8) The Company has the policy of recruiting or selecting personnel, promotion, training, performance assessment and fairly and sufficiently determining the remuneration of staff and employees; in order to prevent corruption within the organization and to create security for the Company's staff and employees

(9) For clarity in the implementation of matters that are at high risk of corruption, in the following matters, the directors, executives and employees of the company must exercise with caution and inspect to be certain.

(9.1) In giving or receiving gifts and entertaining shall be transparent, legal, and in accordance with normal commercial practices or appropriate conventional values

(9.2) In giving or receiving donations or support, shall be transparent and legal; by ensuring that the purpose of giving or receiving donations or such support is not to disguise bribery.

(9.3) In conducting business, contacts, negotiations, auctions and other actions with the government or private agencies, all actions shall be transparent. In addition, directors, executives, staff and employees of the Company shall not give or receive bribes in all stages of the business operation.

7. Assessment of corruption risk

The Company has annually reviewed and revised the new risk management framework and assesses the risk management in accordance to the framework of such risk management and clearly specified the responsible person. The Company established the criteria for risk assessment into 5 levels, which considers both the occurrence of events and the consequences that will occur, to cover all risks in addition to the risk of medical treatment.

The risk from fraud and corruption that may occur from business operations and the reputation risk is one of the six potential risks that may occur; such as financial report preparation, losing of asset and corruption. Though the Company has the internal audit process in accordance with the annual audit plan; in which the auditing will include verifying risk and internal control of the related activities or processes as well as report the audit results to the Audit Committee. The internal audit department is not under the

management department.

According to the Audit Committee Meeting No. 4/2561 on November 12, 2018, the meeting has considered and of the opinion that the risk from corruption is not in the Company's major risk.

8. Supervision and control to prevent and monitor risk from corruption

The Company has established guidelines for supervision and control to prevent and monitor the risk of corruption as follows:

(1) Directors and executives are responsible for preventing and detecting fraud and error by applying sufficient accounting systems and internal control systems. In addition, directors and executives at all levels shall also perform their duties with honesty, ethics and morality.

Directors and executives have frauds and mistakes. The prevention and inspection are done by

(2) The Company will provide risk management that covers the identification and consideration of various risks, assessing the impact of such risks, considering of control activities. This includes the process of monitoring internal control results and methods in responding to risk; which includes monitoring, assessing, preventing and detecting for fraud, and errors as well as practice or fail to be in compliance with the law.

(3) Arrange to have internal control system for both Prevent Control and Detective Control, which is a tool that helps reduce opportunities and incentives for misconduct and corruption; by having criteria for segregation of duties, such as segregation of duties between procurement agencies from the finance and accounting agencies. In addition, the Company has monitoring process where the executives will receive reports and acknowledge the causes of the defects or suspicious situations in a timely fashion. As well as being able to appropriately improve the preventive control system in assessing internal control. The Internal Audit Department acting as part of the process.

9. Guidelines for monitoring and assessing the implementation of anti-corruption policy

The Company has set guidelines for monitoring and assessing the implementation of anti-corruption policy as follows

(1) Determined for the Audit Committee to review the accuracy of reference documents and self-assessment form regarding Company's anti-corruption measures and approving the Company's assessment report on corporate governance and social responsibility and anti-corruption.

(2) Directors, executives and employees of the company shall report to the Company on the actions that are subject to corruption that are related to the Company by notifying the supervisor or responsible persons. Cooperate in examining various facts.

(3) The Board of Directors and executives of the Company shall behave as a role model in anti-corruption to communicate to all employees and related parties. This includes reviewing the appropriateness of policies and measures to be appropriate with changes in business conditions, regulations and legal requirements.

(4) Directors, executives and related persons shall provide risk management that covered the identification and consideration of various risk factors. This includes monitoring the process of internal control and methods in responding to risks as well as monitoring the prevention ability assessment and detect for fraud, error and compliance or non-compliance to the regulations.

The Company organizes to have communication of such guidelines through various channels such as the company's intranet website and the Company website at www.praram9.com for executives and all employees to acknowledge and practice.

10. Training for employees to give knowledge related to policies and guidelines for anti-corruption.

The Company has communicates and arranges tranings that gives knowledge on polices and guidelines for anti-corruption, including relevant policies, such as ethics and Code of Conduct Policy, giving or receiving gifts or entertainment policy, Policies related to Good corporate governance policy to all new employees to acknowledged on the new employee orientation day. All employees shall be trained and tested in such prgrams. This includes communicating to all employees in the organization acknowledge, through various channels such as the Company's intranet website and the Company website at www.praram9.com. The Company has also sent personnel to train outside the organization in both the public and private sectors.

11. Policy for giving and accepting gifts

To support and promote the anti-corruption policy of the company to the operation in a manner that leads to corruption in the future, The Company therefore has the policy regarding the giving and accepting gifts, which are as follows.

(1) Directors, executives or employees shall not request, accept or consent to accept money or any other benefits from business related persons.

(2) Directors, executives or employees may accept or give gifts according to conventional practices. In accepting such gift shall not affect any business decision making of the recipient.

(3) If the executives or employees receive gifts on occasion in accordance to conventional values that are higher than normal from those involved in the business with the Company; the recipient shall report the supervisors in hierarchy.

12. Protection and give fair treatment to the whistle blower Policy

The Company has the policy to protect and gives fair treatment to directors, executives and employees who report information or provide clues on corruption or non-compliance with laws, rules, and regulations of the Company as well as the Code of Business Conduct (Whistleblower Policy) which are as follows:

Method in filling a complaint or report a misconduct

(1) The complainant should directly send complaints or clues of wrong doing and fraud in writing through the supervisor responsible (from manager level up). However, if in a situation where it is not appropriate or inconvenient, the Complainants can report via the Company intranet system, E-mail, Comment box or send a letter to the Company's quality manager.

(2) The supervisor who accepts a complaint or clue to wrongdoing and corruption notify the quality manager without delay or within 3 working days, to proceed with the investigation process.

(3) In the event that the complainant chooses not to disclose the name, the complainant shall clearly specify facts or sufficient evidence; to proof that there is a reason to believe that there is fraud or violation of laws, rules, and regulations of the Company or the code of business conduct of the company occurs

Scrutiny process

(1) In conducting investigations and collecting facts, the recipient of the complaint shall present the complaints to the following persons, to perform the duty of inspecting and collecting facts ("Auditor") as received a complaint.

(1.1) In the case where the person being complained is a lower-level employee, the Deputy Managing Director and/or the persons or agencies assigned by the Deputy Managing Director to act as the inspector.

(1.2) In the case that the complainant is an employee at the level from the executive upwards: the

audit committee and/or the persons or unit assigned by the audit committee to act as the inspector.

In the case where there are questions or inquiries, the auditor can invite any employee or supervisor who is directly responsible for the complainant to provide information or request to send any documents related to the investigation.

(2) If inspected and found that the complaint is true, the Company shall proceed within 7 days as follows:

(2.1) In the case of complaints related to fraudulent acts or illegal, rules, against the Company's regulations or business ethics, the auditor shall consider proposing such complaints along with opinions to the Audit Committee for further consideration.

(2.2) The inspector shall inform the progress and results of complaints on misconduct and corruption to the complainant who has disclosed the name, address, telephone number, email or other contact channels. However, sometimes for the reason of necessity on personal information and confidentiality, the Company may not be able to provide detailed information of the investigation or disciplinary action.

(2.3) In the event that such complaints are significant, such as matters that affect the reputation, image or financial position of the Company, conflict with the Company's business policy or related to high-level executives, etc.; the auditor shall consider proposing the said matter with comments to the Board of Directors for further consideration.

(2.4) In the case where the complaint caused damage to any person, the auditor shall propose appropriate and fair mitigation of damages methods to the victims as deemed appropriate under the framework set by the Board of Directors and/or the Audit Committee.

Safeguarding to protect whistle blower

(1) The complainant can choose not to reveal oneself if he/she feels that the disclosure may cause damage. Though the complainant shall specify clear and sufficient details, facts or evidence proving that there is a reasonable cause to believe of such fraudulent act or violation of laws, rules, and regulations of the Company or code of business conduct truly occurred. However, if choosing to reveal oneself, the complaint recipient will be able to proceed in a more quickly manner.

(2) The Company considered Information related to complaint as confidential and will disclose as necessary with regard to safety and damage of the whistle blower, source

of information or the persons related. The person responsible for every step shall keep the information that has been known to the highest level of confidentiality and shall not disclose to others. If violating, it is considered a violation of discipline.

(3) In the case where the whistle blower considers that he/she may be insecure or trouble or that damage may occurred, the Complainant can request the Company to define appropriate protection measures or the Company may specified protection measures without having to request if it is deemed that such matter is likely to cause damage or insecurity

(4) Employee who treat other people with unfair methods, discriminate with inappropriate methods or causing damage to other persons with having incentive from being reported by other person's complaint, have informed, complaint or provide clues on corruption or non-compliance with laws, rules, regulations or business ethics of the company. Including the fact that other persons are prosecuting, being witnesses, giving statements or providing any cooperation to the court or government agency, is considered as an offense for discipline that shall be punished. Such persons may be punished as specified by law if the persons commit offense under the law

(5) Those who have suffered from the damage will receive mitigation of damage with method or processes that are appropriate and fair where quality department make the consideration.

In addition, stakeholders can ask for information, report complaints or clues of illegal acts, inaccuracies in financial reports, defective internal control system or violation of the Company's business through the complaint channels as follows:

(1) By mail

Audit Committee

Rama 9 Hospital Public Company Limited

No. 99 Rama 9 Road, Bangkap Sub-district,

Huai Khwang District, Bangkok 10310

(2) By phone 1270

(3) On the Company Website at
www.praram9.com

under the topic: complaints, whistle blower,
requests for fairness to the Audit Committee

The information, complaints and clues that are reported to the Company will be kept confidential. The Audit Committee shall command for the inspection of information to find solutions and shall report to the Board of Directors.

12. Violation of labor laws, employment, consumers, trade competition and environment

In the year 2018, the Company did not take any action that violate labour law, employment, consumers, trade competition and environment.

13. Being executed by a supervision agency

In the year 2018, the Company had announced the information from important events on the period specified by the government authorities, therefore, the Company has not been executed by the supervision authorities in any way.

DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company realizes the significant of information disclosure, which is a factor that represents the transparency in operation. This includes building confidence to shareholders, investors and all stakeholders. The Company, therefore, has the policy to disclose the information accurately, completely, precisely, timely and regularly. Together with financial information, operating performance and other information related to the Company that is not the financial information, to ensure that shareholders, investors and stakeholders of the Company are able to access information equally through a simple and convenient way to receive information. Therefore, the Company has the policy and practice in disclosing information are as follows.

1. Clearly explain the shareholder structure, without the nominee holding shares,

such as clearly showing names of major shareholders or regulators and showing the proportion of minor shareholders to allow the information users to be able to clearly know the beneficial owner of the Company.

2. Officiating in accordance with good corporate governance principles

The Board of Directors places importance and adheres to the policy to ensure that the business operates in accordance with the principles of good corporate governance, ethics, respect the rights and has responsibility to all shareholders and stakeholders. As well as operate business that benefits the society and the environment for sustainable growth. The Board of Directors promotes and directs the implementation in the work process, such as allowing employees to attend training and do the test to pass the scoring criteria. This includes for employees to adhere as implementation guidelines as well as published such good corporate governance principles on both the internal and external websites of the company in order to communicate to employees at all levels of the organization and third parties to acknowledge and for practical implementation.

In addition, the Company has policies to review the principles of good corporate governance, corporate ethics and the charter of committees such as scope of authority, duties and responsibility at least once a year; in order to be in consistent with the policy of the Stock Exchange of Thailand, the ASEAN CG Scorecard and the current situation. To be implemented as appropriate and clarify the reason for not being able to implement in accordance with the said regulations and/or compensate measures that the Company has applied as an implementation guideline for all directors, executives and employees.

In the case that the Company is unable to comply with the principles of good corporate governance though the Company has policies to be applied to the above principles as appropriate as possible. With the essentials summarized as follows:

Not Yet Implement	Reason and Neccessity
The company has not determined the cumulative voting method for election of directors.	The company is of the opinion that cumulative voting encourages minor shareholders to cast all the votes they have for any director that he/she wants to elect as a director; or as well can divide votes to elect several directors. This will result in the elected person not being considered by the Company's Nomination and Remuneration Committee; in terms of qualifications and not being in compliance with the Company's strategic plan which is to promote the development and sustainability of the Company

Not Yet Implement	Reason and Neccessity
The Board of Directors has not yet established a policy for holding positions in other businesses of the Managing Director. (Chief Executive Officers)	From considering the knowledge and competence in performing duties of the Chief Executive Officer; including the current operating performance and business growth of the Company; as well as the assessments results of past performance shows that the Chief Executive Officer is always able to perfectly perform duties. Therefore, the Company did not determine a policy to limit the holding of position of other activities of the Chief Executive Officer.
The Audit Committee did not have director who directly graduated in accounting.	Although the Board of Directors, who hold the position in the Audit Committee, did not have directors who directly graduated in accounting, but one of the members of the Audit Committee is knowledgeable and through experience as an advisor to the liquidation committee and the attorney of the liquidation committee for a long time; as well as having expertise in finance. Therefore, is capable and appropriate to perform duties as well.
The Board of Directors has not yet established the CG Committee.	Although the Company has not yet established the CG Committee to perform duties in promoting good corporate governance and sustainable business development but according to the the Charter of the Board of Directors, which clearly stated that in order to ensure that the company has responsibility with fairness to all stakeholders; the Board of Directors shall establish policies on good corporate governance and anti-corruption policies as well as effectively implemented. The Company shall communicate to employees at all levels of the organization and outsiders to practically implement. In the year 2018, the Board of Directors has pushed for practical implementation, such as the orientation day, communicate through the Intranet via the organization or the website of the Company.

3. Company's objectives and long-term goals

The Company operates a private hospital business, accepting overnight patient type, with long-term objective / goal as summarized below

- Aim to be a leading hospital with the competence to provide comprehensive medical services for the treatment of diseases, disease prevention and control rehabilitation of physical health and health promotion.

- Expand the customer base from general service recipients, elderly group service, complicated group of patients and intensive care groups as well as critically ill patients into the group of service recipients who prioritize on Health Promotion & Wellness.

- Construction of new buildings and planning to improve the service area of the current building to support the expansion of the service base.

- Increase the potential and scope of services of the original medical center and add a new medical center to be able to provide comprehensive and comprehensive medical services.

- Set a goal to become the digital hospital and apply modern technology to diagnose, treat and promote health care.

4. Financial status and operating performance

(For more details please refer the description of financial status analysis and operating performance section.)

5. Customer satisfaction level

With the nature of the Company business that must pay close attention to the customers, therefore creating customer satisfaction is something that the Company pays attention to and is used as a tool to improve the work and create competitive value, including more business opportunities for the Company.

From the Company's mission that wants to offer the best and worthwhile services, the Company therefore places significant on customer satisfaction management at every step in using the service. The Company had previously conducted surveys on satisfaction of outpatients and inpatients on doctors, nurse/medical personnel, services, locations, things that need improvement, and etc.; which can be summarized as follows:

6. Nature of business and competition

(For more details please refer to the Nature of Product and services, marketing and competition)

7. Business group structure

(For more details please refer to the Shareholding structure section)

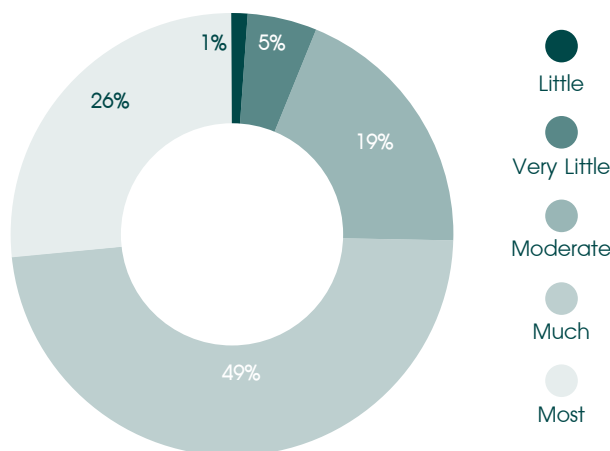
8. Risk

(For more details please refer to the Risk factors section)

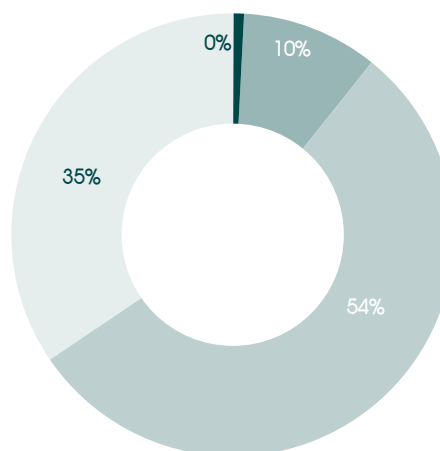
9. Dividend payment policy

(For more details please refer to the Dividend payment policy section)

Satisfaction in telling others to use Rama 9



Satisfaction in the image of Praram 9 Hospital



10. Whistle Blowing Policy

(For more details please refer to the Protection and Fairness Policy for Whistleblowers topic)

11. Policy on Connected Transactions and Connected Transactions of the Company

(For more details please refer to the related transactions and connected transactions topic)

12. Policy on reporting of conflict of interest of directors and executives

(For more details please refer to the reporting of conflict of interest of the Board of Directors and executives topic)

13. Criteria for payment of remuneration for directors and senior management

(For more details please refer to the remuneration policy topic)

14. Profile of the Executive Committee

(For more details please refer to the Details on directors, executives, controlling persons and company secretary section)

15. Directors and Chief Executive Directors Development and Disclosure of Training Development Information of Each Director

(For more details please refer to the Development Policy for Directors and Executives topic)

16. Disclosure of information on the number of meetings of the Board of Directors and attendance of each director

(Please see more details in the topic List of Board of Directors and subcommittees and meeting attendance of directors topic)

17. The Company has the policy to disclose the information on shareholding of member of executives committee and the shareholding of their spouses or those who live together as husband and

wife as well as underage offsprings in Form 56-1 and the Company's Annual Reports.

(Please see more details in the Details on directors, executives, controlling persons and company secretary section). Including determining for the Company's directors and executives to report the Buy-sell of the Company's shares of one's own, of spouses or person living together, as husband and wife and underage offsprings to the Board of Directors Meeting on a quarterly basis.

In the year 2018, the first 4 directors and executives of the Company have acquired and sold shares as follows:

Name	Number of shares as of October 30, 2018 ⁽¹⁾ - December 31, 2018			
	Number of shares as of October 30, 2018 ⁽²⁾	Number of shares acquired	Number of shares sold	Number of shares as of December 31, 2018
1. MR. BHANAPOT DAMAPONG	1,000,000	-	-	1,000,000
2. DR. SATIAN POOPRASERT	11,550,000	-	-	11,550,000
3. DR. VIROON MAVICHAK	9,250,000	-	-	9,250,000
4. DR. PRASERT TRAIRATVORAKUL	10,233,500	-	-	10,233,500
5. MR. ATTAPOL SARIDDIPUNTAWAT	-	-	-	-
6. MRS. VILASINEE PUDDHIKARANT	-	-	-	-
7. Wg. Cdr. Prof. Dr. SIRINTARA SINGHARA NA AYUDHAYA	100,000	-	-	100,000
8. Assoc. Prof. Dr. SARANA BOONBAICHAIIYAPRUCK	1,200,000	-	-	1,200,000
9. MR. KANIT PATSAMAN	-	-	-	-
10. MR. PISET CHIYASAK	-	-	-	-
11. DR. MONGKOL TANJAPATKUL ⁽³⁾	10,550,000	-	-	10,550,000
12. DR. SOMCHAI PINYOPORNPANICH ⁽⁴⁾	50,000	-	-	50,000
13. MR. SONGSAK PREMSUK ⁽⁵⁾	-	-	-	-
14. MR. SUTHON CHUTINIYOMKARN	50,000	-	-	50,000
15. MISS. NUCHANEE UTONG	200,000	-	-	200,000

Note: (1) The Company was listed on the Stock Exchange on October 30, 2018.

(2) Number of shares held by directors, including oneself, spouse, or those who live together as husband and wife and underage offsprings. Including legal entity that hold more than 30% of shares.

(3) Holding the position of Chief Executive Officer

(4) Holding the position of Member of the Executive Committee

(5) Holding the position of Member of the Executive Committee

18 Auditor and auditor fee

(Please see more details in the auditor fees section)

19. Publication of annual reports

The Company has the policy to simultaneously publish annual reports both in Thai and English versions on

the Company and the Stock Exchange of Thailand website prior to the Annual General Shareholders' Meeting, not less than 30 days in advance, including within 120 days from the end of the accounting period as specified by the Stock Exchange of Thailand.

20. Provide channels for communicating Company's information through various channels

such as the website of the Stock Exchange of Thailand, Company website, meeting with analysts on a quarterly basis, monthly performance report, annual registration statement, annual report, Press conferences, newsletters, etc. In addition, the Company has as well prepared both Thai and English version, for the information published and presented; so that both Thai and foreign shareholders are able to access information equally.

21. Public information shall be accurate, complete, and transparent,

with no objective to create the price of the Company's securities from the actual data in accordance with the Company's performance and is cautious on providing information that may cause misunderstanding. This includes not publishing significant information prior to public disclosure via the website of the Stock Exchange of Thailand.

22. The Company has established the Investor Relations Unit

to act as a center for public relations and disclosure of significant and useful information for shareholders, investors, as well as supervising financial reporting processes such as presentation of performance, financial budget, financial reports and analysis and explanation of the management (MD&A), including significant information notified to the Stock Exchange of Thailand, by providing both Thai and English version.

In addition, in the year 2018, the Company has organized activities in the form of Analyst Meeting and Roadshow to present the operating performance to the analysts and investors, as follows:

ACTIVITIES	YEAR 2018 (No. of Times)
Analyst Meeting	1
Roadshow	1
Analyst Site Visit	1
Overseas Investor Conference Call	1

Subsequently, the Company has participated in Investor Relations activities to exchange knowledge and experience in order to develop the Company's investor relations work as well. The Investor Relation Unit (Business Development Department) can be contact at Rama 9

Hospital Public Company Limited No. 99 Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 Phone: 1270 Ext. 35101 Fax: 02-248-8018 Email: Chalikark@praram9.com or can read up more information on the Company website at www.praram9.com Investor Relations section.

1. The Company has disclosed significant information through the Company's website in order for interested shareholders and investors to be able to read up and download the information at www.praram9.com, as follows.

- (1) Shareholder structure
- (2) Vision, Mission, Goal
- (3) Nature of Business
- (4) Organization Structure
- (5) Details and shareholding information of the first 4 directors and executive
- (6) Financial status and operating results
- (7) Corporate Governance Policy, Codes of Business Conduct and regulations of the Company
- (8) Annual report and annual registration statement
- (9) Invitation letter of shareholders meeting
- (10) Minutes of the shareholders' meeting
- (11) Investor Relations Information

RESPONSIBILITY OF THE BOARD OF DIRECTORS

All committees understand the roles and responsibilities and are aware of the responsibility as the organization leader that has to supervise for the company to have good and effective management, transparent, in accordance with the laws, rules, regulations and company requirements. Such is done by clearly segregating the roles, duties and responsibilities of the Board of Directors and the management team. The Company places importance on the policy regarding the responsibilities of the Board of Directors as follows:

1. Structure of the Board of Directors

The Company places importance on Board Diversity for the management to be effective, flexible, and beneficial as well as help lead the Company to the main objectives and goals laid down. For this reason, the company has specified the policy on the diversity of the structure of the board as follows.

1.1 The structure of the Company's Board of Directors is consistent with the Company's Articles of Association that determined that the Company shall have a Board of Directors of not less than five (5) persons and not less than half of the total number of directors. The Board of Directors shall have residence in Thailand and shall have all the

qualifications required by the Company charter; as well as shall not be a person with prohibited qualifications as required by law. The shareholder will be considering the appointment of the Company's directors.

1.2 The Board of Directors shall consist of not less than one third of independent directors of the total number of directors and shall not be less than 3 persons; by promoting for the independent directors to have at least 1 female to create a variety of ideas and is a balance in considering and voting on various matters appropriately.

1.3 The Board of Directors should consist of persons with knowledge and skill, variety of expertise and have work experience related to the Company's business as well as in accordance with the Company's business strategy both short and long term. Without limiting gender, age, race, religion, education background and professional skills

The diversity in the structure of the Board of Directors in professional skills, specialized expertise and experience and expertise. The details are as follows

Knowledge, Skills, Experience and Expertise of Directors

Name	Type of Directors	Administrative and Management	Medical	Finance	Accounting	Legal	Marketing	Mass Communication	Information Technology	International Relations
1. MR. BHANPOT DAMAPONG	Chairman of the Board of Directors	√		√						
2. DR. SATIAN POOPRASERT	Executive Director	√	√							
3. DR. VIROON MAVICHAK	Executive Director	√	√							
4. DR. PRASERT TRAIRATVORAKUL	Executive Director	√	√							
5. MR. ATTAPOL SARIDDIPUNTAWAT	Director	√		√	√					
6. MRS. VILASINEE PUDDHIKARANT	Director	√		√			√		√	
7. Wg.Cdr. Prof. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Independent Director	√	√							√
8. Assoc. Prof. SARANA BOONBAICHAIPRUCK	Independent Director		√			√				
9. MR. KANIT PATSAMAN	Independent Director	√		√	√					
10. MR. PISET CHIYASAK	Independent Director	√				√		√		

1.4 The Chairman of the Board of Directors is not the same person as the Chief Executive Officer.

1.5 The Board of Directors has a tenure of not more than 3 years in accordance with the specified laws. The Board of Directors established the policy that the tenure of an independent director shall not exceed a cumulative term of nine years from the first day of being appointed as independent director. Unless the Board of Directors considered the reasonableness of necessity, the Board of Directors then may appoint such person to continue holding the position of independent director of the Company.

1.6 For the Company proper management after the conversion into a Public Company, therefore, the Company has determined the position of Vice Chairman of the Board of Directors. The Board of Directors Meeting No. 1/2018, held

on March 30, 2018, unanimously resolved to elect Dr. Sathien Pooprasert to hold the position and Vice Chairman of the Board of Directors, effective from March 30, 2018 onwards.

2. Duties and Responsibilities of the Board of Directors

The roles, duties and responsibilities of the Board of Directors are determined in accordance with the charter of the Board of Directors. The objective is to supervise the performance of the Board of Directors to ensure for the highest efficiency and effectiveness which consisted of the following key guidelines

2.1 Responsibility as an organization leader

The Board of Directors recognizing the significant role of directors as the organization leader, which has the

duties and responsibilities to supervise the organization to have good management, including vision, goals, strategy and operating policy. As well as managing significant resources to achieve the objectives and goals. This includes monitoring, assessing and supervising the operating performance report to ensure that it is accurate, in order to create value for the business sustainably as well as creating the highest return for shareholders.

2.2 Policies related to vision and mission

The Board of Directors has the duty to determine and consider objectives, vision, strategies, business directions, goals, guidelines, policies, business plans, management structure and Company's approval authorities. Including supervising and monitor the performance of management to accurately and appropriately be in accordance with the goals; and practice under the framework of legal requirements and business ethics for the benefit of the Company, shareholders and all stakeholders.

The Board of Directors Meeting No. 5/2561 on August 14, 2018, has considered and reviewed the vision, mission, and logo of the new company to be in line with the Company's strategy.

Therefore, in order to monitor the implementation of the Company's strategies and business plans to be practical; at the Board of Directors' Meeting, on a quarterly basis, the Board of Directors has specified that there shall be the performance report of all sub-committee, namely, Executive Committee, Audit Committee (Including performing duties on risk management), Nomination and Remuneration Committee. Such will be the reporting of the turnover and the operating performance in several aspects in accordance to the operational plan that has been defined.

2.3 Corporate Governance Policy and business ethics

The Board of Directors has adhered to the principles of good corporate governance, therefore has established a written policy on corporate governance. The Board creates corporate governance manual and published on the Company Website at www.praram9.com. The objective is for the manual to be guidelines for performing duties for all directors, executives and employees of the Company as well as all relevant stakeholders, to acknowledged and adhered to as guidelines for implementing to be in the same direction.

In addition, in order to achieve the aim in conducting business with transparency, morality and responsibility to stakeholders as well as society and the

environment which is the key to sustainable business operations, therefore the Board of Directors has determined the Code of Conduct, which is ethics in operating Company's business, in writing and published on the Company Website at www.praram9.com. This includes the announcement and communication for the Board of Directors, executives and all employees to acknowledge and adhere to as a framework to strictly implement.

In order to ensure that all employees receive correct, appropriate and sufficient knowledge and understanding on laws, rules, regulations, regulations, Good Corporate Governance Policy as well as the code of conduct of the Company, the Company therefore promotes communication and organizes training to educate employees and new employees on the orientation day. Including test their knowledge and understanding after the training and explain the answers. All employees shall attend and pass the test on such matters by treating this as part of the regulations of work. The results of the test will be use as the key knowledge and understand indicator of the employees in the organization and to be the guidelines to improve communication as well as creating awareness for all employees in the Company. Moreover, the Board of Directors has determined that the policy on corporate governance and business ethics is regularly reviewed, at least once a year, in order for such policies and practices to be modern, consistent with the environment and an always changing business context.

2.4 Internal control and risk management

The Company has established internal control system for supervision and internal control both at the management level and the effective operational level. The Company has established an internal audit unit by hiring outsource auditor to audit the operation and assess the sufficiency of the Company's internal control system. In order for the operation of the internal audit unit to be independent from the management, the Board of Directors therefore assigns internal auditors to directly report the audit results to the Audit Committee so that the Audit Committee can effectively audit and monitor the operations of the Company.

Furthermore, the Company has established risk management working group to define risk management policy to cover the entire organization. This includes supervise to have appropriate process or risk management system to reduce the impact on the Company's business. The Risk Management Working Group is under the Internal Audit Department. More details on the Company's Internal

auditor can be found in the topic “Details on the head of the internal audit and the head of compliance”).

2.5 Supervision of the Company’s operations

The Board of Directors has established compliance unit to support the operation of the Board of Directors. In supervision of the Company’s Board of Directors, executives, employees as well as various units operation to be in compliance with the law and relevant regulations of supervision agencies such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. This includes coordinating with the supervision agencies to ensure that the operation of the Company is accurate, and transparent. The Board of Directors will consider and determined work plan, supervision system, and monitoring as well as performance assessment and revise the annual operational supervision plan in order to conform to the changing events and rules.

In the year 2018, Miss Marisara Thanasaksiri holds the position of company secretary, acting as the head of supervision of the Company’s operations. Fore more details please refers to the topic “Details on the head of the internal audit and the head of supervision of the Company’s operations”.

2.6 Appointment of Company Secretary

The Board of Directors has determined for the company to have a company secretary and shall be appointed by the Board of Directors Meeting. In appointing persons to perform duty as company secretary, shall officiate in accordance with the criteria that the law specified, accompany with good corporate governance guidelines. The company secretary shall be a person with knowledge

and graduated in law or accounting and has completed training courses related to the practice of the company secretary; in order to provide legal and regulatory advice to the Board and supervise the activities of the committee. This includes make appointment and accurately, completely and suficiently preparing meeting invitation letterand supporting documents for the meeting; as well as coordinate to implement in accordance with the Board of Directors’ resolution. More information and roles of the Company Secretary can be seen under the topic “Company Secretary” and “Details of Directors, Executives, Regulators and Company Secretary ”.

3 Policy on the segregation of positions of Chairman of the Board of Directors and Chief Executive Officers

The Company has the policy that the Chairman of the Board of Directors shall not be the same person as the Company’s director; in order to checks and balances each other’s authority, including has no relationship with the management department. The Company has clearly segregate duties and responsibilities in policy formulation, monitoring and supervision of operations and management. The Chairman of the Board of Directors has a significant role in determining the policy, monitoring and overseeing that the business operations of the Company are in accordance with the policies set forth. As well as providing support and advice on the operations of the management which does not interfere with the work that is the responsibility of the management. The Company has clearly defined and sepgregate the duties and responsibilities of the Chairman of the Board of Directors and the Chief Executives Officer. Such can be summarized as follows:

Position	Duties and Responsibilities
Chairman of the Board of Directors	<ul style="list-style-type: none"> • independent in proposing agenda items • Is a leader and control the Board of Directors Meeting and Shareholders Meeting to effectively achieve results. • Encourage the Board of Directors to participate in the meeting. • Help, recommend, and make comments that are beneficial to the Company’s business operation. • Consider matters that may conflict with interests in order to be accurate and transparent.
Chief Executive Officer	<ul style="list-style-type: none"> • Acting as the Company’s chief executive committee by being responsible to the Board of Directors and the Executive Committee in operating business and overseeing the business management of the Company.

Position	Duties and Responsibilities
	<ul style="list-style-type: none"> • Supervise, manage and operate for the benefit of the Company and to be in accordance with the vision, business direction, objectives and regulations. Including rules, resolutions, policies, business strategies and annual budget plan that have been approved by the Board of Directors and/or approved by the shareholders' meeting, Under the relevant legal framework and the scope of authority determined by the Board of Directors. • Inspect, monitor and evaluate the operating performance of the Company's management to ensure that the management implements the strategy and business plan laid down; in order to be in accordance with the Company's policies and goals. This includes reporting to the Board of Directors on the quarterly basis. • Officiate as assigned by the Board of Directors; including having the authority to take any action necessary in performing such duties.

More details on responsibilities of the Chairman of the Board of Directors and Chief Executive Officer can be view in the Management structure section under the titled "Roles and responsibilities of the Chairman of the Board of Directors" and "Scope of duties and responsibilities of the Chief Executive Officer"

4 Policy of independence from the management of the Board of Directors

All directors are independence in expressing their opinions on the operations of the management; by clearly separating the roles, duties and responsibilities of the Board of Directors and the President And has clearly delegated authority to manage the business for the management For the Board of Directors to be able to truly perform their duties independently from the management The Board of Directors has a duty to set policies, visions, missions, objectives and main goals in business operations, directions and business strategy plans. For the management to implement And supervise the management (Monitoring) by determining the audit method In order to counterbalance the work of the management And supervising the management's operations to be efficient, transparent, and in compliance with laws and regulations In order to ensure that the operation of the company is appropriate and for the best benefit of the company and shareholders (Please see more details in the category "Management Structure")

5 Policy regarding the Board of Directors Meeting

In order to ensure that the Board of Directors is able to continuously monitor and control the Company's operations of, the Company has therefore formulated policies in the Board of Directors meeting as follows:



5.1 According to the Company charter, the Board of Directors' Meeting shall be held at least 4 times a year (once a quarter) and can hold additional special meetings as deemed necessary and to be in compliance with the principles of good corporate governance, therefore, the Board of Directors has the policy to have more than 6 meetings per year for effective monitoring of the Company's operations.

5.2 The Company will set the agenda and the date of the Board of Directors Meeting, Sub-Committee Meeting and the Annual Shareholders' Meeting date in advance. The Company will notify the Board of Directors in advance of the final board meeting before next year, so that all directors can allocate time to completely attend the meeting from time to time. The schedule and agenda may be subject to change as deemed appropriate.

The Board of Directors' Meeting No. 6/2018 on November 12, 2018 resolved to schedule the meeting of the Board of Directors and shareholders for the year 2019 in advance. On that date, all directors attended the meeting. The details are as follows

Schedule of the Board of Directors' Meeting and Shareholders' Meeting

Schedule of the Board of Directors Meeting and the Annual General Shareholders' Meeting for the year 2019		
No.	Date	
1/2562	January	15, 2019
2/2562	February	22, 2019
Shareholders' Meeting	April	26, 2019
3/2019	May	14, 2019
4/2019	July	18, 2019
5/2019	August	13, 2019
6/2019	November	12, 2019
7/2019	December	17, 2019

Note: Such meeting schedule may change, based on necessity and appropriateness

Furthermore, the Company also has scheduled Sub-Committee meetings in advance, such as the Executive Committee, Audit Committee (Responsible for risk management as well) and the Nomination and Remuneration Committee. The details are as follows:

Schedule of the Audit Committee Meeting 2019		
No.	Date	
1/2019	February	22, 2019
2/2019	May	13, 2019
3/2019	August	9, 2019
4/2019	November	11, 2019

Schedule of the Executive Board Meeting 2019		
No.	Date	
1/2019	January	25, 2019
2/2019	February	21, 2019
3/2019	March	21, 2019
4/2019	April	18, 2019
5/2019	May	16, 2019
6/2019	June	20, 2019

Schedule of the Executive Board Meeting 2019

No.	Date
7/2019	July 15, 2019
8/2019	August 15, 2019
9/2019	September 19, 2019
10/2019	October 17, 2019
11/2019	November 21, 2019
12/2019	December 19, 2019

Schedule of the Nomination and Remuneration Committee Annual Meeting 2019

No.	Date
1/2019	January 15, 2019
2/2019	February 22, 2019

5.3 In determining the agenda of the Board of Directors' Meeting, the Chairman of the Board of Directors and the Chief Executive Officer will oversee the approval of the meeting agenda; by having one independent director to participate in considering the agenda of the Board of Directors Meeting in order for the significant matters related to the Company be completely included in the agenda.

5.4 The Company determined the company secretary to send the meeting invitation letter and supporting documents to all directors at least 7 days prior to the meeting date. This is to allow the Board of Directors to have sufficient time to study the information before attending the meeting; unless in the case where there is an urgent need. In order to preserve the rights or benefits of the Company, notifying of the meeting can be made by other methods or set the meeting date to be earlier than that.

5.5 The Company organizes to have the records of minutes of the meeting as well as collects and store the certified documents for reference and is accountability. In every meeting, the executives and related persons will be arranged to attend the meeting to provide information and details in making correct and timely decisions.

5.6 In the Board of Directors meeting, there shall

be not less than one half of the total number of directors of the Company to constitute a quorum.

5.7 In the event that the Chairman of the Board of Directors is not present at the meeting or is unable to perform one's duties, the Vice Chairman of the Board of Directors shall act as the Chairman; or if the vice chairman is unable to perform one's duties as well, the directors who attend the meeting shall elect one director to act as the chairman of the meeting.

5.8 In voting, one director has one vote to cast and In voting for resolution at the Board of Directors meeting shall have a minimum quorum of not less than two-thirds of the total number of directors.

5.9 In the event that a director has any conflict of interest will have no rights to vote on that matter. The director who has such conflict of interest can participate in the meeting while considering on the matter. In order to allow the meeting to directly inquire about details from the directors who have such conflict of interest. However, the director with such conflict of interest shall leave the meeting when voting is completed. If the votes are equal, the chairman of the meeting shall cast an additional vote to be the decisive vote by using a majority vote and if there is a director opposing the resolution, the objections shall be recorded in the minutes of meeting.

In the year 2018, the Board of Directors held a total of 9 Board of Directors Meetings where all of the Board of Directors regularly attended the Board of Directors Meetings. The proportion of attendance is at 95.23% (For more details please refer to the topic "Information on attending the Board of Directors' Meetings and sub-committees of each director")

6. Policy on meeting of non-executive directors (Independent Director)

The Board of Directors has the policy to encourage non-executive directors (Independent directors) to held meetings between themselves not less than once a year as deemed necessary; to discuss problems or proposal, suggestions on the topic of the agenda of the Board of Directors Meeting. This includes management that is in the interest without the management department participating the meeting, such as the strategic plan and the sustainable growth of the Company, etc., ready to draw up a report, summarize the considerations and suggestion of the Board of Directors or the management to acknowledge, as the case may be; as well as implemented to improve the management system and the operation of the Company to be even better. This will benefit the Company and all stakeholders.

In 2018, the Company did not have any non-executive board meeting as a result from recently being listed on the Stock Exchange of Thailand, on October 30, 2018, though in 2019 the Company has scheduled the meeting to be held on July 18, 2019.

7 Limiting the number of companies in which independent directors can hold the position of directorship in other businesses.

The Company has determined the qualifications of the Board of Directors. Allowing the directors to hold the positions as directorship in other companies, but in being such directors shall not be an obstacle to the performance of duties of directors of the Company and the Stock Exchange of Thailand. However, in order to support the guidelines for good corporate governance and promote the highest efficiency in performing duties. The Company has requested cooperation from the Company's directors for who should not hold the position of directors in other listed companies of more than 5 listed companies; and shall inform the Board of Directors at all times in the event that they wish to hold positions of directorship in other businesses.

At present, there is no director of the Company who hold the position of directorship in more than 5 other listed companies.

8 Policy for determining term of office of directors

The Company has determined the term of office of directors to be in accordance with the Public Company Act BE 2535 and the Company's Articles of Association, which is one-third of directors shall be rotated from the position on every Annual General Shareholders' Meeting. The directors who are hold the position the longest shall be retired from the position. In the event where the number of directors cannot be divided into three parts, the number nearest to one- third of the directors shall be retired. The director who vacate from the position may be re-elected. The Nomination and Remuneration Committee shall consider recruiting appropriate and qualified person to nominate to the Board of Directors for consideration to propose to the General Shareholders' Meeting.

In this regard, the Company has disclosed the information on each director's that hold the position as a director of the Company and disclosed on who is the independent director of the Company in accordance with the details of the Board of Directors. In the case where any independent directors, who hold the position of directors for more than 9 years, has been nominated to hold continue holding the position of independent director of the Company; the Board of Directors shall present the reasons and necessity to the Annual General Shareholders' Meeting to consider approving. Currently, there is no independent director of the Company holding the position of independent director for more than 9 years.

9 Policy on Nomination of Directors and Top Executives

The Company has a policy to recruit directors by determining the criteria for nomination of directors. This includes the qualifications of directors and the process of appointing new directors clearly and transparently; where the Board of Directors shall consider the appropriateness of the structure and composition of the Board of Directors in accordance with the The Board of Directors structure policy to be in accordance with the business strategy; by taking into account the necessity of qualifications, professional skills and specific expertise of the directors that are still lacking. As well as In accordance with the Board Skill Matrix, including qualifications and experiences that are consistent and promoting the business strategy of the company. Both in short and long term without limitation to gender, race, religion; which in some cases the Company uses the Director Pool database to help make decisions in recruiting and creating a wide variation in the structure of

the Board of Directors. For more details please refer to the topic "Nomination and appointment of directors and senior executives".

10. Remuneration policy

To ensure the process of determining remuneration and other benefits of the Board of Directors, Sub-committee and the Chief Executive Officer be transparent, in comply with good corporate governance principles, and in consistent with the Company's long-term strategy and goals. The components of remuneration and other benefits are appropriate and sufficient to motivate and maintain qualified personnel. The Company has therefore formulated policies and criteria for determining remuneration and other benefits of the Board of Directors, Sub-committee and the Chief Executive Officer as follows

10.1 Process of determining remuneration and other benefits

The Nomination and Remuneration Committee shall consider and determine the remuneration and other benefits of the Board of Directors, Sub-committee and the Chief Executive Officer and shall proceed as follows:

(1) Remuneration and other benefits of the Board of Directors and sub-committees shall be propose to the Board of Directors for consideration within the framework approved by the Shareholders' Meeting.

(2) Remuneration and other benefits of the Chief Executive Officer shall be propose to the Board of Directors for approval

10.2 Guidelines for determining compensation and other benefits

(1) Compensation and other benefits of the Board of Directors and Sub-Committees

In determining for the remuneration of the Board of Directors and Sub-Committees shall take into account the obligations of directors; which must be in compliance with the Fiduciary Duty principle, responsibility, dedication, value received from the performance of duties of directors; as well as attracting qualified directors who are appropriate for the needs of the Company. Such is done by determining the composition of remuneration for directors as follows:

(1.1) Retainer fee paid to non-executive directors on a monthly basis whether or not there is a Board of Directors Meeting. Consider determining the level of compensation by taking into account the following factors:

- Guidelines in the industry
- Business performance and size
- Knowledge, ability and experience of

directors who want to recruit or the needs of the company at that time

(1.2) Attendance fee paid to directors attending the each meeting by paying only to the directors who attended the meeting, which is divided into

• Meeting allowance for the Chairman
And the chairman of the sub-committee

• Meeting allowance for directors And sub-committees

(1.3) Inventive fee is a special compensation paid to the director once a year, by considering from the value created for shareholders such as the Company's profits or dividends paid to shareholders but will not cause the Company's business operation focus Short-term performance.

(1.4) Other benefits in return (Both monetary and non-monetary forms) which may be considered as absolute amount at a fixed rate or placed as specific criteria; and will be scheduled from time to time or to be effective until the shareholders' meeting has resolved to change otherwise.

(1) Remuneration of the Chief Executive Officer

The determination of the remuneration of the Chief Executive Officer is in accordance with the principles and policies approved by the Board, which has been considered by the Nomination and Remuneration Committee and for the best interest of the Company. Types and levels of the remuneration, in terms of salary, bonus, and long-term incentives shall be consistent with the performance of the Company and performance assessment results. The elements of the Chief Executive Officer remuneration are as follows:

(2.1) Regular remuneration such as salary and other regular remuneration which the consideration to determine the remuneration level, take into account on the following factors

- Knowledge, competence and experience
- Practices in industries with similar business sizes
- Performance assessment (In case of considering remuneration increase)

(2.2) Medical welfare in accordance to the welfare specified in the regulations and employee manuals.

(2.3) Compensation based on performance, namely bonus, other special remuneration, considered from

performance assessment results which shall be under the policy framework set by the Board of Directors.

11 Policy on performance assessment of the Board of Directors

Sub-committee and the Chief Executive Officer In order to ensure that the process of governance, control and management are in accordance with the principles of good corporate governance and to monitor and assess the results in accordance with the objectives or goals set; the Company has therefore set the policy for the Board of Directors, Sub-Committee and the Chief Executive Officer to take the assessment of performance at least once a year to be the information for the Board of Directors, Sub-committee and the Chief Executive to use for considering and reviewing the performance, issues and obstacles during the past year and increase the effectiveness of the Board of Directors and the Chief Executive Officer. The process and criteria for assessing the work are as follows.

11.1 Assessment of the Board of Directors and Sub-Committees

Arrange for the assessment of the performance of the Board of Directors and sub-committees once a

year, every year, by preparing the assessment form which is divided into 3 types:

(1) Self-assessment form of the Board of Directors and Sub-Committees for each committee

(2) Self-assessment form of the Board of Directors and sub-committees individually

(3) Assessment form of the individual board (Evaluate others)

Process for assessing performance

(1) Nomination and Remuneration Committee consider and determine policies and rating criteria on assessing each topic in accordance with the assessment form.

(2) The Corporate Secretary will hand out the Board assessment form so that every director can assess the annual performance of both the board and individual.

(3) The committee submits the assessment form to the Company secretary in order to collect and summarize the assessment results and report to the Nomination and Remuneration Committee as well as the Board of Directors to acknowledge at the first Board of Directors Meeting of the year.

Criteria for Performance Assessment	
Score Received (%)	Scale Received
85 - 100	Excellent
75 - 84	Very Good
65 - 74	Good
50 - 64	Fair
Below 50	Should urgently consider improvement

The performance assessment of the Board of Directors in 2018, can be summary summarized as follows:

Assessment Results	Score (Percent)
Performance assessment of the Board of Directors as a Board	97.96
Individual performance assessment of the Board of Directors (self-assessment)	96.54
Individual performance assessment of the Board of Directors (assessing others)	99.25

The performance assessment of the sub-committee for the year 2018, can be summarized as follows:

Assessment Results	Individual Score (Percent)	Committee Score (Percent)
Performance assessment of the Executive Committee	93.50	96.26
Performance assessment of the Audit Committee	94.44	93.67
Performance assessment of the Nomination and Remuneration e Committee	91.66	97.09

11.2 Assessment of Chief Executive Officer performance

Arrange for an assessment of the performance of the Chief Executive Officer once a year. The Nomination and Remuneration Committee shall propose to the Board of Directors for consideration within the first month of the year. The assessment of Chief Executive Officers will be assessing the main topics as follows.

- Understanding Company and businesses
- Company placement and strategic planning
- Financial management
- Resource management
- Achieving goals and strategic plans
- Leadership

- Ability to analyze and make decision
- Communication skills
- Trust, confidence and implement in accordance with the commitment
- Having corporate governance

Process for Performance Assessment

(1) The Nomination and Remuneration Committee shall consider and determine policies and assessment scoring criteria on each main topic, in accordance with the assessment form and jointly assess the performance of the Chief Executive Officer.

(2) The Nomination and Remuneration Committee shall report the assessment results to the Board of Directors for consideration.

Criteria for Performance Assessment	
Score Received (%)	Scale Received
85 - 100	Excellent
75 - 84	Very Good
65 - 74	Good
50 - 64	Fair
Below 50	Should urgently consider improvement

The performance assessment of the Chief Executive Officer for the year 2018, can be summarized as follows:

Assessment Result	Score Results (Percentage)
Performance assessment of the Chief Executive Officer	91

12. Directors and Executives Development Policy

The Board of Directors has policy to promote and develop knowledge for directors, executives, company secretary, and etc; in order to continuously and annually increase the skills and knowledge necessary for the

performance of duties and responsibilities. The knowledge development training may be done within the Company or use the services of outsource institutions.

In the year 2018, there were directors attending seminars on programs related to the practice of the following duties:

Directors Name List	Trainings / seminar courses
DR. VIROON MAVICHAK	Director Accreditation Program (DAP) Class 145/2018 (IOD)
DR. PRASERT TRAIRATVORAKUL	Director Accreditation Program (DAP) Class 145/2018 (IOD)
MR. ATTAPOL SARIDDIPUNTAWAT	Director Accreditation Program (DAP) Class 142/2018 (IOD)
MRS. VILASINEE PUDDHIKARANT	Advanced Audit Committee Program (AACP) Class 29/2018 (IOD) Board that Make a Difference (BMD) Class 8/2018 (IOD)
Assoc.Prof. Dr. SARANA BOONBAICHAIRAPRUCK	Director Certification Program (DAP) Class 145/2018 (IOD)
Wg. Cdr. Prof. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Director Certification Program (DAP) Class 151/2018 (IOD) Directors Certification Program (DCP) Class 268/2018 (IOD)
MR. PISET CHIYASAK	Ethical Leadership Program (ELP) Class 11/2018 (IOD)

In addition to the seminar in the year 2018, the Company has disclosed the training and seminar information of the first 4 directors and executives of the Company in the profile of the company's directors and executives.

13 Policy on the succession plan for the highest executive positions

The Board of Directors has succession plan and continuity in appropriate management for executives from assistant executive officer level up to Chief Executive Officer. There is a clear and transparent recruitment process which based on knowledge, experience, competence, ethics and leadership; in order to prepare personnel to be able to support and be consistent with business growth. Including evaluating the efficiency and potential of the executives, promote to develop knowledge and skills appropriately as well as continuously monitor the development. The Company has disclosed the policy to seek for executives to be successors to the significant positions for all directors, executives and employees to acknowledge through the Company website at www.praram9.com, in order to ensure that the operations of the Company will be able to continue to perform at the highest efficiency.

The Company has the plan to appropriately and transparently selects personnel that will be responsible for significant management positions at all levels to ensure that the Company has managers who are professional. The Board of Directors determined to have a succession plan in order to prepare for the succession of the Chief Executive Officer and senior management. In the event that the Chief Executive Officer or senior executive retires, resigns or is unable to perform one's duties. In order for the Company's management to proceed continuously, the Company assigned the Nomination and Remuneration Committee ("Nomination Committee") to overseeing the succession plan and successively report to the Board of Directors at least once a year, including supervising to ensure that personnel management and development to have appropriate amount of knowledge, skills, experience and motivation as follows:

Chief Executive Officer

When the Chief Executive position become vacant or the person in the position cannot perform one's duties, the Company will assign executives at a similar level or the deputy managing director level to hold the position; until there is recruitment and selection of persons with qualifications in accordance to the criteria set by the Company

Senior Executives

When the senior management positions, ranging from the assistant director level up to the deputy managing director level or those who are in such position are not able to perform their duties, the Company will nominate successors selected by Deputy Managing Director to overseeing the Human Resources Management Department (In the case that the vacant position is the Deputy Managing Director who oversees the Human Resources Management Department to be the duties of the Chief Executive Officer) and propose to the Chief Executive Officer to consider and approve the appointment.

14. Director orientation

In the event that there is a change of directors or new directors, the Company will organize an orientation for new directors. The new directors will have a chance to meet with senior executives such as the Chief Executive Officer and Deputy Managing Director for in-depth inquiries on business operations. The Company as well provides a manual for new directors in order to prepare them to perform their duties as directors and to create knowledge and understanding on the Company's business nature, operation plan, policies and information related to the Company. The company secretary act as the coordinator on various matters such as organizational structure, major shareholders, and the composition of the listed company as well as vision, mission, and the Company's operating performance, etc.; in order to help support the directors to perform their duties efficiently and able to take office as soon as possible.

NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

• Criteria for considering the appointment of directors and senior executives

(1) The Nomination and Remuneration Committee shall be responsible for considering and nominating the Company's directors and chief executive officer, who completely hold the qualifications in accordance with the qualifications criteria of the Board of Directors determined by the Company. Such criteria specified that directors and chief executive officer shall have knowledge, competence and work experience that are in compliance with the business operation strategies and readiness to devote time to perform duties as a director. Including the necessary skills that are still absent in the structure of the Board of Directors according to the Board Skill Matrix (see more details on the qualifications of directors under the section of "Management

Structure" titled "Qualifications of the Board of Directors") to proceed in accordance to the process of appointment of directors and senior executives.

(2) In the case where the shareholders nominate qualified persons to be elected as directors and/or the Company's chief executive officer, the Nomination Committee shall then use the information of the person who has been nominated to consider the qualifications in accordance with the criteria set by the Company; in order to proceed in accordance with the process of appointment of directors and senior executives.

• Process for recruiting and appointing directors and senior executives

(1) In the nomination and appointment of directors and the Company's Chief Executive Officer, part of it will be considered based on the Director Pool to create diversity in the structure of the Board.

(2) Prepare Board Skill Matrix to determine the qualifications of directors that the Company wants to recruit, by considering the necessary skills that are still lacking in the Board of Directors and work experience that is in comply with the Company's business strategy.

(3) In the case where the Nomination and Remuneration Committee considers that the Company still lacks the directors or executives who have more knowledge, competency or specific experience; the Nomination and Remuneration Committee will consider recruiting for additional positions to comprehensively help develop the potential of working in various aspects of the company.

Once the Nomination and Remuneration Committee has nominated qualified persons appropriately, the committee will propose the name of new directors and senior executives to the Board of Directors' Meeting to consider and/or propose to the Shareholders' Meeting for approval, as the case may be.

(4) In the case of the appointment of directors to replace the vacant positions for reasons other than the expiration of the term of office, the Nomination and Remuneration Committee shall select persons who are fully qualifications in accordance with the determined criteria to propose to the Board of Directors Meeting; in order to appoint a replacement position at the next Board of Directors Meeting. Unless the term of the director is less than 2 months, the person who holds the position of director in such case shall remain in the position for only the remaining term of the vacating director.

SUPERVISION OF THE USE OF INTERNAL INFORMATION

The company has the policy of trading securities and using Company's internal information, which has not yet been disclosed to the public to be use for personal gain; including securities trading as follows

(1) The Company's directors, executives and auditors issuing securities are obliged to disclose and report of their securities holding, their spouse or persons living together as husband and wife as well as the underage offsprings; to be in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

(2) The company shall officiate in accordance with the laws regarding the use of internal information. By equally implementing equality and fairness to all shareholders and in order to prevent illegal actions of the Company's personnel at all levels; as well as all family members who have been informed or may have acknowledge the internal information that has not been disclosed to the public. The company therefore, prohibits such person from trading shares or inviting others to trade or offer to trade shares of the Company, whether by oneself or through a broker while still possessing information that has not yet been disclose to the

public. The Company and the Stock Exchange of Thailand considered that trading of securities in such way is the trading for speculation or creating an advantage for a particular group of people.

(3) The Company has established security system in the workplace to prevent files and confidential documents. The Company also has restricted access to non-public information by providing only to necessary and related persons. This is considered the duty of the information owner or the person who possesses the information that has not yet been disclosed to the public to enforce those involved to strictly follow the security procedures. Violators of the use of internal information shall be subjected to disciplinary actions and/or laws, as the case may be.

AUDITOR REMUNERATION

The Company hired EY Office Limited as the auditor of the Company, which is an auditor who has been approved by the SEC to audit, comment and certify the Company's financial statements. This includes being independent and has no relationship or conflict of interest with the Company, directors, senior management, major shareholders or an individual who is related to such person.

In the year 2018, the Company has paid the auditors remuneration where there is no Non-audit fee, as follows:

Auditor Remuneration	Year 2018 (Unit/Baht)	Year 2017 (Unit/Baht)
1. Audit Fee	1,800,000	1,140,000
2. Non-audit fee	None	None

IMPLEMENTING CODE OF BEST PRACTICES OF SET

Prior to the listing of ordinary shares as listed securities on the Stock Exchange of Thailand, the Company has established good governance principles and policies for becoming a listed company in the Stock Exchange of Thailand; for legal compliance and be in compliance with the related practices guidelines; in order to create transparency and responsibility towards the duties of the Board of Directors. The Company realizes that shareholders' confidence is a key factor for becoming a sustainable listed company. After becoming a listed company in the Stock Exchange Market on October 30, 2018; the Board of

Directors realized the significant of the mechanism and measures that will supervise the Company to be responsible to all stakeholders with fairness. Therefore, the Company has established policies to review the good governance principles and significant policies to be in accordance with and appropriate for the business context at least once a year; which will lead to better and more development and improvement. In the end, the company foresees that the Benefits received would be towards shareholders and various stakeholders, including creating more value for the business in the future.

CORPORATE SOCIAL RESPONSIBILITY

OVERALL POLICY

The Company is aware of the importance of operating sustainable business with Corporate Social Responsibilities by emphasizing on all stakeholders including economic, social and environmental aspects with moral and ethics. Also, following the good governance practice complying with the related law and anti-corruption with the hope and expectation that this good practice will be the main power to drive the sustainable growth for the business and community.

The Company gives priority to the safety of the society, environment and quality of life for those involved with the operation. Also, the company encourages all employees to be aware and develop sense of consciousness of being responsible for the society and environment as well as complying with all the rules and regulations strictly. Moreover, being actively involved in the building and preservation of society and environment, supporting local culture where the company operates are also being done. The Company has prepared the policy for Corporate Social Responsibility as followings.

Category 1 Operating all business activities with fairness by encouraging honesty, fair, good governance, complying with the ethics, rules and regulations, fair competition as well as rejecting any unfairness behavior.

Category 2 Respecting human rights by encouraging human rights practices and equal treatment without discriminating the race, age, gender, religion, emotional state, language and social status.

Category 3 Fair treatment towards labor and employee as well as human resource development.

Category 4 Responsibility towards customers/service requester by enhancing the servicing department of the company to receive customer's ultimate satisfaction.

Category 5 Taking care of the environment by promoting and encouraging environmental care, complying with the law, rules and regulations strictly.

Category 6 Cooperating with society and community development by sponsoring and supporting activities that involves all stakeholders within the society and community in terms of medical services. Thus, the details and information related to activities can be found in Corporate Social Responsibility part.

ACTIVITIES FOR SOCIETY AND ENVIRONMENT

The Company encourages and supports activities that indicate care and responsibility towards all stakeholders that is to create mutual and sustainable benefits for society and community especially medical services for the people. The Company has performed certain activities for the society and environment as indicated below.

1. Organizing First Aid Training Course

The Company organized first aid training program by expertise for the executives and employees. The aim is to create understanding and correct knowledge of first aid that can be utilized correctly in real time and to increase the efficiency and effectiveness of human resources within the company.



2. Organize a 9-month dialogue with baby development in the womb

Dr. PLOYNIN PUTTAPITAKPONG, Maternal and infant medicine doctors Obstetrics and Gynecology along with nurse team together delivered information and clarification regarding pregnancy and its related issues for new parenthoods which is a good preparation for the parents and the baby development in the womb. This is organized twice a year.



3. Blood donation activity

Organized with the Red cross center, the blood donation activity is organized with supports of doctors, nurses and expertise personnel. This activity is organized every three months with the aim to create awareness of helping and sharing for people in need and for the benefit of humanity.



4. Dialogue about Kidney diseases and Kidney Transplant.

Dr. Pongpan Thanak and Dr. Suthanit Laowalert experts in Nephrologist gave a talk and knowledge on kidney issues and kidney transplant for doctors, nurses, patients and interest people at affiliate hospitals outside Bangkok such as Trang Ruampat Hospital, Trang province and Rajyindee Hospital,



5. Dialogue on New Kidney, New life.

This activity is to disseminate knowledge, suggestions and advices related to kidney issue and its treatment for patients, patient's family and local people. Also, giving a free kidney checkup for people.



6. Organize dialogue on Prevention and treatment of heart disease

Organize public relations and knowledge for executives and employees for PEPSI-COLA (THAI) TRADING CO.,LTD on prevention and treatment for heart disease by Gen. Dr. Pravit Tanprasert a Cardiovascular disease specialist.



7. Dialogue on Office syndrome

The activity is organized to provide knowledge and health consultation for the executives and employees of the Thai Airways International Public Company emphasizing on the office syndrome by experts physiotherapist of Rama 9 Hospital



8. Health promotion and first aid health mobile checkup campaign

The health service unit has been set up for mobile primary health checkup free of charge with the aim to promote and support good health for the people and for corporates both public and private. For example;

(1) The Unit for primary health checkup, blood pressure, diabetes for executives and employees of Thai Nishimatsu Construction Co., Ltd. on their Safety Day

(2) The unit for primary health checkup blood pressure, diabetes for executives and employees of HSBC (Thailand) Head Quarters.



(3) The unit for primary health checkup blood pressure, diabetes for executives, shareholders and employees of Charoen Pokphand Group in their Annual shareholder meeting



(4) The unit for primary health checkup blood pressure, diabetes together with Krungthai AXA / Krungthai-AXA Life Insurance Public Company Limited at Money Expro Exhibition for the people joining at Impact Exhibition Hall, Muang Thong Thani.



(5) The unit for primary health checkup blood pressure, diabetes for people and customers staying at IDEO CONDO



(6) The unit for primary health checkup and first aid for participants joining in Green Life Green Run event at Vachirabenjatas Park



(7) The unit for primary health checkup blood pressure, diabetes for local people and customers staying at TC Green Condo



(8) The unit for primary health checkup blood pressure, diabetes together with Private Hospital Association for people staying at Din Daeng, Huai Kwang area



(9) The unit for primary health and first aid checkup for teachers, students and participants for the annual sports day at Singapore International School of Bangkok



INTERNAL CONTROL AND RISK MANAGEMENT

The company recognizes the importance of internal control systems and ensures that it is in compliance with the principles of Good Corporate Governance, including internal control guidelines and frameworks that are international. In order to achieve the objectives the Board of Directors therefore appointed 3 audit committee members who were able to perform their duties efficiently and independently. In addition, the appointed audit committee members are responsible for reviewing the internal control system and monitor various internal controls to ensure that it is sufficient and appropriate for business operations; as well as efficient and effective in operating. Furthermore, to ensure that such internal control and internal control system can prevent or reduce risk or damage that may occur. The appointed audit committee members are as well responsible for providing financial reports that are accurate and reliable as well as practice in accordance with the laws, rules and regulations relating to the Company's business and relevant rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.

The company has internal control system for both medical treatment and medical services which has been certified by JCI (USA) by the Joint Commission International (JCI), United States, since 2010 till present. This includes having Internal control system that can be supervised to ensure that it is in compliance with Good Corporate Governance policies and internal control systems that has been determined appropriately. The internal audit department is independent from other departments in order to perform its duty in assessing the implementation to be compliance with the specified internal control system and report the results to the Audit Committee on a quarterly basis. The Company has hired Acc-Plus Consultant Co., Ltd, Outsourcing, to perform such duties, including preparing annual internal audit plan and propose to the Audit Committee Meeting to consider approving the plan. Such plan is to be use in auditing and monitoring the implementation to be in accordance with the plans and policies set by the Company. At which the Company has continuously developed and improved the quality of the internal control system.

The Board of Directors has considered the sufficiency of the internal control system together with the report of internal control system auditing results which the Audit Committee has reported to the Board of Directors on a quarterly basis. The report covered the details that are in accordance with the COSO's internal control principles (The Committee of Sponsoring Organization of the Treadway Commission)

CONTROL ENVIRONMENT

The Company has established the organizational structure for supervising and managing, as well as the authority to consider and approve in order to ensure that the internal control system effectively promotes and supports the achievement of objectives. Moreover, to ensure that it is in compliance with relevant laws, regulations, rules and standards under the principles of good corporate governance which is written in the Company's Code of Conduct; as well as communicating both the requirements and penalties for the executives and employees to militantly become aware of the importance and value of integrity and ethics as a culture of the organization. The Code of Conduct covers various practices such as recognizing the roles and responsibilities of the Board of Directors as a leader that creates value for the business sustainably, setting objectives, the main goal of the business that aims for sustainability, effectively strengthening the Board of Directors, nomination and development of senior management and personnel management. This includes promoting innovation and operating business with responsibility, supervising to ensure that there are appropriate risk management and internal control system; as well as maintaining financial credibility and disclosure the disclosure of information and support participation and communication with shareholders.

The Company determined annual plans and strategic plans, including operational goals and budgets in order to be frameworks for operating in accordance with the appropriately specified plans and strategic plans. The Company has determined the Unit level Key Performance Indicators with the main objective in aiming at developing

service quality of the Company and evaluation based on responsible duties both in performance and core competency.

RISK ASSESSMENT

The company has realized the importance of systematic and effective risk management. Therefore, the Company has appointed Risk Management Committee to report directly to the Audit Committee in order to perform its duties in determining guidelines, measures, action plan, risk management framework and policy that is consistent with the Company's risk management, supervising, monitoring and the risk management assessment policies to be in accordance with the Company's strategy and business direction; which covers both internal and external risk management policies and scopes. This includes strategic risk, operational risk, financial risk, compliance risk, fraud and corruption risk that may occur from the business operations and reputation risk as well as the administration and management of patient care to be supervised in accordance with the policies and international standards of Joint Commission International (JCI). The Company has as well determined the Total Quality Center : TQC to be the unit that considers and monitors complaints in terms of service quality and ethics and report the results to the risk management working group. The risk management process has passed the Root Cause Analysis of the relevant unit and has systematically determined the Leading Key Risk Indicators where the risk management working group reported to the Audit Committee every quarter.

CONTROL ACTIVITIES

The Company has appropriately established policies and procedures that covered various processes in writing as well as clearly defined the scope of authorities and duties. This includes having both preventive and monitorial internal control processes and regularly review to ensure that such policies and procedures can truly be implemented at all levelsthroughout the organization. The Company has determined the breakdown of duties in approving, assets management and the recording of accounting and informationseparately from each other in order to appropriately create balance and be able to inspect each other.

INFORMATION & COMMUNICATION

The Company has information system with appropriate security control that can provide quality information for consideration and decision making. The policy and various regulations have been communicated in order to effectively support the implementation of the internal control system

such as the communication of executives to all employees to acknowledge through the Knowledge Sharing Session where the representatives of the division participated. In addition, the executives as well communicated through submeeting, the use of intranet system, Email, announcements, and the rotation of public relations' communication letter both within the department and within the Company; including appropriately and sufficiently report the information and news of the Company.

The Total Quality Center (TQC) has been determined as a department that considers and monitors complaints in terms of service quality and ethics; including accepting complaints and informs information or clues on fraud or corruption from both inside and outside the Company safely.

The Company requires that sufficient significant information is reported to the Board of Directors and the Audit Committee on a quarterly basis. To monitor the company's performance in accordance with the company's goals, plans and strategic plans as well as risk management reports, the observations that were found during the auditors' audit and guidelines for improvement. This includes the findings and suggestions of the internal auditors and the preparation of meeting reports of the Board of Directors and the subcommittees in writing.

MONITORING ACTIVITIES

The company has monitoring process, internal control assessment and practice in accordance with the code of conduct. The internal audit department which is independent from other agencies perform its duty in auditing the practice in accordance with the determined internal control system and report directly to the Audit Committee on a quarterly basis or report promptly if found significant defects. The results of the previous inspection show that there was no significant defect.

Based on the assessment of the sufficiency of the Company's internal control system, the assessment shows that the system covered all five major components mentioned above at which the system have been reviewed by the Audit Committee. In the past year, the auditor and the internal audit department finds no significant internal control defect. The Audit Committee and the Board of Directors are at the opinion that the Company's internal control system is sufficient and appropriate for the size and business conditions of the Company and is in comply with the relevant laws and regulations; as well as in accordance with the principles of Good Corporate Governance and has appropriately practice in accordance with the determined internal control. Furthermore, the Company has provided sufficient personnel to effectively implement the internal control system.

DETAIL OF DIRECTOR, EXECUTIVE, CONTROLLING PERSONS AND COMPANY SECRETARY

• Mr. BHANAPOT DAMAPONG	Chairman of the Board of Directors		
Appointed Date	March 28, 2018		
Age	70 years		
Directors Shareholding	1,000,000 Shares (0.127%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Social Studies, Texas Southern University Bachelor's degree in Business Administration, Kasetsart University		
Training	Director Accreditation Program (DAP), Class 142/2017 (IOD)		
Position held in other companies	<div>None</div> <div> 2011 - Present Chairman of the Board of Directors B.B.D. Development Company Limited </div> <div> 2006 - Present Chairman of the Board of Directors B.B.D. Property Company Limited </div> <div> 1998 - Present Chairman of the Board of Directors OAI Education Company Limited </div>		
Listed Company			
Other companies or organizations			
Illegal record in the past 10 years	None		

• Dr. SATIAN POOPRASERT	Vice-Chairman of the Board of Directors / Member of the Executive Committee / Chief Executive Officer / Authorized Director		
Appointed Date	March 28, 2018		
Age	66 years		
Number of Shares Held	10,550,000 Shares (1.342%)		
Spouse Shareholding	1,000,000 Shares (0.127%)		
Offspring Shareholding	None		
Family Relationship with the executive	None		

Highest Academic Qualification	American Board of Rheumatology Loma Linda University, California, U.S.A American Board of Internal Medicine Christ's Hospital, Oak Lawn, Illinois, U.S.A Doctor of Medicine, Ramathibodi Hospital		
Training	High-level executive development program Cambridge - Thammasat Class 1 Director Certification Program (DCP), Class 82/2006 (IOD) Role of the Chairman Program (RCP), Class 36/2015 (IOD) Director Accreditation Program (DAP), Class 142/2017 (IOD)		
Position held in other companies Listed Company	2015 - Present	Chairman of the Board of Directors	Pioneer Motor Public Company Limited
	2013 - Present	Director	Major Cineplex Group Public Company Limited
Other companies or organizations	1995 - Present	Director	Rely (Thailand) Company Limited
Illegal record in the past 10 years	None		

• Dr. PRASERT TRAIRATVORAKUL	Director / Member of the Executive Committee / Deputy Managing Director / Authorized Director		
Appointed Date	March 28, 2018		
Age	70 years		
Directors Shareholding	9,950,000 Shares (1.265%)		
Spouse Shareholding	283,500 Shares (0.036%)		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Certificate in Orthopedic Surgery, United Hospital and Medical Center of New Jersey, U.S.A. Certificate in Surgery, The Jewish Hospital and Medical Center of Brooklyn, N.Y., U.S.A. Diplomate, American Board of Surgery Bachelor in Doctor of Medicine, Mahidol University Bachelor of Science Mahidol University		
Training	Director Accreditation Program (DAP) Class 145/2018 (IOD)		
Position held in other companies	None		
Listed Company			
Other companies or organizations			
	2013 - Present	Director	CPT Company Limited
	2014 - Present	Director	Christian Learning Foundation
	2015 - Present	Director	Manorom International Christian School
	1992 - Present	Department of Surgery Advisor	Ramathibodi Hospital
Work Experience	2004- Present	Chief of Surgery	Rama 9 Hospital Public Company Limited
Illegal record in the past 10 years	None		

• Dr. VIROON MAVICHAK	Director / Member of the Executive Committee / Deputy Managing Director / Authorized Director		
Appointed Date	March 28, 2018		
Age	68 years		
Shareholding	9,250,000 Shares (1.176%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Higher Graduate Diploma, Division of Internal Medicine, Nephrology, Diplomate, American Board of Nephrology Higher Graduate Diploma, Division of Internal Medicine, Diplomate, American Board of Internal Medicine Bachelor of Science, Doctor of Medicine, Mahidol University		
Training	Director Accreditation Program (DAP) Class 145/2018 (IOD)		
Position held in other companies			
Listed Company	None		
Other companies or organizations	None		
Work Experience	2010 - Present	President of Medical Organization	Rama 9 Hospital Public Company Limited
Illegal record in the past 10 years	None		

• Mr. ATTAPOL SARIDDIPUNTAWAT	Director / Chairman of the Executive Committee / Member of the Nomination and Remuneration Committee		
Appointed Date	March 28, 2018		
Age	53 Years		
Shareholding	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Business Administration, Kasetsart University Bachelor's Degree in Accounting, Kasetsart University		
Training	Director Accreditation Program (DAP) Class 142/2560 (IOD)		
Position held in other companies			
Listed Company	2017 - Present	Director Chief Corporate Officer	SC Asset Corporation Public Company Limited
Other companies or organizations	2017 - Present	Director	V. Land Property Company Limited
	2017 - Present	Director	Up Country Land Company Limited

	2017 - Present	Director	SC ABLE Company Limited
	2017 - Present	Director	SCOPE Company Limited
	2017 - Present	Director	SCOPE TOWER Company Limited
	2017 - Present	Director	SC Asset Two Company Limited
Illegal record in the past 10 years	None		

• Mrs. VILASINEE PUDDHIKARANT	Director / Member of the Nomination and Remuneration Committee		
Appointed Date	March 28, 2018		
Age	63 years		
Shareholding	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	MINI MBA, Chulalongkorn University Bachelor of Science Economics, East Texas State University		
Training	Director Certification Program (DCP) Class 134/2010 (IOD) Advanced Audit Committee Program (AACP) Class 29/2018 (IOD) Boards that Make a Difference (BMD) Class 8/2018 (IOD)		
Position held in other companies			
Listed Company	2016 - Present	Director/ Member of the Executive Committee	SC Asset Corporation Public Company Limited
	2015 - Present	Consultant	Advanced Info Service Company Limited
Other companies or organizations	2016 - Present	Consultant	SCB Abacus Company Limited
Past Work Experience	2013 - 2015	Chief Executive Officer on Customer and Service	Advanced Info Service Company Limited
Illegal record in the past 10 years	None		

• Assoc. Prof. Dr. SARANA BOONBAICHAIPRUCK	Director / Chairman of the Nomination and Remuneration Committee/ Independent Director																												
Appointed Date	March 28, 2018																												
Age	59 years																												
Shareholding	1,200,000 Shares (0.152%)																												
Spouse Shareholding	None																												
Offspring Shareholding	None																												
Family Relationship with the executive	None																												
Highest Academic Qualification	<p>Medical specialist - Cardiac Catheterization for diagnostic and treatment the Hospital of the Good Samaritan Los Angeles, Los Angeles, California, United State of America</p> <p>Medical Specialist in Internal Medicine, Kaiser Permanente Medical Center, Los Angeles, California, United States of America</p> <p>Residency, Los Angeles Country University of Southern California Medical Center, Los Angeles, California, United State of America</p> <p>Medical Intern, Chulalongkorn University</p> <p>Bachelor of Science, Chulalongkorn University</p> <p>Bachelor of Medicine, Chulalongkorn University</p>																												
Training	Director Accreditation Program (DAP) Class 145/2018 (IOD)																												
Position held in other companies	<table> <tr> <td>Listed Company</td><td colspan="3">None</td></tr> <tr> <td rowspan="7">Other companies or organizations</td><td>2015 - Present</td><td>Director</td><td>Pruk Suk Sabai Company Limited</td></tr> <tr> <td>2015 - Present</td><td>Chairman of the Sub-commission</td><td>Public Health Commission, The National Legislative Assembly</td></tr> <tr> <td>2014 - Present</td><td>Member</td><td>The National Legislative Assembly</td></tr> <tr> <td>2014 - Present</td><td>Director</td><td>Energy Commission, The National Legislative Assembly</td></tr> <tr> <td>2014- Present</td><td>Director</td><td>Public Health Commission, The National Legislative Assembly</td></tr> <tr> <td>2012 - Present</td><td>Director</td><td>Sarana Cardiology and Associates Company Limited</td></tr> <tr> <td>1992 - Present</td><td>Doctor of Cardiology</td><td>Faculty of Medicine, Ramathibodi Hospital</td></tr> </table>			Listed Company	None			Other companies or organizations	2015 - Present	Director	Pruk Suk Sabai Company Limited	2015 - Present	Chairman of the Sub-commission	Public Health Commission, The National Legislative Assembly	2014 - Present	Member	The National Legislative Assembly	2014 - Present	Director	Energy Commission, The National Legislative Assembly	2014- Present	Director	Public Health Commission, The National Legislative Assembly	2012 - Present	Director	Sarana Cardiology and Associates Company Limited	1992 - Present	Doctor of Cardiology	Faculty of Medicine, Ramathibodi Hospital
Listed Company	None																												
Other companies or organizations	2015 - Present	Director	Pruk Suk Sabai Company Limited																										
	2015 - Present	Chairman of the Sub-commission	Public Health Commission, The National Legislative Assembly																										
	2014 - Present	Member	The National Legislative Assembly																										
	2014 - Present	Director	Energy Commission, The National Legislative Assembly																										
	2014- Present	Director	Public Health Commission, The National Legislative Assembly																										
	2012 - Present	Director	Sarana Cardiology and Associates Company Limited																										
	1992 - Present	Doctor of Cardiology	Faculty of Medicine, Ramathibodi Hospital																										
Illegal record in the past 10 years	None																												

• Prof. Wg.Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	Director / Member of the Audit Committee / Independent Director		
Appointed Date	March 28, 2018		
Age	58 years		
Own Shares	50,000 Shares (0.006%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Higher Graduate Diploma in Clinical Medical Sciences, Division of Radiology, Graduate Studies Mahidol University Diplomate in Diagnostic Neuroimaging, The Medical Council of Thailand Diplomate in Interventional Neuroradiology, The Medical Council of Thailand Certificate in training Neuro-intervention Bicetre Hospital University, Paris-Sud, France Professional Medical Diploma, General Radiology, Medical Council of Thailand Bachelor in Doctor of Medicine, Faculty of Medicine Siriraj Hospital, Mahidol University		
Training	Director Accreditation Program (DAP) Class 151/2018 (IOD) Directors Certification Program (DCP) Class 268/2018 (IOD)		
Position held in other companies			
Listed Company			
Other companies or organizations			
Past Work Experience	2013 - 2015	Vice President	World Federation of Therapeutic and Interventional Neuroradiology
	2011 - 2013	Consultant	The Thai Society of Vascular & Interventional Radiology
Illegal record in the past 10 years	None		

• Mr. KANIT PATSAMAN	Director/ Chairman of the Audit Committee / Independent Director		
Appointed Date	March 28, 2018		
Age	57 years		
Own Shares	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Business Administration, National Institute of Development Administration Bachelor of Economics, Ramkhamhaeng University		
Training	Director Certification Program (DCP), Class 156/2012 (IOD) Audit Committee Program (ACP), Class 40/2012 (IOD) IT Governance and Cyber Resilience Program (ITG), Class 5/2016 (IOD)		
Position held in other companies			
Listed Company	2014 - Present	Independent Director/Member of the Audit Committee Member of the Nomination and Remuneration Committee/Member of the Risk Management Committee	Carabao Group Public Company Limited
Other companies or organizations	2016 - Present	Consultant	P&T Consulting Company Limited
	2015 - Present	Director	Gifts for Health Limited
Past Work Experience	2013 - 2014	Director	Bank for Agriculture and Agricultural Cooperatives
Illegal record in the past 10 years	None		

• Mr. PISET CHIYASAK	Board of Director / Member of the Audit Committee / Independent Director		
Appointed Date	July 31, 2018		
Age	54 years		
Own Shares	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Laws in Jurisprudence, Temple University, Philadelphia, USA Bachelor of Laws in Jurisprudence Thammasat University		

Training	Director Certification Program (DCP), Class 213/2015 (IOD) Risk Management Program for Corporate Leaders (RCL) Class 2/2015 (IOD) IT Governance and Cyber Resilience Program (ITG) Class 1/2016 (IOD) Ethical Leadership Program (ELP), Class 11/2018 (IOD) Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Class of 20), King Prajadhipok's Institute		
Position held in other companies			
Listed Company	2015 - Present	Director	MCOT Public Company Limited
Other companies or organizations	2017 - Present	Legal Advisor	Music Copyright (Thailand) Company Limited
	2017 - Present	Legal Advisor	Digital Entertainment Expert Company Limited
	2016 - Present	Legal Advisor	Electronic Transactions Development Agency (Public Organization).
	2015 - Present	Director	Inter Law Biz Company Limited
Illegal record in the past 10 years	None		

• Dr. MONGKOL TANJAPATKUL	Advisor to Managing Director		
Age	76 years		
Own Shares	9,350,000 Shares (01.189%)		
Spouse Shareholding	1,200,000 Shares (0.152%)		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Qualifications equivalent to a Doctorate in Surgery, Good Samaritan Hospital, USA Bachelor of Science, Chiba University Japan Bachelor of Medicine, University of Tokyo Japan		
Position held in other companies			
Listed Company	None		
Other companies or organizations	2011 - Present	Foundation President	La Salle Alumni Foundation of Thailand
	2002 - Present	Consultants	Old Japanese Students Association
Past Work Experience	2000 - 2018	Director	Rama 9 Hospital Company Limited
Illegal record in the past 10 years	None		

• Dr. SOMCHAI PINYOPORN PANICH	Member of the Executive Committee		
Appointed Date	March 30, 2018		
Age	67 years		
Own Shares	50,000 Shares (0.006%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Doctor of Medicine, Mahidol University		
Position held in other companies			
Listed Company	None		
Other companies or organizations	2016 - Present	Chairman of the Board of Directors	MAHANAKORN MAE-SOD VEJCHAKARN Company Limited
Past Work Experience	2013 - 2014	Chairman of the Board of Directors	General Hospital Products Public Company Limited
	2012 - 2014	Director	The Government Pharmaceutical Organization
Illegal record in the past 10 years	None		

• Mr. SONGSAK PREMSUK	Member of the Executive Committee		
Appointed Date	March 30, 2018		
Age	59 years		
Director Shareholding	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Certificate in Strategic Marketing Management Program, Harvard Business School, USA Bachelor of Architecture, King Mongkut's Institute of Technology Ladkrabang		
Training background	Director Accreditation Program (DAP) Class 9/2004 (IOD)		
Position held in other companies			
Listed Company	2015 - Present	Director	SC Asset Corporation Public Company Limited
Other companies or organizations	2013 - Present	Director	Voice Creation Company Limited
	2009 - Present	Director	Voice TV Company Limited
	2007 - Present	Director	Thaicom Foundation

Past Work Experience	2013 - 2015	Qualified Director	National Science and Technology Development Agency, Ministry of Science and Technology
	2012 - 2015	Qualified Director	The institute for the Promotion of Teaching Science and Technology, Ministry of Education
	2010 - 2014	Chairman of the Board of Directors	Office of Knowledge Management and Development, Office of the Prime Minister (OKMD)
Illegal record in the past 10 years	None		

• Mr. SUTHON CHUTINIYOMKARN	Deputy Managing Director, Management Department / Deputy Managing Director, Business Management Department		
Age	48 years		
Own Shares	50,000 Shares (0.006%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Business Administration, Major in Management, Srinakharinwirot University Medical specialist on Orthopedic Surgery, Mahidol University Bachelor in Doctor of Medicine, Mahidol University		
Training			
Position held in other companies			
Listed Company	None		
Other companies or organizations	None		
Past Work Experience	2013 - 2017	Chief Business Development Office	Bumrungrad Hospital Public Company Limited
	2012 - 2013	Managing Director	Bangkok Health Insurance Public Company Limited
	2012 - 2013	Managing Director	Bangkok Premier Life Insurance Broker Company Limited
Illegal record in the past 10 years	None		

• Miss NUCHANEE UTONG	Assistant Director of Accounting and Finance / The highest responsible person in Accounting and Finance		
Age	54 years		
Own Shares	150,000 Shares (0.019%)		
Spouse Shareholding	None		
Offspring Shareholding	50,000 Shares (0.006%)		
Family Relationship with the Executive	None		
Highest Academic Qualification	Graduate Diploma of Auditing, Chulalongkorn University Master of Public and Private Management, National Institute of Development Administration Bachelor of Accounting, Accounting University of the Thai Chamber of Commerce		
Training	Audit Committee Program (ACP), Class 30/2010 (IOD) Accounting and financial preparation course, organized by the Thai Listed Companies Association in the Strategic Financial Leadership Program (SFLP) Accounting and financial preparation courses organized by Thailand Securities Institute (TSI), the Stock Exchange of Thailand in CFO's Orientation Course for New IPOs Workshop on Reduce production costs, increase value and sustainability in the organization with Material Flow Cost Accounting, Class 1/2018.		
Position held in other companies			
Listed Company	None		
Other companies or organizations	2016 – Present	Director	Angel Pro Company Limited
Illegal record in the past 10 years	None		

• Mrs. SUPAKAN WANGKAPAN	The person supervising accounting Chief Accountant		
Age	56 years		
Own Shares	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Bachelor in Accounting, University of the Thai Chamber of Commerce		
Training	Workshop on Reduce production costs, increase value and sustainability in the organization with Material Flow Cost Accounting Program, Class 1/2018.		

Position held in other companies			
Listed Company	None		
Other companies or organizations	None		
Past Work Experience	2011 - 2017	Accounting and Finance Manager	Miyazawa Machine (Thai) o., Ltd.
Illegal record in the past 10 years	None		

• Miss MARISARA THANASAKSIRI	Company Secretary / Head of Compliance		
Age	49 years		
Own Shares	15,000 Shares (0.001%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Certificate in Intellectual Property and International Trade Law, Ramkhamhaeng university Bachelor of Laws, Thammasat University		
Training	Company Secretary Program (CSP) 43/2011 (IOD)		
Position held in other companies			
Listed Company	None		
Other companies or organizations	None		
Past Work Experience	2013 - 2018	Assistant Company	Pruksa Holding Public Company Limited
	2003 - 2013	Secretary Legal Specialist	SC Asset Corporation Public Company Limited
Illegal record in the past 10 years	None		

CHIEF OF INTERNAL AUDIT AND CHIEF OF COMPLIANCE PROFILES

• Ms. WANNA MALUEANGNON	Chief of Internal Audit		
Age	48 Years		
Shareholding	None		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Master of Business Administration, Chulalongkorn University, 1994 Certificate of Auditing, Thammasat University, 1991 Certified Public Accountant Registration Number 4170 Bachelor of Accounting, Chulalongkorn University, 1990		
Training	Certificate of Risk Management Program for Corporate Leader (RCL5/2016) (IOD) Internal audit training on corruption investigation Organized by the Federation of Accounting Professions COSO 2013 Workshop, The latest internal control system framework, Batch 3/56 by the Federation of Accounting Workshop on Risk assessment method for internal audit planning, Batch 3/55 by the Federation of Accounting Professions Workshop (Workshop) Assessment of the internal control system COSO-ERM of each work system Certificate of Audit Committee Program - ACP, Class 42/2013 (IOD) Certificate of Director Accreditation Program - DAP, Class 99/2012 (IOD)		
Position held in other companies			
Listed Company	None		
Other companies or organizations	2018 - Present	Director	Siam Biomass Supply Company Limited
	2016 - Present	Independent Director and Chairman of the Audit Committee	Dimet (Siam) Public Company Limited
	1994 - Present	Managing Director	AC Plus Consultants

Past Work Experience	2017 - 2018	Chairman of the Board of Directors	Ocean Commerce Public Company Limited
Illegal record in the past 10 years	None		

• Miss MARISARA THANASAKSIRI	Corporate Secretary / Chief of Compliance		
Age	49 Years		
Shareholding	15,000 Shares (0.001%)		
Spouse Shareholding	None		
Offspring Shareholding	None		
Family Relationship with the executive	None		
Highest Academic Qualification	Certificate in Intellectual Property and International Trade Law, Ramkhamhaeng university Bachelor of Laws, Thammasat University		
Training	Company Secretary Program (CSP) 43/2011 (IOD)		
Position held in other companies			
Listed Company	None		
Other companies or organizations	None		
Past Work Experience	2013 - 2018	Assistant Corporate Secretary	Pruksa Holding Public Company Limited
	2003 - 2013	Legal Specialist	SC Asset Corporation Public Company Limited
Illegal record in the past 10 years	None		

POSITIONS OF DIRECTORS, EXECUTIVES AND CONTROLLING PERSONS IN RELATED COMPANIES

List of Directors and /or Executives	Praram 9 Hospital PLC	Related companies												
		1	2	3	4	5	6	7	8	9	10	11	12	13
1. MR. BHANAPOT DAMAPONG	C	C	C											
2. DR. SATIAN POOPRASERT	VC / VI / X													
3. DR. VIROON MAVICHAK	I / VI / X				I									
4. DR. PRASERT TRAIRATVORAKUL	I / VI / X							I						
5. MR. ATTAPOL SARIDDIPUNTAWAT	I / V / VIII													
6. MRS. VILASINEE PUDDHIKARANT	I / VIII								I/X	I	I	I	I	I
7. Assoc.Prof.Dr. SARANA BOONBAICHAIAIPRUCK	II / VII								I/VI					
8. Prof. Wg. Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	II / III													
9. MR. KANIT PATSAMAN	II / IV													
10. MR. PISET CHIYASAK	II / IV													
11. MR. SONGSAK PREMSUK	VI								I/IV					
12. DR. SOMCHAI PINYOPORNANICH	VI													
13. DR. MONGKOL TANJAPATKUL	X													
14. DR. SUTHON CHUTINIYOMKARN	X													
15. MISS. NUCHANEE UTONG	X													

Note C = Chairman of the Board of Directors /
VC = Vice-Chairman of the Board of Directors /
I = Director / II = Independent Director / III =
Chairman of the Audit Committee / IV = Member
of the Audit Committee / V = Chairman of the
Executive Committee / VI = Member of the Executive
Committee / VII = Chairman of the Nomination
and Remuneration Committee / VIII = Member
of the Nomination and Remuneration Committee
/ X = Manager

Related companies

- 1 B.B.D. Property Co., Ltd.
- 2 B.B.D. Development Co., Ltd.
- 3 OAI Education Co., Ltd.
- 4 Pioneer Motor PLC
- 5 Major Cineplex Group PLC
- 6 Rely (Thailand) Co., Ltd.
- 7 CPT Co., Ltd.
- 8 SC Asset Corporation PLC
- 9 V. Land Property Co., Ltd.
- 10 Up Country Land Co., Ltd.
- 11 SC ABLE Co., Ltd.
- 12 SCOPE Co., Ltd.
- 13 SCOPE TOWER Co., Ltd.

List of Directors and /or Executives	Praram 9 Hospital PLC	Related companies												
		14	15	16	17	18	19	20	21	22	23	24	25	26
1. MR. BHANAPOT DAMAPONG	C													
2. DR. SATIAN POOPRASERT	VC / VI / X													
3. DR. VIROON MAVICHAK	I / VI / X													
4. DR. PRASERT TRAIRATVORAKUL	I / VI / X													
5. MR. ATTAPOL SARIDDIPUNTAWAT	I / V / VIII	I												
6. MRS. VILASINEE PUDDHIKARANT	I / VIII													
7. Assoc.Prof.Dr. SARANA BOONBAICHAIVAPRUCK	II / VII		I	I										
8. Prof.Wg.Cdr. Dr. SIRINTARA SINGHARA NA AYUDHAYA	II / III													
9. MR. KANIT PATSAMAN	II / IV				I/II/IV	I	I							
10. MR. PISET CHIVASAK	II / IV							II	I					
11. MR. SONGSAK PREMSUK	VI									I	I	I		
12. DR. SOMCHAI PINYOPORNPANICH	VI												C	
13. DR. MONGKOL TANJAPATKUL	X													
14. DR. SUTHON CHUTINIYOMKARN	X													
15. MISS. NUCHANEE UTONG	X													I/X

Note C = Chairman of the Board of Directors /
VC = Vice-Chairman of the Board of Directors /
I = Director / II = Independent Director / III =
Chairman of the Audit Committee / IV = Member
of the Audit Committee / V= Chairman of the
Executive Committee / VI= Member of the Executive
Committee / VII = Chairman of the Nomination
and Remuneration Committee / VIII = Member
of the Nomination and Remuneration Committee
/ X = Manager

Related companies

- 14 SC NNR 1 Co., Ltd.
- 15 Pruk Suk Sabai Co., Ltd.
- 16 Sarana Cardiology and Associates Co., Ltd.
- 17 Carabao Group PLC
- 18 P&T Consulting Co., Ltd.
- 19 Gifts for Health Co., Ltd.
- 20 MCOT Public Co., Ltd.
- 21 Inter Law Biz Co., Ltd.
- 22 Voice TV Co., Ltd.
- 23 Voice Creation Co., Ltd.
- 24 Thaicom Foundation
- 25 Mahanakorn Mae-Sod Vejchakarn Co., Ltd.
- 26 Angel Pro Co., Ltd.

RELATED PARTY TRANSACTION

12.1 Person with possible conflict

Person or legal entity with possible conflicts that entered into related party transaction with the Company for the accounting period ending December 31, 2017 and 2018 are as follows:

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
1. RENDE DEVELOPMENT COMPANY LIMITED ("RENDE DEVELOPMENT")	Real Estate Business	<ul style="list-style-type: none"> - The major shareholder is Khunying Potjaman Damapong, direct major shareholder holding 48.68% shares in the company and holding 10.00% direct shares in Rende Development. - Miss Pintongta Shinawattra Kunakornwong, is a joint director who is the direct major shareholder holding 30.00% shares in Rende Development. However, Miss Pintongta Shinawattra Kunakornwong had resigned from the position of the Company's director and member of executive Committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - The Company has an executive who also hold the position of director, namely, Mrs. Kanchanapa Honghern. However, Mrs. Kanchanapa Honghern had resigned from the company's executives position since October 2017⁽²⁾
2. SC OFFICE PARK CO.,LTD. ("SC OFFICE")	Land Rental and Office	<ul style="list-style-type: none"> - The joint major shareholder is Khunying Potjaman Damapong, who is the direct Building Management Business major shareholder, holding 48.68% shares of the company and holding 10.00% direct shares of SC Office.

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
		<ul style="list-style-type: none">- The Company has director who is a major shareholder, namely, Miss Pintongta Shinawatra Kunakornwong, who holds 30.00% direct shares in SC Office. However, Miss Pintongta Shinawatra Kunakornwong had resigned from the position of the Company's director and member of executive Committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾- The Company has an executive who also hold the position of director, namely, Mrs. Kanchanapa Honghern. However, Mrs. Kanchanapa Honghern had resigned from the company's executives position since October 2017⁽²⁾
3. SOLID ASSET CO.,LTD ("SOLID ASSET")	Restaurant	<ul style="list-style-type: none">- Miss Pintongta Shinawatra Kunakornwong, is a joint director who is the indirect shareholders through OAI Consultant and Management Co., Ltd., holding 100.00% shares in Solid Asset. However, Miss Pintongta Shinawatra Kunakornwong had resigned from the position of the Company's director and member of executive Committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾- The Company has a member of executive committee and the executives who is the Company's director, namely, Mr. Charoen Nudpobsuk. However, Mr. Charoen Nudpobsuk had resigned from the position of the Company's member of executive and executive since July 2017⁽³⁾
4. OAI MANAGEMENT CO.,LTD ("OAI MANAGEMENT")	Real Estate Business	<ul style="list-style-type: none">- The Company has a Chairman of the Board of Directors who is a major shareholder, namely, Mr. Bhanpot Damapong, who holds 100.00% direct shares in OAI Management.- The executives of the company also hold the position of directors, namely, Mrs. Kanchanapa Honghern. However, Mrs. Kanchanapa Honghern had resigned from the company's executives position since October 2017⁽²⁾

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
5. OAI CONSULTANT AND MANAGEMENT CO.,LTD ("OAI CONSULTANT")	Hotel Business	<ul style="list-style-type: none"> - Khunying Potjaman Damapong is a joint major shareholder, who is also the direct major shareholders, holding 48.68% shares in the company. Khunying Potjaman holds both direct and indirectly shares through SC Office Plaza Co., Ltd., and hold 21.56% shares in OAI Consultants. - The Company has a co-director, namely, Ms. Pintongta Shinawatra Kunakornwong, who is direct and indirect major shareholder through SC Office Plaza Company Limited, holding 39.00% shares in OAI Consultants. However, Ms. Pintongta Shinawatra Kunakornwong had resigned from the position of the Company's directors and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - Mrs. Kanchanapa Honghern is the Company's executives who as well hold the position of directors. However Mrs. Kanchanapa Honghern had resigned from the Company's executive position since October 2017⁽²⁾
6. B.B.D.PROPERTY CO.,LTD ("B.B.D.PROPERTY")	Real Estate Business	<ul style="list-style-type: none"> - There are 2 joint directors with the company, namely Mr. Bhanpot Damapong and Mr. Somboon Kuptimanus. However, Mr. Somboon Kuptimanus had resigned from the position of the Company's director and the member of Nomination and Remuneration Committee since July 2018. - Mr. Bhanpot Damapong is the Chairman of the Board of Directors, who is a major shareholder, holding 100.00% direct shares in B.B.D. Property.
7. VOICE CREATION CO., LTD. ("VOICE CREATION")	Other entertainment and recreation activities	<ul style="list-style-type: none"> - The Chairman of the Board of Directors and directors are 2 major shareholders, namely, Mr. Bhanpot Damapong and Miss Pintongta Shinawatra Kunakornwong, who indirectly hold 100.00% shares through Voice TV Company Limited and indirectly hold shares through Voice TV Company Limited through P.T. Corporation Co., Ltd., holding 100.00% shares in Voice Creation, respectively. However, Miss Pintongta Shinawatra Kunakornwong had resigned from the position of the Company's director and the member of executives

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
		<p>since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾</p> <ul style="list-style-type: none"> - Mr. Songsak Preamsuk, the Company's member of executive committee who is also a director in Voice Creation.⁽⁴⁾ - There is a joint director with the company, namely Miss Pintongta Shinawatra Kundornwong. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and the member of executives since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾
8. VOICE TV CO., LTD ("VOICE TV")	Import and distribution of all types of communication tools and entertainment services	<ul style="list-style-type: none"> - The Chairman of the Board of Directors and directors are 2 major shareholders, namely, Mr. Bhanpot Damapong and Miss Pintongta Shinawatra Kundornwong, who directly hold 53.25% shares as well as hold both direct and indirect shares through P.T. Corporation Co., Ltd., holding 40.46% shares in Voice Creation, respectively. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and the member of executives since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - Mr. Songsak Preamsuk, the Company's member of executive committee who is also a director in Voice Creation.⁽⁴⁾ - There is a joint director with the company, namely Miss Pintongta Shinawatra Kundornwong. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and the member of executives since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾
9. SC Asset Corporation Public Co., Ltd. ("SC Asset")	Real Estate and Construction / Property Development	<ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat and Mrs. Vilasinee Phuddhikarant are the joint director with the company.⁽⁵⁾

Name of Person or Legal Entity with possible conflicts		Nature of Business	Relationship with the Company
			<ul style="list-style-type: none"> - Mr. Songsak Premasuk, the Company's member of executive committee, who is also a director in SC Asset.⁽⁴⁾ - Khunying Potjaman Damapong, the Company's major shareholder, who hold direct major shares of 48.68% in the company and is the person with authority to control in SC Asset. - Miss Pintongta Shinawatra Kundornwong is the Company director who is also the major shareholders, holding 28.16% direct shares in SC ASSET. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and the member of executives since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018.⁽¹⁾
10. OAI LEASING CO.,LTD ("OAI LEASING")		Car Rental Business	<ul style="list-style-type: none"> - The Chairman of the Board of Directors and directors are 2 major shareholders, namely, Mr. Bhanpot Damapong and Miss Pintongta Shinawatra Kundornwong, who indirectly hold shares through OAI Management Company Limited at 50.56% shares and hold both directly and indirect shares through the P.T. Corporation Co., Ltd. and SC Office Plaza Co., Ltd. at 46.94% shares in OAI Leasing. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and the member of executives since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018.⁽¹⁾ - The joint major shareholders is Khunying Potjaman Damapong and is the direct major shareholders, holding 48.68% shares in the Company and hold indirect shares through the P.T. Corporation Limited and SC Office Plaza Company Limited of 44.44% shares in OAI Leasing. - Mrs. Kanchanapa Honghern who is the Company's executive and is the director of OAI Leasing. However, Mrs. Kanchanapa Honghern had resigned from the Company's executives position since October 2017⁽²⁾
11. ALPINE GARDEN DESIGN CO., LTD ("ALPINE GARDEN")		Consulting on Landscape Design and Landscape Garden Decoration Business	<ul style="list-style-type: none"> - There is a joint director, namely, Ms. Pintongta Shinawatra Kundornwong, who is the direct major shareholder, holding 30%

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
12. ALPINE GOLF AND SPORT CLUB CO., LTD. ("ALPINE GOLF")	Golf Course Business	<p>shares in Alpine Golf. However, Ms. Pintongta Shinawatra Kundornwong had resigned from the position of the Company's directors and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018.⁽¹⁾</p> <ul style="list-style-type: none"> - There is a joint major shareholder, namely, Khunying Potjaman Damapong, the direct major shareholder, holding 48.68% shares in the company and hold 10.00% direct shares in Alpine Golf. - There is a joint director, namely, Ms. Pintongta Shinawatra Kundornwong, who is the direct major shareholder, holding 30% shares in Alpine Golf. However, Ms. Pintongta Shinawatra Kundornwong had resigned from the position of the Company's directors and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018.⁽¹⁾ - Mrs. Kanchanapa Honghern who is the Company's executive and is the director of Alpine Golf. However, Mrs. Kanchanapa Honghern had resigned from the Company's executives position since October 2017.⁽²⁾
13. SC ABLE CO., LTD ("SC ABLE")	Rental and real estate operations	<ul style="list-style-type: none"> - Mr. Attapol Sariddipuntawat is the joint director with the Company.
14. B.B.D. DEVELOPMENT CO., LTD. ("B.B.D. DEVELOPMENT")	Real estate business	<ul style="list-style-type: none"> - There is a joint director with the Company, namely, Mr. Bhanpot Damapong. - The Chairman of the Board of Directors is a major shareholder, namely, Mr. Bhanpot Damapong, who holds 80.00% of the direct shares in B.B.D. Development
15. SC OFFICE PLAZA CO., LTD. ("SC OFFICE PLAZA")	Land rental business	<ul style="list-style-type: none"> - Khunying Potjaman Damapong is the joint major shareholder and is the direct shareholder, holding 48.68% shares in the Company as well as holds 10.00% direct shares in SC Office Plaza. - Miss Pintongta Shinawatra Kundornwong is the Company's director who is also a direct major shareholder, holding 30.00% direct shares in

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
		<p>SC Office Plaza since September 2017. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director and member of executive Committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾</p> <ul style="list-style-type: none"> - There's a director who is the Company's executives, namely, Mrs. Kanchanapa Honghern. However, Mrs. Kanchanapa Honghern had resigned from the Company's executive position since October 2017⁽²⁾
16. SCOPE Co., Ltd. ("SCOPE")	Commercial and service businesses, including property management Land allocation for condominium	<ul style="list-style-type: none"> - Have a joint director with the Company, namely, Mr. Attapol Sariddipuntawat
17. V.LAND PROPERTY CO.,LTD. ("V.LAND PROPERTY")	Real Estate Development	<ul style="list-style-type: none"> - Have a joint director with the Company, namely, Mr. Attapol Sariddipuntawat
18. SHINAWATRA UNIVERSITY	Education Business	<ul style="list-style-type: none"> - Mr. Bhanapot Damapong and Mrs. Kanchanapa Honghern are directors of OAI Education Co., Ltd. which is authorized to establish Shinawatra University. However, Kanchanapa Honghern had resigned from the company's management position since October 2017⁽²⁾ - The major shareholder of the company is Khunyong Potjaman Damapong, 48.68% direct major shareholder in the company and is a direct major shareholder, 22.50% of OAI Education Company Limited, which is authorized In establishing the Shinawatra University - There is a joint director with the company,namely, Miss Pintongta Shinawatra Kundornwong. However, Miss Pintongta Shinawatra Kundornwong had resigned from the position of the Company's director. and member of executive committee since September 2017 and resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
19. Thaicom Foundation	-	<ul style="list-style-type: none"> - There are 3 joint directors with the company, namely, Miss Pintongta Shinawatra Kunakornwong, Mr. Bhanpot Damapong and Mr. Attapol Sariddipuntawat. However, Miss. Pintongta Shinawatra Kunakornwong had resigned from the position of the Company's director and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽¹⁾ - There is a member of executive committee as a director, namely Mr. Songsak Premasuk^(a) - The major shareholder is Khunying Potjaman Damapong, holding 48.68% direct major shareholder in the company and is the Vice Chairman of the Board of Directors
20. KHUNYING POTJAMAN DAMAPONG ("MAJOR SHAREHOLDERS")	-	<ul style="list-style-type: none"> - Direct major shareholder at 48.68% in the company
21. MR. BHANPOT DAMAPONG		<ul style="list-style-type: none"> - Chairman of the Board of Directors
22. DR. SATIAN POOPRASERT	-	<ul style="list-style-type: none"> - Doctor who holds the position of Vice Chairman of the Board of Directors and Chief Executive Officer of the Company.
23. DR. MONGKOL TANJAPATKUL	-	<ul style="list-style-type: none"> - Doctor who holds the position of Company's directors, member of executives committee, advisor to the Chief Executive Officer and advisors to the Company's executive committee. However, Dr. Mongkol Tanjapatkul had resigned from the position of the Company's director and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee of the Company since July 2018^(b)
24. DR. VIROON MAVICHAK	-	<ul style="list-style-type: none"> - Doctor who holds the position of the Company's director, member of executive committee and Deputy Managing Director.

Name of Person or Legal Entity with possible conflicts	Nature of Business	Relationship with the Company
25. DR. PRASERT TRAIRATVORAKUL	-	<ul style="list-style-type: none"> - Doctor who holds the position of the Company's director, member of executive committee and Deputy Managing Director.
26. Assoc. Prof. Dr.SARANA BOONBAICHAIVAPRUCK	-	<ul style="list-style-type: none"> - Doctor who holds the position of independent director and the Chairman of the Nomination and Remuneration Committee of the Company⁽⁷⁾
27. Prof.Wg.Cdr.Dr. SIRINTARA SINGHARA NA AYUDHAYA	-	<ul style="list-style-type: none"> - Doctor who holds the position of independent director and Member of the Company's Audit Committee⁽⁸⁾
28. GEN. DR. SAHACHART PIPITKUL	-	<ul style="list-style-type: none"> - Doctor who holds the position of the Company's director, Chief Executive Officer and advisors to the executive committee of the company. However, Gen. Dr. Sahachart Pipitkul had resigned from the position of the Company's director and member of executive committee since September 2017 and had resigned from the position of Advisor to the Executive Committee since July 2018⁽⁹⁾
29. DR. SATAPORN POOPRASERT	-	<ul style="list-style-type: none"> - Younger Brother of Dr. Satian Pooprasert, who is a director and executive of the Company
30. D.D.S. CHUTIMA TRAIRATVORAKUL	-	<ul style="list-style-type: none"> - Spouse of Dr. Prasert Trairatvorakul who is a director and executive of the company.
31. DR. PORN TRAIRATVORAKUL	-	<ul style="list-style-type: none"> - Daughter of Dr. Prasert Trairatvorakul who is a director and executive of the company.
32. DR.THITIWAT SIRIPASART	-	<ul style="list-style-type: none"> - Spouse of Dr. Prasert Trairatvorakul's daughter who is a director and executive of the company.
33. MR. ATTAPOL SARIDDIPUNTAWAT	-	<ul style="list-style-type: none"> - Director, Chairman of the Executive Committee and Member of the Nomination and Remuneration Committee.
34. MRS. VILASINEE PUDDHIKARANT	-	<ul style="list-style-type: none"> - Director and Member of the Nomination and Remuneration Committee⁽⁶⁾

Name of Person or Legal Entity with possible conflicts		Nature of Business	Relationship with the Company
35. MR. KANIT PATSAMAN	-	-	- Director and Chairman of the Audit Committee of the Company ⁽¹⁰⁾
36. 12. DR. SOMCHAI PINYOPORNPANICH	-	-	- Member of the Executive Committee
37. MR. SONGSAK PREMSUK	-	-	- Member of the Executive Committee ⁽⁴⁾
38. MR. PISET CHIYASAK	-	-	- Directors and Member of the Audit Committee ⁽¹³⁾
39. DR. PISIT CHIYASAK	-	-	- Brother of Mr. Piset Chiyasak, who is a director and member audit committee

Note

- (1) Miss Pintongta Shinawatra Kundornwong is the Company's director and member of executive committee between March 23, 2017 to September 13, 2017, who had been appointed as the Company's director and member of executive committee in accordance with the resolution of the Board of Directors Meeting No. 2/2017 held on March 23, 2017. Later has been appointed as advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and the held the position of Advisor to the Executive Committee until July 2018.
- (2) Mrs. Kanchanapa Hongharn held the position of executive until October 17, 2017. Subsequently, Mrs. Kanchanapa had been appointed as advisor to the Deputy Managing Director, Management Department after the organizational restructuring in accordance with the Company's announcement No. 121/2560 on October 17, 2017. Mrs. Kanchanapa held the position of advisor to the deputy managing director, management department until July 2018.
- (3) Mr. Charoen Nudpobsuk hold the position of member of executive committee and executive of the Company until July 6, 2017.
- (4) Mr. Songkarak Premsk hold the position of the Company's executives between July 6, 2017 to October 17, 2017 and has been appointed as member of executive committee in accordance with the resolution of the Executive Committee Meeting No. 7/2017 on January 20, 2017. Later Mr. Songsak was appointed as advisor to the managing director, after the organizational restructuring in accordance with the Company's announcement No. 121/2560 on October 17, 2017 and held the position of advisor to the managing director until July 2018.
- (5) Mrs. Vilasinee Puddhikant was appointed as the Company's independent director in accordance with the resolution of the Board of Directors Meeting No. 4/2560 on September 13, 2017 and was appointed as the member of Audit Committee in accordance with the resolution of the Board of Directors' Meeting No. 5/2017 on September 28, 2017. Mrs. Vilasinee hold the position of Audit Committee until June 2018. Subsequently, Mrs. Vilasinee was appointed as director in place of independent director and has been appointed as a member of the Nomination and Remuneration Committee in accordance with the resolution of the Board of Directors Meeting No. 3/2561 (after conversion) on July 31, 2018.
- (6) Dr. Mongkol Tanjapattkul hold the position of Company's director and member of executives committee until September 13, 2017. Subsequently, Dr. Mongkol was appointed as advisor to the Executive Committee in compliance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and had resigned from the position of Advisor to the Executive Committee in July 2018.
- (7) Assoc. Prof. Dr. Sarana Boonbaichaiyapruk served as an advisor to the Executive Committee until August 18, 2017. Subsequently, Dr. Sarana had been appointed as an independent director of the Company in accordance with the resolution of the Board of Directors Meeting No. 4/2560 on September 13, 2017 and had been appointed as a member of the Nomination and Remuneration Committee in accordance with the resolution of the Board of Directors' Meeting No. 2/2561 on February 28, 2018.
- (8) WG.CDR Prof. Dr. Srintara Singhara Na Ayudhaya was appointed as an independent director of the company in accordance with the resolution of the Board of Directors' Meeting No. 4/2560 on September 13, 2017. Later was appointed as member of the Audit Committee in compliance with the resolution of the Board of Directors Meeting No. 5/2017 on September 28, 2017.
- (9) General Dr. Sahachart Pipitki is the Company's director and held the position of Chairman of the Executive Committee until September 13, 2017. Later, was appointed as advisor to the Executive Committee in accordance with the resolution of the Executive Committee Meeting No. 9/2017 on September 28, 2017 and resigned from the position of Advisor to the Executive Committee. In July 2018

Note

- (10) Mr. Kanit Patsaman has been appointed as the Company's director and Chairman of the Audit Committee in accordance with the resolution of the Board of Directors Meeting No. 5/2017 on September 28, 2017.
- (11) Dr. Somchai Pinyopornpanich served as executive director
- (12) Dr. Sataporn Pooprasert started his position as Advisor to provide project guidance to the Company on May 1, 2018 to April 30, 2019¹
- (13) Dr. Pisit Chiyasak was appointed as a director and member of audit committee in accordance with the resolution of the Board of Directors Meeting No. 3/2561 on July 31, 2018¹

12.2 Related Party Transaction

The Company's related party transactions with a person or legal entity that may have conflict for the accounting period ending December 31, 2017 and 2018 are as follows:

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
SC Asset (and other Organizations)	<p>The company provides medical services to SC Asset employees as well as other organizations; under the contract in providing medical treatment to employees. The organizations are as follows</p> <ol style="list-style-type: none"> 1. Rende Development 2. SC Office 3. OAI Management 4. BBD Property 5. SC Able 6. OAI Leasing 7. BBD Development 8. SC Office Plaza 9. Inter scope 10. V. Land Property 11. Thaicom Foundation <p>The organization will be responsible in paying for such medical expenses to the Company on behalf of the employees of each organizations.</p>			<p>The Company provides medical services to SC Asset employees and other organizations, under the contract in providing medical treatment to the said employees. The rate of medical treatment services are the same as the rate of general customers; where the terms of payment and medical treatment discount rates can be compare with customers under medical treatment service agreement and customers under the Company's general counterparty.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are normal business transactions and reasonable; which has the same service conditions as the customers under the medical treatment service agreement and customers under other counterparty customers. The rate of medical treatment services are the same rate as general customers. This includes discounts which are in accordance with the counter party discount rules that have been defined in the Company's price policy. Moreover, such transactions are beneficial to the Company in expanding more customer base that use the company's services.</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
OAI Consultants	<u>Net medical fee income</u>	1.8	2.18	<p>The Company provides medical services to OAI Consultants employees by offering the same rates as general customers with the same conditions, terms of payment and medical treatment discount rates that is comparable with the general counterparty customers. The Company as well provides annual health check-up services to OAI Consultants employees where the setting of prices, conditions and services are comparable with the annual health check services that the Company provided to other corporate clients.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are normal business transactions and reasonable; which has the same service conditions as the customers under the medical treatment service agreement and customers under other counterparty customers. The rates of medical treatment and health check-up fees are in accordance with the normal rates that are charged to the company counterparty customers and/or other organization clients. This includes discounts which are in accordance with the counterparty discount guidelines that is defined in the company's price policy. In addition, such transactions are beneficial to the Company in expanding more customer base that use the Company's services. This may lead to further additional expansion of other medical services after the health check-up.</p>
	<u>Outstanding trade receivables at the end of the period</u>	1.3	0.99	
	<p>The company has provided medical services and/or annual health check-up services to OAI Consultants employees, which OAI Consultants is responsible for payment of such medical expenses to the Company on behalf of the employees.</p> <p><u>Net medical income</u></p>	0.3	-	
	<u>Outstanding trade receivables at the end of the period</u>	0.1	-	

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
SOLID ASSET	<p>The company has provided medical services and/or annual health check-up services to Solid Asset employees, which Solid Asset is responsible for payment of such medical expenses to the Company on behalf of the employees.</p> <p><u>Net medical income</u></p> <p><u>Outstanding trade receivables at the end of the period</u></p>	<p>0.05</p> <p>-</p>	<p>-</p> <p>-</p>	<p>The Company provides annual health check-up services to the employees of SOLID ASSET by determining the price, conditions and providing services that can be compare with the annual health check-up services in which the Company provided to other organization.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are normal business transactions and reasonable; which has the same service conditions as other customers. The rate of health check-up service is in accordance with the general rate that is charged to the company counter party customers and/or other corporate clients. In addition, such transactions are beneficial to the Company for expanding more customer base that use the Company's services. This may lead to further additional expansion of other medical services after the health check-up.</p>
VOICE TV	<p>The Company has provided annual health check to employees of Voice TV, which Voice TV pays for such medical expenses to the Company on behalf of its employees.</p> <p><u>Net medical fees income</u></p> <p><u>Outstanding trade receivables at the end of the period</u></p>	<p>0.2</p> <p>-</p>	<p>0.14</p> <p>0.12</p>	<p>The Company has provided annual health check to employees of Voice TV by setting prices, conditions and services comparable to the one that the Company offers the annual health checkup services to other corporate clients.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are normal business transactions and reasonable; which has the same service conditions as other customers. The rate of health check-up service is in accordance with the general rate that is charged to the company counter party customers and/or other corporate clients. In addition, such transactions are beneficial to the Company for expanding more customer base that use the Company's services. This may lead to further additional expansion of other medical services after the health check-up.</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
VOICE CREATION	<p>The Company has provided annual health check-up to employees of Voice Creation. Which Voice Creation is the payment for such medical expenses to the company instead of employees.</p> <p><u>Net medical income</u></p> <p><u>Outstanding trade receivables at the end of the period</u></p>	<p>0.01</p> <p>0.002</p>	<p>0.0038</p> <p>0.0038</p>	<p>The Company provides annual health check-up services to employees of Voice Creation, by determining the price, conditions and services that is comparable to the company that provide annual health check-up services to other corporate clients.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are normal business transactions and are reasonable; which has the same service conditions as other customers. The rate of health check-up service is in accordance with the general rate that is charged to the company counter party customers and/or other corporate clients. In addition, such transactions are beneficial to the Company for expanding more customer base that use the Company's services. This may lead to further additional expansion of other medical services after the health check-up.</p>
KHUNYING POTJAMAN DAMAPONG ("MAJOR SHAREHOLDERS")	<p>The company has provided medical services to a group of people under the medical treatment contract between the Company and major shareholders (Which the contract covers major shareholders and persons under the contract). Including the service recipients that have been recommended by major shareholders.</p> <p>The list of major shareholders who pay the medical bills to the company in place of the recipient of such service</p> <p><u>Medical expenses</u></p> <p><u>Medical expenses discount</u></p>	<p>6.8</p> <p>2.6</p>	<p>2.7</p> <p>0.3</p>	<p>In 2015, the Company entered into contract to provide medical treatment services to major shareholders with terms, conditions and discounts provide only to individuals under contract. The discount rate goes as high as 50% (which is the discount rate that has been determined, except for medical fees, dental fees, physical therapy fees, doctor's fee, results reading fees, technical and pathological examination fees (special), beautification fees and package service fees) with payment conditions of 30 days from the date of billing. Subsequently, after the Board of Directors' Meeting No. 6, 2017, dated November 29, 2017, has the resolution to approve the price policy The adjustment of the medical service fee reduction rate, the Company and the major shareholders have agreed to enter into a new medical service contract on December 15, 2017 and cancel the</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
	<u>Net medical expense income</u>	4.3	2.4	previous medical service contract. With a discount rate of 15 percent (which is the discount rate that has been determined, except for conditions such as medical fees, dental fees, physical therapy fees Doctor's fee, result of medical examination reading fees, technical and pathological examination fees (special), beautification fees and package service fees) with payment conditions of 30 days from the date of billing which is in accordance with the rules for discounts under the medical treatment service contract that is determined in accordance with the Company's price policy. While the new medical service contract has been created by the major shareholder. In December 2017, the Company has entered into an additional medical service contract with a new counterparty which is a relative of the major shareholder. Some of the names under the contract used to be under the contract of original issues major shareholder. For the accounting period ending December 31, 2018 and for the year ended December 31, 2017, such contract, including service recipients that have been recommended by the parties have the total value of medical expenses at the amount of Baht 7.5 million and Baht 7.6 million, respectively. The value of medical treatment fees is amounted to Baht 1.5 million and Baht 1.0 million, respectively. The net income of medical fee is Baht 6.0 million and Baht 6.6 million, respectively or representing an average discount rate of about 20 percent and 20 percent, respectively. The Company has terminated the contract on July 16, 2018.
	<u>Outstanding trade receivables at the end of the period</u>	0.2	0.2	
	Transaction that the major shareholders did not pay for medical expenses to the company in place of the recipient of such service			
	<u>Medical expenses</u>	7.6	7.5	
	<u>Discount on medical expenses</u>	1.0	1.5	
	<u>Net medical income</u>	6.6	6.0	
	<u>Outstanding trade receivables at the end of the period</u>	0.05	-	
<p>Opinion of the Audit Committee</p> <p>The Audit Committee has considered and is of the opinion that such transaction is beneficial to the Company in expanding the customer base that use the company's services. The transaction of medical</p>				

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
MR. BHUNPOT DAMAPONG	<p>The Company has provided medical services to a group of people under the contract for medical treatment between the Company and Mr. Bhunpot Damapong (whose contract covers Khun Bhunpot Damapong and the person under the contract) The transactions that Khun Bhunpot Damapong pays for medical expenses to the company in place of the recipient of such service.</p> <p><u>Medical expenses</u></p> <p><u>Discount on medical expenses</u></p> <p><u>Net income of medical expenses</u></p> <p><u>Outstanding trade receivables at the end of the period</u></p> <p>Transaction that Khun Bhunpot Damapong is not responsible for paying for medical expenses to the Company on behalf of the recipient of such service</p> <p><u>Medical expenses</u></p>			<p>services in the period prior to the amendment of payment conditions and discount rates that occurred in the past. However, prices, conditions and services including discounts under the current medical treatment service contract of the current issue is in the normal range of customers in accordance to the medical treatment service contract and customers according to counterparty contract in compliance with the Company's pricing policy.</p>
				<p>As of April 1, 2018, the Company entered into a medical treatment service contract with Khun Bhunpot Damapong, with terms and conditions and discounts to the group of people under contract. The discount rate is 15 percent (which is the discount rate that has been specified, except for medical fees, dental fees, physical therapy fees, doctor's fees, medical examination result reading fees, technical and pathological examination fees (special), beautification fees and package service fees). The payment conditions is 30 days from the date of billing which is in accordance with the discount rules and in accordance with the medical service agreement that is determined in accordance with the Company's price policy while preparing the contract for medical treatment services of the said issue.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transaction is beneficial to the Company in expanding more customer base who use the Company's services. The price, conditions and services including discounts under the contract for medical treatment Of Mr. Bhannapot Damapong is in the normal range of the customers in accordance with the medical treatment contract and the customers under the contractual parties in accordance with the company's price policy.</p>
		-	0.45	
		-	0.05	
		-	0.40	
		-	0.03	
		-	-	

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
		-	-	
	<u>Discount on medical expenses</u> <u>Net medical income</u> <u>Outstanding trade receivables at the end of the period</u>	-	-	
OAI LEASING	<p>The Company has leased the office space of 1,040 Square Meters, including the payment of utility services, building systems and other services in the OAI Tower. The Company has place down the deposit guarantee with OAI Leasing at the amount equivalent to 3 month rent and 3 month service fee. The building is to be used as working area for administrative staff in accordance to the lease agreement and service contract which has a term of 3 years. The Company has started to lease such area since May 1, 2016</p> <u>Rental paid</u> <u>Service charge</u> <u>Other non-current assets</u>	1.2 3.8 0.8	1.2 3.8 0.8	<p>The Company has leased the office space of 1,040 square meters and service agreements for utility services, other building and service systems in the OAI Tower. The building is to be used as working area for administrative staff because the area of Rama 9 Hospital is insufficient for the all personnel.</p> <p><u>Opinion of the Audit Committee</u> The Audit Committee has considered and is of the opinion that the transaction is reasonable and is a transaction of asset rental in real estate category that are necessary for the operation of the Company. The conditions of rental and rental rates are appropriate, reasonable, in accordance to the market price and are normal in compliance with the general trade. There is no transfer of benefits between the Company and persons who may have conflicts by comparing the rental rate in the same building with other tenants.</p>
Shinawatra University	Providing scholarships to scholarship recipients in order to receive education on specialized knowledge in Bachelor of Nursing Science, Faculty of Nurse Shinawatra University <u>Other expenses</u>	0.5	0.2	<p>This program provides scholarships to nursing students at Shinawatra University. This is one of the measures for the provision of the Company's medical personnel; which is a significant part in operating business. The grantee shall return to perform the duties in the Company after the graduation in accordance to the terms of the scholarship</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
				<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that the transaction is reasonable. The educational funding is appropriate, reasonable, and in accordance to the normal rate that the Shinawatra University charges from other students. It is also one of the measures of the Company in recruiting medical personnel.</p>
THAICOM Foundation	Donation for Charity Project organized by Thaicom <u>Other expenses</u>	-	0.05	<p>The Company supports charity golf tournaments to donate funds to the "Read, enjoy, enjoy, wisdom" project in order to buy a bookcase and series of books to promote knowledge to the small schools that are lacking, nationwide.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that the transaction is reasonable. By promoting and supporting sustainable business operations under Corporate Social Responsibilities</p>
Khunying Potjaman Damapong ("Major Shareholders")	The Company has entered into a land lease agreement for the title deed No. 4012 with the major shareholder. Such land is to be use in the construction of new buildings (Please consider more details in Section 2.2.6, Clause 6.1 for the construction of new buildings) with the rental rate of Baht 350,000 per month. The rental has been paid in advance on every 5th day of the month in accordance with the contract that dated December 1, 2016, with a period of 3 years and ended on November 30, 2019. However, such contract has ended, under the purchasing and selling of land contract between			<p>The Company had entered into a land lease agreement for the title deed no. 4012 with the major shareholder. Such land is to be used in constructing new buildings. Such land is one large empty piece of land that is located next to the current building. Such land is suitable for the construction of new buildings which is significant for business expansion and future strategies.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transaction is a rental fee for real estate category which is necessary for the operation and is important to the Company's strategy. Such transaction is a transaction that occurred in the past where the rental rate and conditions are appropriate.</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
	<p>the Company and the major shareholders (Please consider more details in Section 2.2.5, Clause 5, Important Contracts)</p> <p><u>Rental paid</u></p>	3.9	-	
Khunying Potjaman Damapong ("Major Shareholders")	<p>The Company entered into contract to purchase and sell land with the major shareholder on November 8, 2018; to purchase a plot of land at No. 4012, size 2 Rai 3 Ngan 89 Square Wah (1,189 Square Wah) at the price of Baht 270,000 per Square Wah. The total price is Baht 321,030,000. The Company paid a deposit of Baht 20,000,000 on the day of entering into purchasing and selling contract and will pay the remaining amount on the conveyance date which will be at the amount of Baht 301,030,000. This is done by issuing a promissory note with the payment period of not exceeding December 30, 2018 (please consider more details in Section 2.2.5, Clause 7, significant contract)</p> <p><u>Purchase fixed assets</u></p> <p><u>Payable for purchase of fixed assets</u></p>	321.0 301.0	- -	<p>The Company entered into an agreement to purchase and sell land under the title deed No. 4012 with the major shareholder by being the restructuring of the Company's assets prior to listing on the SET. In order for the company to be the owner of assets that are significant to the business operations and strategies.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is at the opinion that such transaction is a transaction related to assets or services that is necessary for the Company operation. In order to maintain the rights to use the land and construct buildings in the long term which is a significant asset in the company's business. The price and conditions of the purchasing and selling contract are appropriate and reasonable. Where the price of land is lower than the appraised value, The Chartered Valuation and Consultant Company Limited, which is an asset appraisal company that has been approved by the Securities and Exchange Commission. The purchase of land at a price lower than the appraised price and the land payment conditions is flexible which is considered beneficial to the Company. In addition, such transaction is only a transaction due to the restructuring of the Company's assets prior to being listed on the Stock Exchange.</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
<p>Khunying Potjaman Damapong ("Major Shareholders")</p>	<p>The Company entered into contract to purchase and sell land with the major shareholder on March 27, 2018. The purpose of entering into such contract is to purchase a plot of land, with the title deed No. 6223 (1879), size 3 Ngan, 34 Square Wah (334 Square Wah) at the price of Baht 180,000 per Square Wah. The total price is Baht 60,120,000. The Company paid a deposit of Baht 4,000,000 On the day of entering into purchasing and selling contract and will pay the remaining amount on conveyance date which will be at the amount of Baht 56,120,000. This will be done by issuing a promissory note with a payment period of not exceeding December 30, 2018 (please consider more details in Section 2.2.5, Clause 7, Significant Contract)</p> <p><u>Purchase fixed assets</u></p> <p><u>Payable for purchase of fixed assets</u></p>	<p>-</p> <p>-</p>	<p>60.1</p> <p>-</p>	<p>The Company entered into contract to purchase and sell land under the title deed No. 6223 (1879) with the major shareholder. With the purpose of constructing an 8-storey high nurse dormitory to be a nurse dorm; in order to support the number of nurses of the Company that are increasing in the future. When compared to other lands, the purchased land title deed No. 6223 (1879) is more appropriate for the construction of nurse dormitories because it is a large empty land which can instantly proceed with the construction and the location is closer to the hospital.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and is of the opinion that such transactions are necessary and beneficial to the Company. The price and conditions of the purchasing and selling contract are appropriate and reasonable. Where the price of land is lower than the appraised value. The Chartered Valuation and Consultant Company Limited, which is an asset appraisal company that has been approved by the Securities and Exchange Commission. The purchase of land at a price lower than the appraised price and the land payment conditions is flexible which is considered beneficial to the Company.</p>
<p>Doctor Group⁽¹⁾⁽²⁾⁽³⁾</p>	<p>The company pays remuneration in the form of doctor fees to doctors who have performed patient examination in the hospital. Under the memorandum of agreement to use the clinic to perform medical practice for 11 doctors.</p>			<p>Doctors who are directors or executive perform examination and treat patients at the hospital. The determination of remuneration is comparable to the doctor's fees that the company paid to other doctors that hold similar qualifications to the doctor who holds the position of director and/or executive. The hospital focus on the quality of medical services, including the expertise in providing</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
Advisory Group to the Executive Committee ⁽⁴⁾	<u>Doctor fees expense</u>	42.8	35.7	medical services for complex diseases. Therefore, it is necessary to determine appropriate remuneration and motivation for current doctors and attract qualified doctors to work with the hospital as well as able to reduce the risk of shortage of medical personnel.
	<u>Accrued doctor fees at the end of the period</u>	4.1	3.1	
				<u>Opinion of the Audit Committee</u> Such transactions are necessary and reasonable. The Company is obliged to pay such doctor remuneration at the same rate as other doctors with similar qualifications to the doctor who holds such position. Therefore is a reasonable transactions.
	The Company paid remuneration in the form of meeting allowance to the advisors of the Executive Committee that has attended the Company's Board of Directors Meeting.			The company has appointed experts who have knowledge and expertise in various fields to become advisors to the Executive Committee. With the purpose for such experts to listen to, give opinions, give suggestions that come from work experience and expertise of each person to use it in considering issues relevant to the Executive Committee in order to maximize the benefits in effective management. Whereby the advisor to the Executive Committee shall not be able to vote and is not considered to have authority to control or manage the Company. However, after July 2018, the Company will no longer make such transactions as a result from the resignation of the advisor to the Executive Committee in July 2018.
	<u>Meeting allowance expense</u>	0.036	0.02	
	<u>Outstanding accrued meeting allowance at the end of the period</u>	0.036	-	
			<u>Opinion of the Audit Committee</u> Such transactions are necessary and reasonable. The Company has to pay such meeting allowance as a compensation to the Advisor to the Executive Committee in performing duties. Therefore, it is a reasonable transaction which is a transaction that occurred in the past at which there will be no such transaction in the future.	

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction
		Year 2017	Year 2018	
DR. SATIAN POOPRASERT	<p>The Company pays monthly remuneration to external consultants of the company</p> <p><u>Consulting fee</u></p>	-	0.4	<p>The Company has appointed qualified person with medical knowledge and expertise that have served as the company's chief physician to be the consultant, which is not in the form of a regular full time employees, to give advice, suggestion and to participate in the Company's quality development activities and academic training meetings.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transactions are necessary and reasonable. The Company is obliged to pay such remuneration as a compensation for advisors to perform duties. The said remuneration is at a comparable rate to the other consultants who is not a person with possible conflict of the Company and with the same scope of consultation.</p>
Voice Creation	<p>The Company hired Voice Creation to produce the program to broadcast on Facebook Live</p> <p><u>Expenses</u></p> <p>The Company hired Voice Creation to produce Video Presentations (Thai, Eng, Chinese, Japanese) to publicize the hospital.</p>	-	1.4	<p>The Company hired Voice Creation to produce the program to broadcast on Facebook Live in order to promote the Hospital's Facebook Page.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee has considered that such transaction is reasonable and there is no transfer of benefits between the Company and persons who may have conflicts with the comparison of conditions and the rates of service fee with the other comparison partners, which Voice Creation Co., Ltd. is suitable for the Company.</p> <p>The Company has hired Voice Creation to produce video presentation (Thai, Eng, Chinese, Japanese) in order to promote the hospital.</p>

Person / Legal Entity	That may have conflicts	Nature of Related Party Transaction Value of Transaction (Million)		Necessity and Reasonableness of the Transaction	
	<p data-bbox="371 1603 395 1698"><u>Expenses</u></p> <p data-bbox="603 1229 863 1698">The Company hired Voice Creation to EDIT VDO PRESENT (as a continuation of the production of video presentations (Thai, Eng, Chinese, Japanese) to promote the hospital</p> <ul data-bbox="762 1351 863 1665" style="list-style-type: none"> - Thai voice actors - Sound recording studio fees - Processing fee <p data-bbox="917 1603 941 1698"><u>Expenses</u></p>	Year 2017	Year 2018	<p data-bbox="371 510 395 853"><u>Opinion of the Audit Committee</u></p> <p data-bbox="411 128 708 853">The Audit Committee has considered that such transaction is reasonable and there is no transfer of benefits between the Company and persons who may have conflicts with the comparison of conditions and the rates of service fee with the other comparison partners, which Voice Creation Co., Ltd. is suitable for the Company. The Company hired Voice Creation to EDIT VDO PRESENT (as a continuation of the production of presentation video (Thai, Eng, Chinese, Japanese) to promote the hospital</p> <p data-bbox="762 510 786 853"><u>Opinion of the Audit Committee</u></p> <p data-bbox="802 128 981 853">The Audit Committee has considered that such transaction is reasonable and there is no transfer of benefits between the Company and persons who may have conflicts with the comparison of conditions and the rates of service fee with the other comparison partners, which Voice Creation Co., Ltd. is suitable for the Company</p>	
			0.3		
			0.02		

⁽¹⁾ Doctors who are legal entity and may have a conflict or that have related party transactions for the accounting period ending December 31, 2017, namely, Dr. Sattian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, Dr. Prasert Trairatvorakul, Assoc. Prof. Dr. Sorana Boonbaichaiyapruk, WG.CDR Prof. Dr. Siintara Singhara Na Ayudhaya, Gen. Dr. Sahachart Pipitkul, Dr. Sathaporn Pooprasert, D.D.S. Chutima Trairatvorakul, Dr. Porn Trairatvorakul and Dr. Thitiwat Siprasat. For the accounting period ending December 31, 2018, namely, Dr. Sattian Pooprasert, Dr. Mongkol Tanjapatkul, Dr. Viroon Mavichak, Dr. Prasert Trairatvorakul, Assoc. Prof. Dr. Sorana Boonbaichaiyapruk, WG.CDR Prof. Dr. Siintara Singhara Na Ayudhaya, Dr. Sathaporn Pooprasert, D.D.S. Chutima Trairatvorakul, Dr. Porn Trairatvorakul, Dr. Thitiwat Siprasat and Dr. Pisit Chiyasak.

⁽²⁾ Gen. Dr. Sahachart Pipitkul is free from being a person who may have conflict since September 13, 2017, by which the value of doctor fees that have been disclosed in the related party transactions in 2017 is the transaction that occurred during the period of January 1, 2017 - September 30, 2017.

⁽³⁾ Dr. Pisit Chiyasak is a person who may have a conflict as a result from his relationship of being a brother/sister of Mr. Pisit Chiyasak, who is the Company's director since July 31, 2018. The value of doctor fees that have been disclosed in the related party transactions in 2018 is the transaction that occurred during the period of July 31, 2018 - present.

⁽⁴⁾ Advisor to the Executive Committee, a person who may have conflict, namely, Miss Pintongtra Shinawatra Kunakornwong

12.3 MEASURES AND PROCEDURE FOR APPROVING RELATED PARTY TRANSACTION

Based on the resolution of the Board of Directors' Meeting No. 3/2018 on March 12, 2018, the approval of policy in entering into related party transactions have been made; as well as the principles related to trade agreements with general trading conditions in conducting transactions between the Company, directors and executives or related persons. The Company will practice in accordance with the laws on Securities and Exchange, rules, notifications, orders or regulations of the Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand. However, directors, executives or persons who may have conflicts or those that have interest with the Company will not be able to participate or have any rights to vote in approving the entering into such transactions. Thus, in entering into related party transaction, the Company adheres to the following principles:

- Is a transaction that has passed the transparent approval procedure by the directors and/or executives (As the case may be) with responsibility, cautiousness and integrity. The stakeholders shall not participate in the decision.
- Is a transaction that is made by taking into account the interests of the Company as if making transactions with the third parties.
- Have tracking and inspection system that ensures that the transaction is correctly in accordance with the procedure.

Measures and procedures for entering into related party transactions

The Company has determined measures and procedures for entering into related party transactions which are as follows:

(1) In considering of the entering into related party transactions, the Company shall applied the same rules as general customers and/or the general public as well as shall be in accordance with the Company's normal operating procedures in order to support the business operation which shall be fair and reasonable as well as create the highest benefits to the company.

(2) If there is no such price, the Company shall consider comparing the price of the products or services with the external price, under the same or similar conditions.

(3) The Company may utilize the report of independent appraisers, who has been appointed by the Company, to compare prices for significant related party transactions in order to ensure that such prices are reasonable and are for the best interest of the company

(4) In conducting Company's related party transactions that the directors, executives or persons who may have

conflicts or related interests which is not a normal business transaction or have different trade conditions from transactions with general customers or the third party will be able to proceed only when such transactions have been approved by the Board of Directors Meeting with a majority vote in which directors, executives or persons who may have conflicts or related interests must participate in considering and approving that transaction and must not have any special conditions or conditions that is different from normal and shall be in accordance with the rules set by the Company.

(5) If the Company has other related party transactions which are in the scope as the regulations of the Stock Exchange of Thailand such regulations shall be strictly implemented.

(6) The company shall disclose information on transactions that may have conflicts of interest or related transactions in accordance with the regulations of the Securities and Exchange Commission, The Stock Exchange of Thailand and/or related agencies; as well as in accordance with the accounting standards. The Company shall disclose such information in the annual registration statement, annual report or any other report form as the case may be.

(7) The Internal Audit Division shall review the conducted of related party transactions according to the audit plan which shall be reported to the Audit Committee. There shall be control measures, inspection and supervision to ensure that there are randomly re-examine the conduct of actual transactions to be accurate and in accordance with the contracts, policies or conditions specified.

Approval of related party transactions or connected transactions

In the case where such law determined that the related party transactions shall be approved by the Board of Directors or the Shareholders' Meeting prior to the entering into any related transactions (if any). The Company shall organize for the Audit Committee to participate in the meeting to consider and gives opinions related to the necessity in entering into transaction and reasonableness of the transactions. However, when entering into normal business transactions or normal business support transactions that are trade agreements with general trading conditions and transactions that are trade agreements with none general trading conditions the Company shall ensure that the transactions are in accordance with the following principles.

(A) transactions that are trade agreements with general trading conditions

To conduct related party transactions which are normal business transactions or normal business support transactions, that are trade agreements with general trading conditions

and are beneficial to the Company's business or operations; the Management or the Executive Committee shall propose the Board of Directors to approve the transaction agreement in the principle before entering into the said transactions. If the said transactions have trade agreements in the same manner as ordinary person ought to be done with the general partner of contract in the same situation; with the bargaining power of trade that is free from the influence of oneself being a director, executive or related person, the management shall prepare the summary report of such transactions to report in the Audit Committee Meeting and the Board of Directors Meeting on a quarterly basis.

However, the transactions that are in accordance with the general trading conditions are trade conditions with fair prices and conditions and did not cause the transferring of benefits are as follows:

- is the price and conditions that the Company has received or provided to the general public
- is the price and conditions that the connected person provided to the general public
- is the price and conditions that the Company can show to the general public that it is the entrepreneurs that operate business in the same manner.

B) Entering into trade agreement transaction that is not a general trade condition

In entering into trade agreement transaction that is not a general trade condition, the Audit Committee shall consider and comment on the necessity and reasonableness of entering into those transaction prior to submitting to the Board of Directors and/or the Shareholders' Meeting (As the case may be) for approval. Such action shall be implemented in accordance with the Securities and Exchange laws and regulations, notifications, orders or requirements of the Capital Market Supervisory Board, the Stock Exchange of Thailand and the Securities and Exchange Commission. This includes practicing in compliance with the regulations regarding disclosure of connected transactions or related transactions, acquisition or disposition of the Company's significant assets (if any) and other relevant regulations. Along with practice in accordance with accounting standards set by the Federation of Accounting Professions under the Royal Patronage where the Company shall disclose such related party transactions in the Company's notes to the financial statements that has been verify or reviewed by the

Company's auditors.

In the event that the Audit Committee does not have an expertise in considering the related party transactions that occurred, the Company shall appoint persons with knowledge, expertise or specialty such as auditors, assets

appraisers or experts in related fields that are independent from the Company; and persons who may have conflicts with the Company to be the person who gives opinions on such related party transactions in order to be used in the decision making of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting (As the case may be). This is to ensure that the conduct of such transaction is necessary and reasonable by significantly taking into account the interests of the Company and shareholders.

12.4 POLICIES AND TRENDS OF FUTURE CONDUCT OF RELATED PARTY TRANSACTION

For the related party transactions that may occur in the future, the Board of Directors shall practice in accordance with the laws on Securities and Exchange, the requirements, notifications, orders or regulations of the Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand. The Company shall disclose the related transactions in the annual information disclosure form and the notes to the financial statements that have been audited by the Company's auditor. This includes practice in accordance with the regulations regarding the disclosure of information on related party transactions of the Company in compliance with the report of financial standards issued under the Accounting Profession Act BE 2547, as well as the amendments

The company may continue to conduct the related party transactions in the future by determining the price and normal trading conditions of the business; as well as determined for the person and/or companies that are not conflicting or related, such as providing medical services to the counter party, payment of remuneration in the form of doctor fees and etc. The related transactions that will occur shall be in accordance with the normal business operations of the Company and shall be for the highest benefit of the Company and shareholders significantly.

In this regard, by entering into the Company's related party transactions that occurred and may occur in the future whether they are necessary and/or have reasonableness in entering into the transaction, shall be for the Company's highest benefit and shall be determined in accordance with the general business nature. Furthermore, the price and the conditions of such transactions shall be fair and at arm's length basis, shall not transfer of benefits between the Company and the person who may have conflicts; which the Company's Audit Committee will provide opinions on the necessity and appropriateness of that transaction. In addition, if there is any conduct of related party transaction, the directors, executives or persons who may have conflicts or interests shall not be able to participate or have voting rights in considering and approving such transaction.

FINANCIAL POSITION AND OPERATING PERFORMANCE

SIGNIFICANT FINANCIAL INFORMATION

Summary of Audit Report

Auditor

Auditor for the Company's financial statements and financial information can be summarized as follows:

Financial Statements	Independent Auditor
Audited financial statements For the year ended December 31, 2015	Mr. Narong Pantawong Certified Public Accountant (Thailand) No. 3315 EY Office Company Limited
Audited financial statements For the year ended December 31, 2016	Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Company Limited
Audited financial statements For the year ended December 31, 2017	Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Company Limited
Audited financial statements For the year ended December 31, 2018	Ms. Kosum Cha-em Certified Public Accountant (Thailand) No. 6011 EY Office Company Limited

Summary of audit report for the past 4 year

The opinion of the auditors that are disclosed in the Company's financial statement or financial information (as the case may be) can be summarized as follows

Financial Statement	Auditor's Opinion
Audited financial statements For the year ended December 31, 2015	The financial statements accurately show the significant aspects of the Company's financial status as of December 31, 2018 and operating performance for the year ended on the same date as the Company; in accordance with the financial reporting standards for businesses with no public conflict of interest.
Audited financial statements For the year ended December 31, 2016	The financial statements accurately show the significant aspects of the Company's financial status

Financial Statement	Auditor's Opinion
	as of December 31, 2016 and operating performance for the year ended on the same date as the Company; in accordance with the financial reporting standards for businesses with no public conflict of interest.
Audited financial statements For the year ended December 31, 2017	The financial statements accurately show the significant aspects of the Company's financial status as of December 31, 2017 and operating performance for the year ended on the same date as the Company; in accordance with the financial reporting standards for businesses with no public conflict of interest.
Audited financial statements For the year ended December 31, 2018	The financial statements accurately show the significant aspects of the Company's financial status as of December 31, 2018 and operating performance for the year ended on the same date as the Company; in accordance with the financial reporting standards for businesses with no public conflict of interest.

Table of Summarized Financial Statements

The Company has prepared the financial statement for the year ended December 31, 2015 and December 31, 2016, by using financial reporting standards for businesses with no public interest. However, since January 1, 2017, The Company has changed to the financial reporting standards set out in Accounting Profession Act ("Act"), B.E. 2547. The company then adjusted the retrospect statement of financial position as of December 31, 2016, as well as

Comprehensive Profit and Loss Statement and cash flow statement for the year ended December 31, 2016 in accordance with the standard of preparing new financial statements and present the statement of financial position as at January 1, 2016, which is presented as a comparative information in the financial statements for the year ended December 31, 2017, to reflect the changed in preparation of financial statements standard.

Statement of financial position

Statement of financial position	As at							
	1 Jan. 2016		31 Dec. 2016		31 Dec. 2017		31 Dec. 2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Assets								
Current assets								
Cash and cash equivalents	178.9	8.7	208.7	9.1	237.8	8.3	223.5	5.1
Current investment	599.7	29.3	614.5	26.8	453.7	15.9	1,636.6	37.0
Trade and other receivables	120.9	5.9	142.1	6.2	132.9	4.7	139.3	3.1
Medicines and supplies	42.2	2.1	41.6	1.8	39.5	1.4	42.9	1.0

Statement of financial position	As at							
	1 Jan. 2016		31 Dec. 2016		31 Dec. 2017		31 Dec. 2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Other current assets	4.6	0.2	12.3	0.5	14.8	0.5	6.6	0.1
Total current assets	946.2	46.2	1,019.2	44.4	878.6	30.8	2,048.9	46.3
Non-current assets								
Long-term bank deposit	20.0	1.0	-	-	-	-	-	-
Restricted bank deposits	2.7	0.1	2.7	0.1	2.7	0.1	2.7	0.1
Other long-term investment	1.4	0.1	1.4	0.1	1.4	0.0	1.4	0.0
Property ,plant and equipment	959.9	46.8	1,140.0	49.7	1,713.3	60.0	2,136.1	48.3
Intangible assets	95.6	4.7	98.3	4.3	91.6	3.2	82.8	1.9
Advance for purchase of fixed assets	-	0.0	6.4	0.3	140.7	4.9	129.2	2.8
Deferred tax assets ⁽¹⁾	22.4	1.1	24.4	1.1	26.6	0.9	25.2	0.6
Other non-current assets	0.7	0.0	1.5	0.1	1.6	0.1	2.0	0.0
Total non-current assets	1,102.7	53.8	1,274.6	55.6	1,978.0	69.2	2,375.4	53.7
Total assets	2,048.9	100.0	2,293.8	100.0	2,856.6	100.0	4,424.3	100.0
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payable	259.5	12.7	282.0	12.3	616.9	21.6	408.4	9.2
Income tax payable	26.6	1.3	20.8	0.9	20.7	0.7	11.1	0.3
Other current liabilities	10.6	0.5	15.6	0.7	17.0	0.6	29.3	0.7
Total current liabilities	296.7	14.5	318.4	13.9	654.5	22.9	448.8	10.2
Non-current liabilities								
Provision for long-term employee benefits ⁽²⁾	81.7	4.0	93.3	4.1	105.6	3.7	100.7	2.3
Other non-current liabilities	1.1	0.1	1.3	0.1	1.5	0.1	1.5	0.0
Total non-current liabilities	82.8	4.0	94.6	4.1	107.0	3.7	102.2	2.3
Total liabilities	379.5	18.5	413.0	18.0	761.6	26.7	551.0	12.5
Shareholders' equity								
Share capital								
Registered 800,000,000 ordinary shares of Baht 1 each (1 January 2016, 2016, 2017: 6,000,000 ordinary shares of Baht 100 each) ⁽³⁾	600.0	29.3	600.0	26.2	600.0	21.0	800.0	18.1

Statement of financial position	As at							
	1 Jan. 2016		31 Dec. 2016		31 Dec. 2017		31 Dec. 2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Issued and fully paid 786,300,000 ordinary shares of Baht 1 each (1 January 2016, 2016, 2017: 6,000,000 ordinary shares of Baht 100 each) ⁽³⁾	600.0	29.3	600.0	26.2	600.0	21.0	786.3	17.8
Share premium	10.3	0.5	10.3	0.5	10.3	0.4	1,934.3	43.7
Retained earnings								
Appropriated – statutory reserve	60.0	2.9	60.0	2.6	60.0	2.1	67.9	1.5
Unappropriated ⁽⁴⁾	996.8	48.6	1,208.6	52.7	1,422.8	49.8	1,084.0	24.5
Other components of shareholders' equity ⁽⁵⁾	2.3	0.1	1.9	0.1	1.9	0.1	0.8	0.0
Total shareholders' equity	1,669.4	81.5	1,880.9	82.0	2,095.0	73.3	3,873.3	87.5
Total liabilities and shareholders' equity	2,048.9	100.0	2,293.8	100.0	2,856.6	100.0	4,424.3	100.0

Note:

- (1) The change in financial reporting standards, Deferred tax assets increased by 22.4 million baht 24.4 million baht and 26.6 million baht as of January 1, 2016 on December 31, 2016 and on December 31, 2017, respectively.
- (2) The change in financial reporting standards, Long-term employee benefit reserves increased by 61.3 million baht, 70.6 million baht, and 84.1 million baht as of January 1, 2016 on December 31, 2016 and on December 31, 2017, respectively.
- (3) The Annual General Meeting of Shareholders for the year 2018 on March 28, 2018 resolved to change the par value of the shares at 100.0 baht per share 1.0 baht a result, the number of shares increased from 6,000,000 shares to 600,000,000 shares of common stock for the year. 2015 for the year 2016 and for the year 2017 have been restated as if the decline in value of these shares occurred since the beginning of the periods presented.
- (4) The change in financial reporting standards. Unappropriated retained earnings decreased by Baht 38.3 million and 45.7 million baht to 57.0 billion baht as of January 1, 2016 on December 31, 2016 and on December 31, 2017, respectively.
- (5) The change in financial reporting standards. Other components of shareholders' equity decreased 0.6 million baht to 0.5 million baht and 0.5 million baht as of January 1, 2016 on December 31, 2016 and on December 31, 2017, respectively.

Statement of comprehensive income

Statement of comprehensive income	Financial information Adjusted for comparison		Financial statement					
	For the year ended 31 December							
	2015		2016		2017		2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Revenues								
Renvenues from hospital operations	1,960.3	98.2	2,238.3	98.5	2,421.5	98.6	2,701.1	98.8

Statement of comprehensive income	Financial information Adjusted for comparison		Financial statement					
	For the year ended 31 December							
	2015		2016		2017		2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Other income	36.2	1.8	34.2	1.5	33.7	1.4	32.4	1.2
Total revenues	1,996.4	100.0	2,272.5	100.0	2,455.2	100.0	2,733.5	100.0
Operation and expenses								
Cost of hospital operation ⁽¹⁾	1,364.3	68.3	1,532.9	67.5	1,681.6	68.5	1,864.2	68.2
Selling expense ⁽²⁾	60.8	3.0	54.4	2.4	59.9	2.4	64.2	2.3
Administrative expenses ⁽³⁾	329.8	16.5	367.7	16.2	396.6	16.2	477.5	17.5
Share-based payment	-	-	-	-	-	-	111.9	4.1
Administrative and selling expenses	390.6	19.6	422.1	18.6	456.5	18.6	653.6	23.9
Total expenses	1,754.9	87.9	1,955.0	86.0	2,138.1	87.1	2,517.8	92.1
Profit before income tax expenses	241.6	12.1	317.5	14.0	317.1	12.9	215.7	7.9
Income tax expenses ⁽⁴⁾	52.3	2.6	57.7	2.5	54.8	2.2	58.5	2.1
Net profit for the year ⁽⁵⁾	189.3	9.5	259.8	11.4	262.3	10.7	157.2	5.8
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	(1.6)	(0.1)	(0.4)	(0.0)	(0.1)	(0.0)	(1.3)	(0.1)
Less: Income tax effect	0.3	0.0	0.1	0.0	0.0	0.0	0.3	0.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(1.3)	(0.1)	(0.3)	(0.0)	(0.1)	(0.0)	(1.0)	(0.1)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:								
Actuarial gain	-	-	-	-	-	-	19.8	0.7
Less: Income tax effect	-	-	-	-	-	-	(4.0)	(0.1)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-		15.8	0.6

Statement of comprehensive income	Financial information Adjusted for comparison		Financial statement					
	For the year ended 31 December							
	2015		2016		2017		2018	
	MB	p.c.	MB	p.c.	MB	p.c.	MB	p.c.
Other comprehensive income for the year	(1.3)	(0.1)	(0.3)	(0.0)	(0.1)	(0.0)	14.8	0.5
Total comprehensive income for the year	188.0	9.4	259.5	11.4	262.2	10.7	172.0	6.3
Basic earnings per share	0.32	-	0.43	-	0.44	-	0.25	-
Weighted average number of ordinary shares (million shares) ⁽⁶⁾	600.0	-	600.0	-	600.0	-	634.7	-

Note:

- (1) The change in financial reporting standards. Cost of hospital operations. (Including depreciation) increased by 21.4 million baht to 5.3 million baht and 7.6 million baht in 2015, year 2016 and year 2017, respectively.
- (2) The change in financial reporting standards. Cost of sales (Including depreciation) increased by 0.3 million baht to 0.4 million baht and 0.6 million baht in 2015, year 2016 and year 2017, respectively.
- (3) The change in financial reporting standards. Administrative expenses (Excluding depreciation) decreased by Baht 15.3 million, an increase of 3.6 million baht and 5.3 million baht in 2015, year 2016 and year 2017, respectively.
- (4) The change in financial reporting standards. Tax expenses were reduced by 2.2 million baht to 1.9 million baht and 2.2 million baht in 2015, year 2016 and year 2017, respectively.
- (5) The change in financial reporting standards. Profit for the year decreased 4.3 million baht to 7.4 million baht and 11.3 billion baht in 2015, year 2016 and year 2017, respectively.
- (6) The Annual General Meeting of Shareholders for the year 2018 on March 28, 2018 resolved to change the par value of the shares at 100.0 baht per share 1.0 baht a result, the number of shares increased from 6,000,000 shares to 600,000,000 shares of common stock for the year. 2015 for the year 2016 and for the year 2017 have been restated as if the decline in value of these shares occurred since the beginning of the periods presented.

Cash flow statement

Cash flow statement	For the year ended 31 December		
	2016	2017	2018
	MB	MB	MB
Cash flows from investing activities			
Profit before tax	317.5	317.1	215.7
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortization	131.8	151.2	155.9
Bad debt	0.7	0.5	0.4
Increase in allowance for doubtful debt (transfer back)	(0.1)	0.7	4.5
Loss on disposals and write-off of buildings improvement and equipment	0.6	2.0	1.3

Cash flow statement	For the year ended 31 December		
	2016	2017	2018
	MB	MB	MB
Gain on disposals of current investments	-	(1.8)	(4.3)
Share-based payment	-	-	111.9
Increase in provision for employee benefits	11.9	13.5	19.5
Dividend income	(1.4)	(1.2)	(0.4)
Interest income	(13.1)	(11.1)	(6.3)
Profit from operating activities before changes in operating assets and liabilities	447.9	470.9	498.2
Operating assets (increase) decrease			
Trade and other receivables	(22.3)	7.6	(11.6)
Medicine and supplies	0.6	2.1	(3.4)
Other current assets	(7.7)	(2.5)	8.1
Other non-current assets	(0.8)	(0.1)	(0.4)
Operating liabilities increase (decrease)			
Trade and other payables	31.5	20.2	51.0
Other current liabilities	4.3	0.5	(0.2)
Other non-current liabilities	0.2	0.2	0.0
Cash paid for long-term employee benefits	(0.3)	(1.2)	(4.6)
Cash flows from operating activities	453.4	497.5	537.1
Cash paid for income tax	(65.4)	(57.1)	(57.6)
Net cash flows from operating activities	388.0	440.4	479.5
Cash flows from investing activities			
Decrease (increase) in current investments	(15.3)	162.5	(1,179.9)
Decrease long-term bank deposit	20.0	-	-
Cash receipt from dividend of investment	1.4	1.2	0.4
Acquisition of buildings improvement and equipment	(261.6)	(313.6)	(412.0)
Cash paid for purchase of buildings improvement and equipment	(52.1)	(39.1)	(357.8)
Cash paid for advance for purchase of fixed assets	(6.4)	(178.4)	(41.9)
Acquisition of intangible assets	(11.1)	(5.0)	(4.2)
Cash paid for purchase of intangible assets	(0.3)	(4.3)	(0.2)
Proceed from sales of equipment	0.7	0.9	1.0
Interest income	13.5	11.5	6.6
Net cash flows used in investing activities	(311.0)	(364.3)	(1,988.0)
Cash flows from financing activities			
Proceed from increase in share capital	-	-	2,049.2
Payments of expense relating to the share offering	-	-	(63.5)
Dividend paid	(47.2)	(47.1)	(491.5)
Net cash flows from (used in) financing activities	(47.2)	(47.1)	1,494.2
Net increase (decrease) in cash and cash equivalents	29.8	29.1	(14.3)
Cash and cash equivalents at beginning of year	178.9	208.7	237.8
Cash and cash equivalents at end of year	208.7	237.8	223.5

Table of significant financial ratio

significant financial ratios	Unit	Financial information Adjusted for comparison	Financial statement			
		For the year ended 31 December				
		2015	2016	2017	2018	

Liquidity ratio

Liquidity ratio	even	3.2	3.2	1.3	4.6
Quick ratio	even	3.1	3.1	1.3	4.5
Cash flow ratio	even	1.3	1.3	0.9	0.9
Receivable turnover ratio	even	15.2	16.1	16.6	18.1
Average collection period	day	23.6	22.4	21.7	19.9
Inventory turnover	even	31.6	36.6	41.5	45.3
Average holding period	day	11.4	9.8	8.7	8.0
Trade payables turnover ratio	even	12.9	15.0	15.4	16.0
Average payment period	day	27.8	24.0	23.3	22.4
Cash Cycle	day	12.9	8.2	7.1	5.4

Profitability Ratio

Gross profit margin ⁽¹⁾	p.c.	30.4	31.5	30.6	31.0
Operating profit margin ⁽¹⁾	p.c.	10.5	12.7	11.7	6.8
Cash ratio to profitability	p.c.	1.8	1.4	1.6	2.6
Net profit margin	p.c.	9.5	11.4	10.7	5.8
Return on Equity: ROE ⁽²⁾	p.c.	11.7	14.6	13.2	5.3

Efficiency Ratio

Return on Assets: ROA ⁽³⁾	p.c.	9.8	12.0	10.2	4.3
Return fixed asset ⁽⁴⁾	p.c.	34.2	37.3	29.0	16.3
Asset turnover	even	1.0	1.0	1.0	0.8

Financial Policy Ratio

Debt to equity ratio	even	0.2	0.2	0.4	0.1
Interest-bearing debt ratio of shareholders	even	-	-	-	-
Interest coverage ratio	even	-	-	-	-
Debt service coverage ratio (Cash basis)	even	1.3	1.0	0.8	0.6
Dividend payout ⁽⁵⁾	p.c.	22.2	18.5	192.2	40.0 ⁽⁶⁾

Note:

- (1) Based on the profit from the Hospital operation only.
- (2) Based on the profit for the year divided by the average shareholders' equity.
- (3) Based on the profit for the year divided by average total assets.
- (4) Calculated from the sum of the profit for the year and depreciation. Divided by the average net assets.

- (5) Calculated from the total dividend based on the results of the annual profit for the period divided by that year.
- (6) Calculated from the total dividend based on the earnings for the year divided by earnings for the year 2018 statutory reserve 5% and adding back expenses. Due to share-based payments.

OTHER FINANCIAL INFORMATION

The following table shows the reconciliation information between the profit before tax expense and profit before interest and tax and depreciation and amortization (EBITDA) and EBITDA ratio to total revenues of the Company.

	Unit	For the year ended 31 December			
		2015	2016	2017	2018
Profit before income tax expenses	MB	241.6	317.5	317.1	215.7
Depreciation	MB	102.0	119.3	137.0	141.1
amortization	MB	11.9	12.6	14.2	14.7
Net Depreciation and amortization	MB	113.9	131.8	151.2	155.8
EBITDA	MB	355.5	449.3	468.3	371.5
EBITDA margin on total revenue	p.c.	17.8	19.8	19.1	13.6

However, for the year ended December 31, 2018, the Company had expenses that affected the Company's EBITDA and EBITDA ratio, which reduced significantly. The expenses are as follow:

1. Benefits from Share Based Payment at the amount of 111.9 million Baht or accounted for 4.1 percent of total revenues.

2. The management expenses contain other expenses with special high value, such as recording the first employee welfare obligations related to medical welfare for directors and/or executives who are founders. From the estimates based on actuarial principles, the advertising and

sales promotion expenses for preparing to improve the organization image to become the Digital Hospital; allowance for doubtful accounts and Non-recurring items expense such as consulting fees, loan contract fees, expenses for preparing to be listed on the SET, expenses relating to the offering of shares that cannot be offset against the premium on ordinary share. The total value of such expenses is at the amount of Baht 30.9 million or accounted for 1.1 percent of total revenue.

However, after the above adjustment of such expenses, the Company shall have EBITDA at the amount of Baht 514.3 million or accounted for EBITDA ratio to the Company's total revenue of 18.8%.

1. According to the financial report Issue. 2 on Share Based Payment to record the difference between the offering price of the shares to the directors and / or executives of the Company's founder (2.65 baht / share) with the price of fair value of the Company ordinary shares as of the granted date (11.60 baht / share); by making reference to the market price as of the commencing date of trading as the expenses in the statement of comprehensive income
2. For the year ended December 31, 2018, the Company has other expenses with extra high value and value and expenses from non-recurring items which consisted of other advisory fees of 6.4 million baht; loan agreement fees of Baht 2.1 million and advisory fees for preparing to be listed on the stock market of baht 3.8 million; This includes first time recorded of employee welfare obligations associated with medical welfare for directors and / or executives who are Founders from the actuarial assumptions of Baht 8.5 million, expenses related to the offering of shares Baht 4.6 million and allowance for doubtful accounts of Baht 5.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This topic includes management's detailed analysis of Company's financial position and operating results as of year ended 31 December 2015, 2016, 2017 and 2018, on factors that might affect Company's opportunity and performance in the future. However, one should also consider Company's financial statement and note to financial statement, as well as information on operating result appeared in other parts of this document. The following discussion and analysis will involve rounding of certain figures (including percentage) for better understanding.

This detailed analysis of Company's operating results has taken the information from (1) Comprehensive Profit and Loss Statement of year ended 31 December 2018 which was issued according to Thai Financial Reporting Standards (TFRS) (2) Comprehensive Profit and Loss Statement of year ended 31 December 2017 (Audited) which was issued according to Thai Financial Reporting Standards (TFRS) (3) Comprehensive Profit and Loss Statement of year ended 31 December 2016 which was issued according to the revised Thai Financial Reporting Standards (TFRS) to be used as comparable information with the Financial Statement 2017 and (4) Comprehensive Profit and Loss Statement of year ended 31 December 2015 which was issued according to Thai Financial Reporting Standards for Non-publicly Accountable Entities and was revised by the Company's management to comply with Thai Financial Reporting Standards (TFRS) in order to compare the results.

Information used in the analysis of financial condition by Company's management was taken from (1) Statement of Financial Position as of 31 December 2018 which was issued in compliance with Thai Financial Reporting Standards (TFRS) and (2) Statement of Financial Position as of 31 December 2017 (audited) which was issued in compliance with Thai Financial Reporting Standards (TFRS) in which the statement contained Company's financial position as of 31 December 2016 (revised according to Thai Financial Reporting Standards - TFRS) and reported the statement of financial position as of 1 January 2016 as a comparison to reflect changes in preparing financial statement.

The Company's financial statement as of year ended 31 December 2015 was reviewed by Mr. Narong Puntawong, CPA Registration No. 3315 from EY Company Limited. The financial statement as of year ended 31 December 2016, 2017, and 2018 were reviewed by Ms. Kosum Cha-em, CPA Registration No. 6011 from EY Company Limited.

OVERVIEW

Medical service businesses in Thailand have a tendency to grow continuously due to the fact that people have more interests and become more health conscious, there is increasing number of elderly, medical service industry is improved in terms of coverage and quality, as well as the industry is well supported by government's policies. A growth in medical service industry, together with the Hospital' advantages, were factors contributing to continuous increase of revenue. The Company earned totally Baht 1996.4 million, 2272.5 million, and 2455.2 million in 2015, 2016, and 2017 respectively, indicating the compound annual growth rates (CAGR) of 10.9% per annum. In the years 2017 and 2018 the Company's total revenue was Baht 2455.2 million and 2733.5 million respectively which was an increase by 11.3%. In the years 2015, 2016, and 2017, the Company could achieve net profit of Baht 189.3 million, 259.8 million, and 263.5 million which implied the compound annual growth rate (CAGR) of 17.7% per annum. The net profit in the year 2018 was Baht 157.2 million (after a deduction of share based payment of Baht 111.9 million) or 5.8% net profit margin. The net profit growth in 2018 declined by 40% compared to 2017 of Baht 262.3 million, or 10.7% of net profit margin.

ANALYSIS OF COMPANY'S OPERATING RESULTS

Revenue

(1) Medical Revenue

The Hospital has operated its medical service business and earned medical revenue in the years 2015, 2016, 2017

of Baht 1,960.3 million, 2,238.3 million and 2,415.5 million respectively, indicating the compound annual growth rate (CAGR) of 11.1%. The revenue for the year 2018 was Baht 2,701.1 million, a 11.6% increase from 2017 revenue of Baht 2,421.5 million. Medical revenue of the years 2015, 2016, 2017, and 2018 accounted for 98.2%, 98.5%, 98.6%, and

98.8% of total revenue respectively.

The Company's medical revenue can be classified into 2 main sources according to patient's type; Outpatient Department (OPD) and Inpatient Department (IPD), with following details:

Medical Revenue	For the year ended 31 December							
	2015		2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Revenue from Outpatient Department (OPD)	1,032.8	52.7	1,186.8	53.0	1,291.4	53.3	1,494.3	55.3
Revenue from Inpatient Department (IPD)	927.5	47.3	1,051.6	47.0	1,130.1	46.7	1,206.8	44.7
Total Medical Revenue	1,960.3	100.0	2,238.3	100.0	2,421.5	100.0	2,701.1	100.0
Medical revenue as percentage of total revenue	-	98.2	-	98.5	-	98.6	-	98.8

(1.1) Revenue from Outpatient Department (OPD)

Medical Revenue	For the year ended 31 December							
	2015		2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Revenue from Outpatient Department (OPD)	1,032.8	100.0	1,186.8	100.0	1,291.4	100.0	1,494.3	100.0
- General Customer	834.3	80.8	937.6	79.0	998.0	77.3	1,143.1	76.5
- Contracted Customer	198.5	19.2	249.2	21.0	293.4	22.7	351.2	23.5

The Hospital reported revenue from outpatient for the years 2015, 2016 and 2017 of Baht 1,032.8 million, 1,186.8 million, and 1,291.4 million respectively, implying the compound annual growth rate (CAGR) of 11.8% per annum. The revenue for the year 2018 was Baht 1,494.3 million, a 15.7% increase compared to 2017.

The Hospital's outpatient revenues as percentage of medical revenue in the years 2015, 2016, 2017 and 2018 were 52.7%, 53.0%, 53.3%, and 55.3% respectively.

Most of the Hospital's OPD revenue came from general or cash customers. The revenues in the years 2015, 2016 and 2017 were Baht 834.3 million, 937.6 million, and 998.0 million respectively, indicating the compound annual growth rate (CAGR) of 9.4% per annum. The OPD revenue for the year 2018 was Baht 1,143.1 million, a 14.5% increase compared to 2017. The OPD revenue from general customers in 2015, 2016, 2017, and 2018, as percentage of total OPD revenue, were 80.8%, 79.0%, 77.3%, and 76.5% respectively.

Additionally, the Company also earned its OPD revenue from contracted group of customer in the years 2015, 2016, and 2017 of Baht 198.5 million, 249.2 million, and 293.4 million respectively, implying the compound annual growth rate (CAGR) of 21.6% per annum. The revenue for the year 2018 was Baht 351.3 million, a 19.7% increase from the year 2017. The OPD revenue from contracted customer group in 2015, 2016, 2017, and 2018 accounted for 19.2%, 21.0%,

22.7%, and 23.5% of total OPD revenue respectively. The figure continued to grow following an increasing number of contracted customers and insurance companies, as well as increasing number of insurance buyer and employee's benefit provided by their private companies.

Key factors affecting the growth of OPD revenue in the previous year were an increasing number of outpatient and a rising number of average outpatient's revenue per visit.

Outpatient Statistics	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Number of OPD Visit	Number of visit	327,040	369,745	390,185	432,314
Average Outpatient's Revenue per Visit	Baht per visit	3,158	3,210	3,309	3,453

Increasing number of outpatient visit

The Hospital accommodated total OPD visit in the years 2015, 2016, and 2017 of 327,040 visits, 369,745 visits, and 390,185 visits respectively, indicating the compound annual growth rate (CAGR) of 9.2% per annum. For the year 2018, the number of outpatient visit was 432,314 visits, a 10.8% increase compared to that of 2017. This was due to an increasing number of both Thai and foreign patients, as well as an increasing number of skilled doctor in order to improve Hospital's service capability; as a result, the number of OPD visit increased.

Increasing average outpatient's revenue per visit

The Hospital had average outpatient's revenue per visit in the years 2015, 2016, and 2017 of Baht 3,158, 3,209.8, and 3,309 respectively, translating into the compound annual growth rate (CAGR) of 2.4% per annum. For the year 2018, the revenue per visit was Baht 3,453, a 4.4% growth compared to the revenue of 2017 due to an increasing revenue from patients required complicated medical treatment, as one of the Hospital's major groups of customer. The Hospital also initiated marketing programs for complicated medical check-up, demanding for higher fees than for general check-up. This could lead to specialized medical treatment in case abnormality is found. All of which led to higher average outpatient's revenue per visit.

(1.2) Revenue from Inpatient Department (IPD)

Medical Revenue	For the year ended 31 December							
	2015		2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Revenue from Inpatient Department (IPD)	927.5	100.0	1,051.6	100.0	1,130.1	100.0	1,206.8	100.0%
- General Customer	700.4	75.5	769.4	73.2	851.4	75.3	903.1	74.8%
- Contracted Customer	227.1	24.5	282.2	26.8	278.7	24.7	303.7	25.2%

The Hospital reported IPD revenue for the years 2015, 2016, and 2017 of Baht 927.5 million, 1,051.6 million, and

1,130.1 million respectively, indicating the compound annual growth rate (CAGR) of 10.4%. For the year 2018, the

IPD revenue was Baht 1,206.8 million, a 6.8% increase from 2017. The proportion of IPD revenue as a percentage of medical revenue in 2015, 2016, 2017 and 2018 were 47.3%, 47.0%, 46.7%, and 44.7% respectively..

The IPD revenue from general or cash customers in the years 2015, 2016, and 2018 was Baht 700.4 million, 769.4 million, and 851.4 million respectively, registering the compound annual growth rate (CAGR) of 10.3 % per annum. In the year 2018, the IPD revenue was Baht 903.1 million, a 6.1% decline compared to that of the year 2017. The IPD revenue from general or cash customers as a percentage of total IPD revenue in 2015, 2016, 2017 and 2018 were 75.5%, 73.2%, 75.3%, and 74.8% percent respectively.

In addition, the IPD revenue from contracted customer in the year 2015, 2016 and 2017 was Baht 227.1 million, 282.2 million, and 278.7 million respectively, translating into the compound annual growth rate (CAGR) of 10.8% per annum. The IPD revenue for the year 2018 was Baht 303.7 million, a 9% increase from the year 2017. The IPD revenue from

contracted customers as a percentage of total IPD revenue in 2015, 2016, 2017 and 2018 were 24.5%, 26.8%, 24.7%, and 25.2% respectively.

An important factor contributing to the growth of IPD revenue in the previous years was steadily increasing number of IPD admission. In the years 2015, 2016 and 2017, the number of IPD admission were 11,796 cases, 12,408 cases, and 11,952 cases respectively, indicating the compound annual growth rate (CAGR) of 0.7% per annum. In the year 2018, the number of IPD admission was 13,038 admissions, a 9.1% increase from the previous 2017. Furthermore, the average inpatient's revenue per visit of the years 2015, 2016, and 2017 continued to increase to Baht 78,628.3 per visit, 84,751.8 per visit, and 94,551 per visit respectively, implying the compound annual growth rate (CAGR) of 9.7% per annum. The average IPD revenue per visit on 2018 was Baht 92,563 per visit, a decrease by 2.1% compared to that of the previous year.

IPD Statistics	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Average IPD revenue per day of admission	Baht per day	24,513.7	27,347.0	30,202.0	30,802.5
Number of IPD admission	No. of admission	11,796	12,408	11,952	13,038
Average IPD revenue per admission	Baht per admission	78,628	84,752	94,551	92,563

From 2015 to 2018, the number of admission and average IPD revenue per admission continued to grow following several supporting factors such as refurbishment of service area and improvement of medical service quality, increasing number of complicated medical treatment, epidemics of influenza and hand-foot-and-mouth disease, and Dengue fever. In addition, the number of kidney transplantation surgery also continued to increase. In the year 2017, the Hospital performed 82 kidney transplantation cases, the highest since its opening. In 2018, the number

of transplantation surgery case remained steady at 82 cases. This resulted in increasing revenues from kidney transplantation, Intensive Care Unit (ICU), and Cardiac Care Unit (CCU). However, although there was an outbreak of Rotavirus infection, a non-complicated disease, in the first half of 2018, the average IPD revenue per admission in the year 2018 was less than that of the year 2017, in which the Hospital achieved higher revenue from complicated medical treatment such as kidney transplantation surgery.

Number of IPD Bed	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Registered hospital bed	No. of bed	166	166	166	166
Operational bed	No. of bed	153	149	149	163

From 2015 to 2017, the Hospital has improved inpatient service area by expanding the space and room size such as refurbishing inpatient service area and patient rooms dedicated for children and newborn section located on the 7th floor, renovating VIP premium ward on the 16th floor, and improving inpatient rooms located on the 10th floor. This resulted in decreasing number of operational bed from 153 beds in 2015 to 149 beds in 2017. In the 1st quarter of 2018, the Hospital had additionally improved the service area after the renovation taken place on the 10th and 11th

floor. This resulted in an increase number of inpatient premium ward and single patient rooms and there were totally 163 operational beds as of 31 December 2018.

Hospital's bed occupancy rates in the years 2015, 2016, 2017, and 2018 were 71.4%, 71.4%, 69.5%, and 67.9% respectively. Although the number of inpatient admission and the length of stay in the year 2018 were higher than that in the previous year, the bed occupancy rate decreased due to an increasing number of bed as a result of refurbishment¹.

¹ The calculation is based on the number of sleeping days per year divided by patient service capacity per year. The patient service capacity is calculated based on the number of monthly service beds multiplied by the number of days per month in each month.

Other Revenues

Other Revenues	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Interest received	Million Baht	14.9	13.1	11.1	6.3
Rent receivable	Million Baht	6.3	7.0	7.9	8.0
Other revenue	Million Baht	15.0	14.1	14.8	18.2
Total other revenue	Million Baht	36.2	34.2	33.7	32.5
as a percentage of total revenue	%	1.8	1.5	1.4	1.2

Other revenues of the Company referred to non-medical revenues from deposit interests, rent receivable and other revenues such as service fees, nurse residence rental fees, dividend, profit from available-for-sale security. In the years 2015, 2016, 2017, and 2018, the Hospital earned Baht 36.2 million, 34.2 million, 33.7 million, and 32.5 million from other revenues, implying 1.8%, 1.5%, 1.4%, and 1.2% of total revenue respectively.

Cost and Expenses

Cost and expenses of the Company included cost of hospital operations, selling expenses, and administrative expenses. The Company, however, had no financial cost or expense as there was no loan or bank overdraft from financial institution. In the years 2015, 2016, and 2017, the Hospital had total cost and expenses of Baht 1,754.9 million, 1,955.0 million, and 2,138.1 million respectively, implying the compound annual growth rate (CAGR) of 10.4% per annum.

For the year 2018, the total cost and expenses of the Company, which included cost of hospital operation, selling and administrative expenses, and share based payments, was Baht 2,517.8 million, or 17.8% growth per annum.

Cost and Expenses	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Cost of hospital operations	Million Baht	1,364.3	1,532.9	1,681.6	1,864.2
As percentage of medical revenue	%	69.6	68.5	69.4	69.0
Selling expenses	Million Baht	60.8	54.4	59.9	64.2
Administrative expenses	Million Baht	329.8	367.7	396.6	477.5

Cost and Expenses	For the year ended 31 December				
	Unit	2015	2016	2017	2018
Selling and administrative expenses	Million Baht	390.6	422.1	456.5	541.7
As percentage of total revenue	%	19.6	18.6	18.6	19.8
Share based payment ²	Million Baht	-	-	-	111.9
As percentage of total revenue	%	-	-	-	4.1
Total cost and expenses	Million Baht	1,754.9	1,955.0	2,138.1	2,517.8
As percentage of total revenue	%	87.9	86.0	87.1	92.1

2 According to the financial reporting Standard issue 2 on Share Based Payment; such payment shall be recorded as the difference between the offering price to directors and/or executives who are founders of the Company at (Baht 2.65 / share) and the fair value of the Company's ordinary shares on the granted date at (11.60 baht / share) based on the market price as at the trading day; to be recorded as expenses in the statement of comprehensive income.

(1) Cost of hospital operations

In the years 2015, 2016, 2017 and 2018, the Company reported its cost of hospital operations of Baht 1,364.3 million, 1,532.9 million, 1,681.6 million, and 1,864.2 million, contributing to 69.6%, 68.5%, 69.4%, and 69.0% of medical revenue respectively.

In the year 2016, the Company had its cost of hospital operations of Baht 1,532.9 million, implying 68.5% of medical revenue. The increasing Baht 168.6 million, or 12.4%, from the 2015 cost of hospital operations of Baht 1,364.3 million (69.6% of medical revenue) occurred primarily due to higher doctor fees and higher remuneration of medical personnel and nurses, as a result of the growth in medical revenue, and due to increasing manpower of those personnel, as well as higher cost of medical supplies required in surgeries. Major cost of hospital operations in 2016, as a percentage of the cost of hospital operations, included doctor fees of 34.1%, cost of medicines, medical supplies, and consumables of 21.8%, medical personnel and nurse remuneration of 23.9%, and depreciation of 6.4%. However, the cost of hospital operations as percentage of medical revenue decreased by 1.1% as a result of cost management approach and an adjustment to increase Hospital's service fees.

In 2017, the Company reported its cost of hospital operations of Baht 1,681.6 million which was 69.4% of medical revenue. The cost increased from that of the year 2016, of Baht 1,532.9 million or 68.5% of medical revenue, by Baht 148.7 million. The increase was mainly a result of higher depreciation of fixed assets such as medical equipment and system works, higher doctor fees and medical personnel and nurse remuneration due to increasing manpower, particularly for medical specialists to improve quality of services. Major cost of hospital operations in 2017, in

percentage of cost of hospital operations, consisted of doctor fees of 34.6%, cost of medicines, medical supplies, and consumables of 21.3%, medical personnel and nurse remuneration of 24.2%, and depreciation of 6.8%.

For the year 2018, the Company's cost of hospital operations was Baht 1,864.2 million, or 69.0% of medical revenue. The cost declined by Baht 182.6 million, or 10.9%, compared to the previous cost of 2017 of Baht 1,681.8 million, accounting for 69.4% of medical revenue. The decreasing cost to revenue proportion was due to the reduction in medicine and medical supply cost, a decreasing depreciation, and cost reduction as a result of effective cost management. Major cost of hospital operations in 2018, as a percentage of cost of hospital operations, were doctor fees of 34.8%, cost of medicines, medical supplies, and consumables of 21.4%, medical personnel and nurse remuneration of 24.4%, and depreciation of 6.5%.

(2) Selling and administrative expenses

In 2015, 2016, and 2017, the Company had its selling and administrative expenses amounting to Baht 390.6 million, 422.1 million, and 456.5 million, contributing to 19.6%, 18.6%, and 18.6% of total revenue respectively. For the year 2018, the selling and administrative expenses was Baht 541.7 million, or 19.8% as a percentage of total revenue.

In 2016, the Company reported selling and administrative expenses of Baht 422.1 million, or 18.6% as a percentage of total revenue; increasing from the previous 2015 expenses of Baht 390.6 million, or 19.6% as a percentage of total revenue, by Baht 31.6 million, or 8.1%. An increasing expense was mainly due to greater number of employees, the maintenance cost of information system, and consultant fees for JCI evaluation which occur once every 3 years. However, the

selling expenses in 2016 was Baht 54.4 million, decreasing by Baht 6.4 million or 10.4% from the selling expenses of the previous 2015 of Baht 60.8 million, mainly due to the reduction of advertising budget. Selling expenses included advertising and promotional expenses (48.5%) and remuneration of sales (38.5%). In the year 2016, the administrative expenses were Baht 367.7 million increasing from the previous 2015 expenses, of Baht 329.8 million, by Baht 11.5 million or 11.5%. This was mainly due to an increasing management's salary and remuneration as a result of manpower expansion and mainly due to JCI related expenses. Administrative expenses consisted mainly of management salary and remuneration (41.0%) and maintenance, cleaning, and security fees (11.2%). The proportion of selling and administrative expenses towards total revenue declined by 1% as a result of decreasing advertisement and sales promotion fees, as well as a result of other expenses with less growth rate than that of total revenue. This included cost of employee benefit, cleaning service, and security service fees.

In 2017, the Company reported selling and administrative expenses of Baht 456.5 million, or 18.6% as a percentage of total revenue; increasing from the previous 2016 expenses of Baht 422.1 million, or 18.6% as a percentage of total revenue, by Baht 34.4 million, or 8.1%. An increase was mainly due to a greater number of employees which affected cost of training and benefit. The selling expenses in 2017 was Baht 59.9 million, increasing by Baht 5.4 million or 10.0% from the selling expenses of the previous year of 2016, mainly due to increasing number of in sales workforce. Selling expenses included advertising and promotion expenses (44.4%) and remuneration of sales workforce (40.5%). In the year 2017, the administrative expenses were Baht 396.6 million; increasing from the previous 2016 expenses by Baht 28.9 million or 7.9%. This was mainly due to an increasing employee training fees. Administrative expenses consist mainly of management salary and remuneration (41.1%) and maintenance, cleaning, and security fees (11.9%).

For the year 2018, the Company reported its selling and administrative expenses of Baht 541.7 million or 19.8% as a percentage of total revenue, increasing from 2017 expenses of Baht 456.5 million or 18.6% of total revenue by 18.7%. This resulted from other high-value expenses such as initial

financial reporting of founders' benefits calculated based on actuarial calculation, marketing and advertisements related to the rebranding toward digital hospital transformation, allowance for doubtful account, and expenses for non-recurring items which included advisory expenses, front-end fee on loan from financial institution, initial public offering related expenses, and share offering related expenses. The total aforementioned expenses were Baht 30.9³ million or 1.1% of total revenue.

(3) Share based payment

In the year 2018, the Company registered its share based payment of Baht 111.9 million or 4.1% of total revenue as an expense according to Thai Financial Reporting Standard 2 about share based payment by booking the difference between price offered to directors and/or founders (Baht 2.65 per share) and fair value (Baht 11.60 per share).

Gross profit and gross profit margin

In 2016, the Company registered its gross profit of Baht 705.4 million, increasing from the gross profit in 2015 of Baht 596.0 million by Baht 109.5 million or 18.4% of gross profit. The gross profit margin increased from 30.4% in 2015 to 31.5% in 2016. This was mainly due to Company's effective approach in cost management and ability to adjust its service fees to reflect increasing cost of operation, resulting in the decreasing proportion between doctor fees and medical revenue, and mainly due to the decreasing proportion between medicine and medical supplies and medical revenue, resulting from the ability to improve medical revenue and effective cost management.

In the year 2017, the Company reported its gross profit of Baht 739.9 million, increasing from the gross profit in 2016 of Baht 705.4 million by Baht 34.4 million or 4.9% of gross profit. The gross profit margin in 2017 of 30.6% decreased from that of 2016 of 31.5%. This was mainly due to an increasing doctor fees, and medical personnel and nurse remuneration, resulting from manpower expansion to improve service potential and quality, as well as an increasing depreciation from medical devices such as CT Scan 640 Slice.

3 Adjusted for Share -Based Payment Non-recurring items and high-value expenses which included

- (1) Non tax deductible expenses: Allowance for doubtful account of Baht 5.6 million, and initial financial reporting of founders' benefits which calculated based on actuarial calculation of Baht 8.5 million.
- (2) Tax deductible expenses: Initial public offering related expenses of Baht 3.8 million, advisory expenses of Baht 6.4 million, expenses relating to the offering of shares that cannot be deducted from the ordinary share premium of Baht 4.6 million, front-end fee on loan from financial institution of Baht 2.1 million,

The adjustment for the year 2018 was before tax Baht 30.9 million and after tax Baht 27.6 million.

In the year 2018, the Company reported its gross profit of Baht 836.9 million, increasing from the gross profit in 2017 of Baht 739.9 million by Baht 97.0 million or 13.1% of gross profit. The gross profit margin in 2018 of 31.0% slightly increased from that of 2017 of 30.6%. This was mainly due to an increasing medical revenue, and a decreasing proportion between medicine, medical supplies, and consumables, as well as depreciation against medical revenue.

Net profit and net profit margin

From the operating results aforementioned, the Company witnessed a continued growth of net profit. In the years 2015, 2016, and 2017, the Company registered its net profit of Baht 189.3 million, 259.8 million, and 262.3 million respectively, indicating the compound annual growth rate (CAGR) of 17.7% per annum while the net profit margins were 9.5%, 11.4%, and 10.7% respectively.

For the year 2018, the Company reported the net profit of Baht 157.2 million, a 40.0% decrease from the net profit in 2017 of Baht 262.3 million, while the net profit margin was reduced from 10.7% in 2017 to 5.8% in 2018. This was due to the share based payment of Baht 111.9 million, non-recurring items, and other high-value expenses worth Baht 27.6 million after tax. The Company reported its net profit after the adjustment of Baht 296.7 million, a 13.1% increase from Baht 262.3 million. The adjusted net profit margin of the year 2018 was 10.9%, similar to the figure of 2017.

ANALYSIS OF FINANCIAL POSITION

Total Assets

Company's total assets were classified into (1) Current assets which included cash and cash equivalent, current investment, trade and other receivables, medicines, medical supplies, and disposals and (2) non-current assets which included land, buildings and devices, intangible assets, advance for purchase of fixed assets. The Company's total assets mainly included land, buildings and equipment (48.3%), current investment (37.0%), cash and cash equivalent (5.1%), trade and other receivables (3.1%) as of 31 December 2018.

As of 31 December 2016, the Company registered its total assets of Baht 2,293.8 million, increasing from the total assets as of 1 January 2016 of Baht 2,048.9 million, by Baht 244.9 million or 12% of total asset. This was due to acquisition of land, building and equipment, increasing of trade and other receivable, cash and cash equivalent, and current investment.

As of 31 December 2017, the Company registered its total assets of Baht 2,856.6 million, increasing from the total assets as of 31 December 2016 of Baht 2,293.8 million, by Baht 562.7 million or 24.5% of total asset. This was due to acquisition of land, building and equipment, and advance for purchase of fixed asset as a result of building construction. The Company utilized some of its current investment as a part of the said construction project.

As of 31 December 2018, the Company registered its total assets of Baht 4,424.4 million, decreasing from the total assets as of 31 December 2017 of Baht 2,856.6 million, by Baht 1,567.8 million or 54.9% of total asset. This was mainly due to current investment and increasing construction works.

(1) current Assets

As of 1 January 2016, 31 December 2016, 31 December 2017, and 31 December 2018, the Company had total current asset of Baht 946.2 million, 1,019.2 million, 878.6 million, and 2,049.0 million respectively or 46.2%, 44.4%, 30.8%, and 46.3% of total asset respectively. The Company's current asset had negative compound annual growth rate (CAGR) of 3.6% per annum from 1 January 2016 to 31 December 2017 while had positive growth of 133.2% between 31 December 2017 and 31 December 2018. The details of key current asset are provided below.

(1.1) Current Investment

Company's current investments included fixed deposit and Company's investment in available-for-sales securities such as unit trusts in open-ended fund, government bonds, and private debt instruments.

As of 31 December 2016, the Company reported its figure of current investment amounting Baht 614.5 million, or 26.8% of total asset, which increased from the amount as of 1 January 2016 of Baht 599.7 million, or 29.3% of total asset, by Baht 14.8 million or 2.5% of current investment. This was mainly due to investment in fixed deposit and in private debt instruments. These investments, therefore, were classified as Company's current investment.

As of 31 December 2017, the Company reported its figure of current investment amounting Baht 453.7 million, or 15.9% of total asset, which decreased from the amount as of 31 December 2016 of Baht 614.5 million, or 26.8% of total asset, by Baht 160.8 million or 26.2% of Company's current investment. This was mainly due to the reduction of investment in available for sales securities, and reduction of fixed deposit to be invested in the construction of new building and to be utilized as Company's working capital.

As of 30 December 2018, the Company reported its figure of current investment amounting Baht 1,636.6 million, which increased from the amount as of 31 December 2017 of Baht 453.7 million by Baht 1,182.9 million or 260.7% of current investment. This was mainly due to the Company's capital increase and higher deposit in fixed account, as well as investment in mutual fund, aiming to attain better returns. This was considered short-term investment while waiting for various project investments.

(1.2) Trade and Other Receivables

Trade Receivables

Company's trade receivables were categorized into trade receivables from general customer who usually paid for service in cash and from contracted customer who

received credit terms from the Company. Most of the Company's account receivables were from the contracted group customer, including large and famous insurance companies or corporates and usually receive 30-day credit terms, starting from the issuance of invoice, from the Company. The Company had a process to determine customer's debt paying ability prior to the setting of credit terms. Moreover, the Company also set its criteria for debt collection process, starting from debt collection calls by financial department to issuance of notice by legal department, as well as having effective write-off process. In addition, the Company set its criteria of following up high financial risk cases to collect OPD and IPD medical service payments according to the standard set by JCI to maximize efficiency while minimizing financial risk.

Trade Receivable	Unit	As of 1 Jan 2016	As of 31 Dec 2016	As of 31 Dec 2017	As of 1 Jan 2018
Trade receivable from general customers	Million Baht	41.5	47.5	39.8	50.6
Trade receivable from contracted customers	Million Baht	87.4	101.7	103.5	72.6
Total trade receivable	Million Baht	128.9	149.2	143.2	155.2
Deduct: allowance for doubtful account	Million Baht	(15.4)	(15.3)	(16.0)	(20.5)
Total net trade receivable	Million Baht	113.6	133.9	127.2	134.7

As of 31 December 2016, the Company had trade receivable, before deduction of allowance for doubtful account, of Baht 149.2 million which increased from the figure as of 1 January 2016 of Baht 128.9 million, by Baht 20.2 million or 15.7% of trade receivable before deduction. This was mainly due to an increasing number of contracted customers, leading to increasing receivable. As of 31 December 2016, the trade receivable from contracted customers accounted for 68.1% of total trade receivable before

deduction of allowance for doubtful account, a slightly increase from 67.8% of 1 January 2016.

As of 31 December 2017, the Company had trade receivable before deduction of allowance for doubtful account of Baht 143.2 million, decreasing from the figure as of 31 January 2016 of Baht 149.2 million, by Baht 5.9 million or 4.0% of trade receivable before deduction. As of 31 December 2017, the trade receivable from contracted customers accounted for 72.2% of total trade receivable before deduction of allowance for doubtful account, which was an increase from 68.1% as of 31 January 2016.

As of 31 December 2018, the Company had trade receivable before deduction of allowance for doubtful account of Baht 155.25 million, decreasing from the figure as of 31 January 2017 of Baht 143.2 million, by Baht 120 million or 8.0% of trade receivable before deduction. As of 31 December 2018, the trade receivable from contracted customers accounted for 77.39% of total trade receivable before deduction of allowance for doubtful account, which was an increase from 72.2% as of 31 January 2017.



The Company classified its trade receivables according to the payment period as follows:

Trade Receivable	As of 31 Dec 2016		As of 31 Dec 2017		As of 31 Dec 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade receivable according to payment period						
Less than 3 months	120.1	80.5	118.4	82.7	120.9	77.9
Between 3 months and 6 months	9.9	6.6	6.4	4.5	8.1	5.2
Between 6 months and 12 months	4.5	3.0	2.7	1.9	11.6	7.5
More than 12 months	14.7	9.8	15.7	10.9	14.6	9.4
Total trade receivable	149.2	100.0	143.2	100.0	155.2	100.0
Deduct: allowance for doubtful account	(15.3)	—	(16.0)	—	(20.5)	—
Total net trade receivable	133.9	—	127.2	—	134.7	—

Considering the above trade receivable by payment period, it was found that most of the Company's trade receivables had less than three-month payment period and accounting for 76.2% of total trade receivable prior to the deduction of allowance for doubtful account as of 31 December 2018. The figure continued to increase as a result of effective debtor management.

As of 1 January 2016, 31 December 2016, 31 December 2017, and 31 December 2018, the Company registered its allowance for doubtful account as Baht 15.4 million, 15.3 million, 16.0 million, and 20.5 million respectively. In 2017, the Company changed its policy in determining allowance for doubtful account, from using experiences in debt collection to consider debtor on a case by case basis to applying debt outstanding period of more than 12 months and experiences to analyze debtors. The allowance as of 31 December 2018 increased by Baht 4.5 million from 31 December 2017, mainly due to the case of critical patient who later deceased while the medical service fees of

approximately Baht 5.6 million remained unpaid. The Company was on process of debt collection.

As of 31 December 2016, 2017, and 2018, the average collection period of the Company (which was calculated from (1) average trade receivable (determined by adding beginning account receivable with ending account receivable and divided by 2) divided by (2) medical revenue divided by 360 days) were 23.6 days, 22.4 days, 23.3 days, and 22.4 days respectively. The ratio consistently reduced according to the Company's credit term policy of approximately 30 days.

Other Receivables

Other receivables included other non-medical related receivables. As of 1 January 2016, 31 December 2016, 31 December 2017, and 31 December 2018, the Company had other receivables amounting to Baht 7.3 million, 8.2 million, 5.6 million, and 4.5 million, indicating 6.0%, 5.8%, 4.2%, and 3.2% of total trade receivable respectively.

(1.3) Medicine, Medical Supply and Inventory

The Company's inventories included medicines, medical supplies, and consumables. The details of inventory are provided as follows:

Inventory	As of 1 Jan 2016		As of 31 Dec 2016		As of 31 Dec 2017		As of 31 Dec 2018	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Medicine	29.8	70.6	27.9	67.1	26.1	66.1	28.9	67.0
Medical supply	8.7	20.6	9.7	23.3	10.3	26.1	10.7	25.0
Consumable	3.7	8.8	4.0	9.7	3.1	7.8	3.3	8.0
Total inventory	42.2	100.0	41.6	100.0	39.5	100.0	42.9	100.0

As of 31 December 2016, the Company had medicines, medical supplies, and inventories amounting to Baht 41.6 million or 1.8% of total asset. The figure decreased by Baht 0.6 million or 1.4% compared to that of 1 January 2016 of Baht 42.2 million. As of 31 December 2016, the proportion of medicine, medical supply, and consumable as a percentage of total inventory was 90.3%.

As of 31 December 2017, the Company had medicines, medical supplies, and consumables worth Baht 39.5 million or 1.4% of total asset. The figure decreased by Baht 2.1 million or 5.1% compared to that of 31 January 2016 of Baht 41.6 million. As of 31 December 2017, the proportion of medicine, medical supply, and consumable as a percentage of total inventory was 92.2%.

As of 31 December 2018, the Company had medicines, medical supplies, and consumables worth Baht 42.9 million or 1.0% of total asset. The figure increased by Baht 3.4 million or 8.7% compared to that of 31 January 2017 of Baht 39.5 million. As of 31 December 2018, the proportion of medicine, medical supply, and consumable as a percentage of total inventory was 92.3%.

The Company implemented its policy to separate functional responsibilities between procurement department and warehouse. This included duties of supplier sourcing, issuance of purchase requisition and purchase order, selling price verification and approval, receiving goods, recording in the system, storage and stock counting; all of which enable the Company to effectively manage its inventories. Moreover, the Company will order medicines and medical supplies only when the remaining stock level reached the reorder point. The level of reorder, as well as the amount to reorder of each product will be determined based on historical six-month average usage. Normally, the reorder point will be set on the basis that the remaining stock exists for one week. In terms of the amount to purchase / produce, the Company generally stocks products for one-month usage; except vital drug group medicine in which the reorder point will be set on a case by case basis and will be review at least once a year.

(2) Non-current Asset

As of 1 January 2016, 31 December 2016, 31 December 2017, and 31 December 2018, the Company registered its non-current asset worth Baht 1,102.7 million, 1,274.6 million, 1,978.0 million, and 2,375.4 million, implying 53.8%, 55.6%, 69.2%, and 53.7% of total asset respectively. The Company's non-current asset had the compound annual growth (CAGR) of 33.9% per annum during 1 January 2016 to 31 December

2017 and the growth of 20.1% during 31 December 2017 to 31 December 2018. The details of non-current asset are provided below.

(2.1) Land, Building, and Equipment

As of 31 December 2016, the Company reported land, building, and equipment amounting to Baht 1,140.0 million or 49.7% of total asset. The figure increased from that as of 1 January 2016 of Baht 959.9 million, or 46.8% of total asset, by Baht 180.1 million or 18.8%. This was mainly from renovation of building and system work on the 16th and 7th floors for inpatient, as well as improvement of 3rd floor to modernize the area, and from purchasing of decoration, furniture, and vehicle.

As of 31 December 2017, the Company reported land, building, and equipment amounting to Baht 1,713.3 million or 60.0% of total asset. The figure increased from that as of 31 December 2016 of Baht 1,140.0 million, or 49.7% of total asset, by Baht 573.3 million or 50.3%. This was mainly because of the transfer of land for new building amounting to Baht 332.6 million (inclusive of transfer fees) on November 2017, in which the Company entered into land purchase agreement and paid the deposit of Baht 20.0 million to build the new building. This was the core activity in business expansion and strategic implementation to enhance competitive advantage in the future. Such expansion of medical service area was an effective way to support increasing number of patients and to utilize existing area for maximum benefits (for more information, please see section 2.2 number future project)

As of 31 December 2018, the Company reported land, building, and equipment amounting to Baht 2,136.1 million or 48.3% of total asset. The figure increased from that as of 31 December 2017 of Baht 1,713.3 million, or 60.0% of total asset, by Baht 422.8 million or 24.7%. This was contributed by an increase of land used in nurse accommodation construction project and an increase of assets that were in the midst of construction.

(2.2) Intangible Asset

As of 31 December 2016, the Company reported its net intangible asset (computer software) amounting to Baht 98.3 million or 4.3% of total asset. The number increased from that as of 1 January 2016 of Baht 95.6 million, or 4.7% of total asset, by Baht 2.8 million or 2.9%. This was mainly due to additional investment in HIS medical supporting software. In 2016, the Company set its obsolete allowance of Baht 20.0 million for less usage software due to the newly implemented SSB software. Still, the old software was used

to hold customer data that could not be transferred.

As of 31 December 2017, the Company reported its net intangible asset amounting to Baht 91.6 million or 3.2% of total asset. The number declined from that as of 31 December 2016 of Baht 98.3 million, or 4.3% of total asset, by Baht 6.7 million or 6.8%. This was mainly due to increasing amortization from new HIS system installation (system SSB 64-Bit) in replacement of the old HIS in 2016.

As of 31 December 2018, the Company reported its net intangible asset amounting to Baht 82.8 million or 1.9% of total asset. The number declined from that as of 31 December 2017 of Baht 91.6 million, or 3.2% of total asset, by Baht 8.8 million or 9.7%. This was mainly due to increasing of information technology system.

TOTAL LIABILITIES

Company's total liabilities consisted mainly of trade and other payables and provision for long-term employee benefits, amounting to 82.4% and 14.4% of total liabilities as of 31 December 2018.

As of 31 December 2016, the Company reported its total liabilities of Baht 413.0 million, increasing from total liabilities as of 1 January 2016 of Baht 379.5 million by Baht 33.5 million or 8.8% mainly from an increase in account payable due to business operation, and from an increase in provision for long-term employee benefits due to increase number of employee.

As of 31 December 2017, the Company reported its total liabilities of Baht 761.6 million, increasing from total liabilities as of 31 December 2016 of Baht 413.0 million by Baht 348.6 million or 84.4% mainly from an increase account payable due to the Company entered into land purchasing agreement for the new building, and from an increase in provision for long-term employee benefits due to increase number of employee.

As of 31 December 2018, the Company reported its total liabilities of Baht 551.0 million, declining from total liabilities as of 31 December 2017 of Baht 761.6 million by Baht 210.5 million or 27.6% mainly from land payable, and from an increase in provision for long-term employee benefits.

(1) Current Liabilities

As of 1 January 2015, 31 December 2015, 31 December 2016, and 31 December 2017, the Company reported its total liabilities of Baht 296.7 million, 318.4 million, 654.5 million, and 448.8 million, which was equivalent to 14.5%, 13.9%, 22.9%, and 10.1% of total assets respectively.

The Company's current liabilities had negative compound annual growth (CAGR) of 48.5% from 1 January 2015 to 31 December 2016 while having negative compound annual growth of 31.4% from 31 December 2016 to 31 December 2017. The details of key current liabilities are provided hereunder.

(1.1) Trade and Other Payables

TRADE PAYABLES

Trade payables of the Company consisted of trade payable due to purchasing of medicine and medical supply, purchasing of material or equipment, and creditor.

As of 31 December 2016, the Company had trade payables amounting to Baht 108.7 million, increasing from the payable as of 1 January 2016 of Million 95.8 baht by Baht 12.9 million. This was primarily due to an increase in trade payable for material and other equipment.

As of 31 December 2017, the Company had trade payables amounting to Baht 109.2 million, increasing from the payable as of 31 December 2016 of Million 108.7 baht by Baht 0.5 million. This was mainly due to an increase in trade payable for medicine and medical supply.

As of 31 December 2018, the Company had trade payables amounting to Baht 111.8 million, increasing from the payable as of 31 December 2017 of Million 109.2 baht by Baht 2.6 million. This was mainly due to an increase in trade payable for material and other equipment.

In the year 2015, 2016, 2017, and 2018, the Company's average payment period were 27.8 days, 24.0 days, 23.3 days, and 22.4 days respectively.

OTHER TRADE PAYABLES

Other trade payables of the Company included trade payable for assets, accrued doctor fees, and accrued expenses.

As of 31 December 2016, the Company reported its other trade payables of Baht 173.3 million, increasing from the figure as of 1 January 2016 of Baht 163.7 million, by Baht 9.6 million or 5.9% of other trade payables. This was mainly due to an increasing of accrued doctor fees and expenses.

As of 31 December 2017, the Company reported its other trade payables of Baht 507.6 million, increasing from the figure as of 31 December 2016 of Baht 173.3 million, by Baht 334.3 million or 192.9% of other trade payables. This was mainly due to an increasing of land payable in which the Company entered into land purchasing agreement in order to construct new buildings amounting to Baht 301.0 million.

As of 31 December 2018, the Company reported its other trade payables of Baht 296.5 million, decreasing from the figure as of 31 December 2017 of Baht 507.0 million, by Baht 211.1 million or 41.6% of other trade payables. This was mainly due to land payable for the construction of nurse accommodation and fixed asset from new building construction.

(2) Non-current Liabilities

(2.1) Provision for Long-term Employee Benefits

Provision for long-term employee benefits was calculated by an actuary by estimating the present value of cash flow anticipated for the payment in the future, adjusted by bond yield at the maturity date close to the date of such payment. The cash flow anticipated for future payment was estimated using related factors such as salary, turnover rate, mortality rate, years of service and employee benefit.

As of 1 January 2016, 31 December 2016, 31 December 2017, and 31 December 2018 the Company had provision for long-term employee benefits of Baht 81.7 million, 93.3 million, 105.6 million, and 100.7 million baht respectively.

TOTAL SHAREHOLDERS' EQUITY

Shareholders' equity consisted mainly of (1) Share premium (2) Retained earnings and (3) Issued and paid share capital which accounted for 49.9%, 28.0% and 20.3% of total shareholders' equity as of 31 December 2018 respectively.

As of 31 December 2016 the Company had total shareholders' equity of Baht 1,880.9 million, approximately 211.5 million or 12.7% increase from shareholders' equity as of 1 January 2016 of Baht 1,669.4 million. This was mainly attributed to increase in net profit of Baht 259.8 million deducted partly by dividend payment for the year 2015 of Baht 48.0 million.

As of 31 December 2017 the company had total shareholders' equity of Baht 2,095.0 million, approximately Baht 214.2 million or 11.4% increase from shareholders' equity as of 31 December 2016 of Baht 1,880.9 million. This was mainly attributed to increase in net profit of Baht 262.3 million deducted partly by dividend payment for year 2016 of Baht 48.0 million.

As of 31 December 2018 the company had total shareholders' equity of Baht 3,873.3 million, approximately Baht 1,778.3 million or 84.9% increase from shareholders' equity as of 31 December 2017 of Baht 2,095.0 million. This was mainly attributed to public offering of share capital, dividend payment from retained earnings of Baht 504.0 million and increase in net profit of Baht 102.6 million. In the year 2018, the company restructured shareholders' equity as follows.

(1) Par value conversion from Baht 100.0 per share to Baht 1.0 per share resulting in an increase in number of shares from 6,000,000 shares to 600,000,000 shares.

(2) Increase registered capital from Baht 600.0 million to Baht 800.0 million in preparation for company registration in the stock exchange of Thailand and initial public offering.

(3) The company receive proceed from public offering of capital increase shares of 167.5 million shares at Baht 11.60 per share and proceed from shares offer to directors and/or founders of 12.5 million shares at Baht 2.65 per share, resulting in the total proceed of Baht 1,976.13 million. In addition, over-allotment agent exercised the rights to purchase capital increase shares of 6.3 million shares at Baht 11.60 per share equivalent to Baht 73.08 million. Total proceed receive at an amount of Baht 2,049.21 million.

Although, the company incurred expense relating to share offering of Baht 50.77 million (net from income tax of Baht 12.69 million) in which the company deducted from share premium.



ANALYSIS OF LIQUIDITY AND SOURCE OF FUND

Cash Flow

Details of cash flow and use of cash in each category is concluded as follow.

Cash flow statement	For the year ended 31 December		
	2016	2017	2018
	Million Baht	Million Baht	Million Baht
Cash flow from (used in) operating activities	388.0	440.4	479.5
Cash flow from (used in) investing activities	(311.0)	(364.2)	(1,988.0)
Cash flow from (used in) financing activities	(47.2)	(47.1)	1,494.2
Net increase (decrease) in cash and cash equivalents	29.8	29.1	(14.3)
Cash and cash equivalents at beginning of year	178.9	208.7	237.8
Cash and cash equivalents at end of year	208.7	237.8	223.5

Details of cash flow and use of cash in operating activities, investing activities and financing activities are as follows.

(1) Cash Flow from Operating Activities

In year 2016 the company had net cash flow from operating activities of Baht 388.0 million in which the profit from operating activities before changes in operating assets and liabilities was Baht 447.9 million, consisting mainly of profit before tax for the year of Baht 317.5 million, adjustments for depreciation and amortization of Baht 131.8 million and other item totaling Baht (1.4) million. The majority of changes in operating assets and liabilities were mainly from cash payment of Baht 22.3 million from the increased in trade and other receivables which was aligned with the increase in revenue from contracted customers; and cash flow received of Baht 31.5 million from increase in trade and other payables, resulting from increase in trade payables to equipment suppliers, physician's fee and other expenses which was also aligned with the increase in revenue. Moreover, the company also paid income tax of Baht 65.4 million.

In year 2017 the company had net cash flow from operating activities of Baht 440.4 million in which the profit from operating activities before changes in operating assets and liabilities was Baht 470.8 million, consisting mainly of profit before tax for the year of Baht 317.1 million, adjustments for depreciation and amortization of Baht 151.2 million and other items totaling Baht 2.5 million. The majority of changes in operating assets and liabilities were attributable to cash

flow received of Baht 20.2 million from increase in trade and other payables, resulting from increase in physician's fee and other expenses which was aligned with the increase in revenue. Moreover, the company also paid income tax of Baht 57.1 million.

For year 2018 the company had net cash flow from operating activities of Baht 479.5 million in which the profit from operating activities before changes in operating assets and liabilities was Baht 498.2 million, consisting of profit before tax of Baht 215.7 million, adjustments for depreciation and amortization of Baht 155.8 million, share based payment of Baht 111.9 million and other items totaling Baht 14.8 million. The majority of changes in operating assets and liabilities were attributable to cash flow received of Baht 51.0 million from increase in trade and other payables and income tax payment of Baht 57.6 million.

(2) Cash Flow from Investing Activities

In the year 2016, the company's net cash flow used in investing activities was Baht 311.0 million, consisting mainly of (1) cash paid for purchase of buildings improvement and equipment of Baht 319.4 million, consisting of medical devices and equipment as well as building and system improvement on 3rd, 5th, 7th, and 16th floors and⁽²⁾ cash paid for purchase of intangible assets of Baht 11.3 million, consisting mainly of purchase of additional system program for IPD and Electronic Medication Administration Record (EMAR).

In the year, 2017 the company's net cash flow used in investing activities was Baht 364.3 million consisting mainly of (1) cash paid for purchase of buildings improvement and equipment Baht of 530.2 million, consisting of structural and architectural work and⁽²⁾ cash paid for purchase of intangible assets of Baht 9.3 million, consisting mainly of Licensing of SCE Program and the purchase of SSB program for the new building.

For the year 2018, the company's net cash flow used in investing activities was Baht 1,988.0 million, consisting mainly of (1) cash flow from current investment of Baht 1,179.9 million (2) cash paid for purchase of buildings improvement and equipment of Baht 810.7 million and interest and dividend income of Baht 7.0 million.

(3) Cash Flow from Financing Activities

In 2016, 2017 and 2018 the company had net cash flow from financing activities of Baht 47.2 million, 47.1 million and 1,494.2 million respectively. All of the cash flow were used as dividend payment in year 2016 and 2017. For the year 2018, the cash flow increased as a result of proceed from increase in share capital (after payments of expense relating to the share offering) of Baht 1,985.7 million and dividend payment of Baht 491.5 million.

CASH AND CASH EQUIVALENTS

The company had cash and cash equivalents as of 31 December 2016 of Baht 208.7 million, increasing by approximately Baht 29.8 million, or 16.7% of cash and cash equivalents as of 1 January 2016 of Baht 178.9 million.

The company had cash and cash equivalents as of 31 December 2017 of Baht 237.8 million, increasing by approximately Baht 29.1 million, or 13.9% of cash and cash equivalents as of 31 December 2016 of Baht 208.7 million.

The company had cash and cash equivalents as of 31 December 2018 of Baht 223.5 million, decreasing by approximately Baht 14.3 million, or 6.0% of cash and cash equivalents as of 31 December 2017 of Baht 237.8 million.

CURRENT RATIO

As of 1 January 2016, 31 December 2016, 31 December 2017 and 31 December 2018 the company had a current ratio of 3.2, 3.2, 1.3, and 4.6 respectively. The company's liquidity increased significantly in year 2018 due to increase in asset from marketable securities and reduction in liability, resulting from payment of land acquisition and construction of hospital.

EQUITY RESTRUCTURE

The 2018 Annual General Meeting held on 28 March 2018 approved the dividend payment from the company's retained earnings to existing shareholders at an amount of Baht 504 million or equivalent to dividend amount of Baht 84 per share. The dividend was paid to the shareholders on 31 December 2018.

CAPITAL EXPENDITURE AND INVESTING ACTIVITIES

From the company's cash flow statement, net cash flows used in investing activities as of end of 31 December 2017 was Baht 364.2 million which consist of (1) acquisition and cash paid for purchase of buildings improvement and equipment Baht 352.7 million (2) cash paid for advance for purchase of fixed assets Baht 178.4 million (3) acquisition and cash paid for purchase of intangible assets Baht 4.3 million and⁽⁴⁾ Proceed from sales of current investments Baht 162.5 million. Additionally, the company received proceed from increase in share capital (after deducting expense relating to the share offering) of Baht 1,985.7 million and paid dividend at an amount of Baht 491.5 million.

For 2018 - 2020 investment plan, the company had set a total budget of Baht 3,111.5 million, dividing to Baht 1,673.8 million, 1,106.4 million, and 331.3 million for year 2018, 2018 and 2020 respectively. The table below shows a breakdown of 2018 - 2020 capital expenditure and investment in assets and various projects (Please refer to Part 2.2 No. 6 Future projects for more details). Nonetheless, the actual capital expenditure may significantly differ from the estimated budget.

Estimated Investment Plan	2018	2019	2020
	Million Baht	Million Baht	Million Baht
Budget for existing building refurbishment	341.2	188.9	323.3
Budget for the construction of new building	1,194.5	742.0	-
Budget for the construction of office building	52.4	19.7	-

Estimated Investment Plan	2018	2019	2020
	Million Baht	Million Baht	Million Baht
Budget for nurse residential building	60.0	140.0	-
Budget for improvement of information technology for the transformation into digital hospital	25.7	15.8	8.0
Total estimated budget	1,673.8	1,106.4	331.3

The actual capital expenditure may significantly be higher or lower than estimated due to several factors including unplanned expenditure, the company's ability to generate cash flow from operations and the company's ability to secure funding sufficient for the investment plan. In addition, the company could not ensure that the stated investment plan or any other investment plans will be accomplished or at what cost. Nonetheless, the company may use proceed from the sale of share capital for the purpose of investment as per details stated in "Part 2.1 Use of Proceed".

FACTORS AND CRITICAL ISSUES THAT MAY IMPACT THE FUTURE PERFORMANCE AND FINANCIAL STATUS

1. Impact from capital increase and shares offering to the public

In 2018, the company converted the par value from Baht 100 per share to Baht 1 per share, resulting in an increase in number of shares from 6,000,000 shares to 600,000,000 shares and offered to the public at 33.3% of paid up capital. As of 31 December 2018, the number registered shares increased from 600,000,000 shares to 800,000,000 shares. Consequently, after the public offering, the equity related financial ratios and the number of shares will decrease as a result of increasing equity and number of shares used as denominators (Dilution Effects). The impacted financial ratios were earning per share and return on equity. For instance, if using 2017 figures, earning per share will decrease from Baht 0.44 per share under previous number of shares (after conversion of par value) to Baht 0.25 per share, calculating from weighted average of 634,733,973 shares in 2018 and 600,000,000 shares in 2017.

Nevertheless, in the long run it was expected that company will benefit from registering in the stock exchange since the company plans to use the proceed from public offering to invest in new building, improve the existing

building, repay loan as well as working capital to support business expansion. Furthermore, becoming a publicly traded company will enhance company reputation in addition to enabling the company to gain more access to sources of capital and at a cheaper cost of fund. These factors will support the growth of company and the ability to make profit in the long term.

2. Impact from investment in the construction of new building and refurbishment of the existing building

The company is undergoing refurbishment of the existing building to be of utmost benefit. The existing building was preliminary planned to accommodate the increase in number of inpatient, especially for inpatient with more complicated conditions. Moreover, the company is constructing a new building adjacent to the existing one and was expected to compete and open for services by quarter 4 of 2019.

Furthermore, the company is currently renovating the 9th floor to accommodate 21 beds Step Down ICU which was opened in quarter 4 2018. The company is also renovating inpatient rooms on 11th floor with 21 beds and inpatient rooms on 10th floor with 21 beds to be more modern and comfortable; this is expected to be ready for service by quarter 1 and quarter 3 of 2019 respectively. After the completion of the new building and the transfer of several medical centers such as gastrointestinal and liver center, one-stop check-up center and cosmetic surgery center to the new building, the company plans to expand the IPD by renovating the 5th floor for additional 24 beds ICU room to accommodate an increase number of patients especially patients with complicated diseases. This is expected to be opened by quarter 3 of 2020. As well as renovation of 12th and 8th floor of the existing building to accommodate additional 42 beds which is expected to be opened by 2021 and 2022 respectively. After the completion of the renovation the hospital is expected to have altogether 313 bed consisting of 254 beds in the exiting

building and 59 beds in the new building (Please refer to Part 2.2 No. 6 Future projects for more details).

Nonetheless, once the new building is opened for operation, the performance of the company and revenue structure may be different from the current situation as a result of risks factors that are not under control of the company for example changes to the economy, external factors impacting hospital industry, trust and spending power of consumers, increase in competition in medical services and future changes to standard and rules. However, the company believes that the hospital's strengths in providing medical treatment of complicated diseases from multidisciplinary team and reasonable service fee as well as value for money services compare to fee charges by other leading private hospitals, the company will be able to retain customers in the period of volatile economy. Moreover, the expansion of new building will enhance the hospital competitiveness by allowing the hospital to expand customer base to cover new customers those focus on health promotion and wellness.

3. Impacts from ESOP offering to directors and/or founders

The 2018 Annual General Meeting held on 28 March 2018 resolved the allocation of ESOP to directors and /or founders of the company as compensation for their contributions to the success of the company as well as to retain valuable personnel which in the long run will have a positive impact to the company operation. Subsequently, this will be beneficial to the company and its shareholders by enhancing the company's performance allowing for highest return of investment to the shareholders. The ESOP will be issued upon Initial Public Offering (IPO) up to 12,500,000 shares at a price equal to book value per share as of 31 December 2017 (Refer to 2017 audited financial statement) and adjusted by dividend paid per share as approved by the 2018 Annual General Meeting.

In the case that directors and/or founders of the company exercised all of their options the net profit, according to the Thai Financial Reporting Standard 2 on Share Based Payment, the company must evaluate the fair value for options given to directors, management and/or employees of the company under ESOP and book the difference between fair value and the price offer as expenses in profit and loss statement. Therefore, in this case the IPO price is considered as the fair value for the options offered to directors and/or founders of the company. The difference between the IPO price and the offered price will be booked as expenses in profit and loss statement in the quarter that the company makes the offer. Thus, in the case that the directors and/or founders of the company exercise all of their options the expense is estimated at Baht 111.9 million which will result in a significant reduction in net profit as stated in the company's financial statement.

Nevertheless, in considering dividend payment for the 2017 performance, the company intends to adjust the net profit by not taking into account the expenses from Thai Financial Reporting Standard 2 on Share Based Payment in order to eliminate the impact to shareholders.

4. Impact from draft Labour Protection Act (No. 7)

Currently, draft Labour Protection Act (No. 7) has been amended to reflect a more reasonable severance pay. One of the key amendments is to increase the compensation in the case of lay off of employees with more than 20 years of service to the company to not less than 400 days of the latest salary from previously 300 days. The National Legislative Assembly has passed the amendment bill and is currently in the process of announcing in the Government Gazette. It is expected to become effective within 2018. Consequently, this will increase the reserve liabilities for long-term employee benefit at an amount of 28 Million Baht. The company will book the changes by realizing the expense as cost of operation in comprehensive Profit and Loss statement immediately as soon as the law becomes effective.

REPORT OF THE BOARD OF DIRECTORS

TO SHAREHOLDERS

Praram 9 Hospital Public Company Limited (“Company”) main goal is to be the leading private hospital with the ability to provide comprehensive medical services in treating diseases, disease prevention and control, and rehabilitation of health and health promotion. As well as to expand the client base from general clients group, elderly clients group, complicated patients group, intensive care group and critical patients into the group of clients who place importance to health promotion & wellness; in order to increase opportunities for the company’s sustainable growth in the future. Moreover, the Company has set its goal of becoming a digital hospital and being the leader in applying modern technology to examine, diagnose, treat patients and promote health care in order to enhance the efficiency of medical services and medical treatment and to increase the efficiency of the work process and facilitate the service provided to the clients.

Moreover, the Company also creates value for the organization by requiring the Board of Directors to have the duty in overseeing the business operations to be in accordance with the principles of Good Corporate Governance, having ethics, respecting rights, being responsible to shareholders and stakeholders, as well as conducting business that benefits the society and the environment. The Company has provided trainings to educate and assess the understanding of new employees on the code of conduct such as conflicts of interest policy, treatment policy, the use of assets and company confidential information and policy on giving or accepting gifts or entertainment. This includes securities trading and internal data usage policy, policy related to internal control, audit system and accounting and financial reports as well as Good Corporate Governance policy and etc.

In the year 2018, the Company held a total of 9 Board of Directors’ Meetings and conducted various matters as summarized below.

- Proposed to the Annual General Meeting of Shareholders to consider approving of the conversion from a

limited company to a public company and operations related to the listing of the company’s ordinary shares on the Stock Exchange of Thailand.

- Determined the Company’s approval authority and good governance as well as significant policies.
- Approved the Company’s organization Chart.
- Elected the Vice Chairman of the Board of Directors.
- Appointed the sub-committees and determined the charter.
- Appointed Chief Executive Officer / Company Secretary and determined the scope of authority and responsibility.
- Appointed new directors to replace the resigned directors.
- Appointed the Audit Committee and the Nomination and Remuneration Committee.
- Approved price policy (Additional amendments)
- Approved the Company’s vision, mission and new logo.
- Approved the directors’ and shareholders’ meeting schedule for the year 2019.

The Board of Directors recognized that in addition to good performance, the value of the Company’s sustainability also plays a significant role in building confidence among groups of stakeholders. On behalf of the Board of Directors, I would like to assure you that the Company will carefully, prudently and transparently conduct its business in accordance with the goals and strategies planned. Such will be done by adhering to ethics and is free from corruption in order to have good performance in the future as well as without omitting taking care of the society and environment in order to be the center for modern health care that received the most abiding trust.



(MR. BHANAPOT DAMAPONG)

Chairman of the Board of Directors

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 22, 2019

REPORT OF THE EXECUTIVES COMMITTEE

TO SHAREHOLDERS

In the year 2018, Praram 9 Hospital Public Company Limited held 12 Executive Committee Meeting, including managing significant matters as follows.

1. **Building construction 2:** A 16-storey building on an area of 2 Rai 3 Ngan 89 Square with 2 basement floors. The building will be used as providing both outpatient (OPD) and inpatient (IPD) services as well as bringing in information technology to support and provide the services. The construction of Building 2 is expected to be completed and will be available for services within the fourth quarter of 2019.

2. **Current building:** The improvement on the service area in various parts have been made in order to support the services provided to patients such as the improvement of the operating room, the 9th floor ward (Step Down Ward) which is a semi-critical patient room and the use of modern technology such as telemetry systems, a system that send electrocardiogram data to doctors through tablet, including In Room Service system at which customers will find the services more convenient.

3. **Home Office building project:** The Hospital is under construction of 6-storey home office building where some of the staff will be transfer to the building after the completion of the construction. The Hospital expected that the construction will be completed in the second quarter of 2019, under the total operating budget of Baht 70 million.

4. **Nursing dormitory construction project:** The hospital is under construction of an 8-storeys high nurse dormitory, with no more than 80 rooms as the accommodation for nurses, with the purpose of supporting future expansion. Such dormitory is located on Thiam Ruam Mit Road, Huai Khwang Subdistrict, Huai Khwang District, which is expected to be completed within the 4th quarter of 2019.

5. **Strategy for business growth:** The hospital has established strategies for developing revenue generating channels through various channels, such as creating patient care cooperation network and signed a cooperation agreement with other 9 private hospitals to jointly care for

complicated patients. Especially, kidney disease and kidney transplantation which is the strength of the hospital, in 2018, the hospital has as high as 82 cases of patients with kidney transplant. In order to increase number of patients and income from contract partners, life insurance and insurance against loss companies as well as building network in foreign countries to increase the number of foreign patients, the Hospital emphasizes on patients from Myanmar, Cambodian and China, which in the previous year the Hospital has the medical fees income growth rate of 11.5%

6. **Information Technology Strategy:** The hospital aims to create business growth by becoming a Digital Hospital under the digital reform plan by adopting and utilizing information technology to increase efficiency in the work process, enhance the amenity and most importantly, high security treatment and good treatment results.

7. **Image:** Hospital has modified the image to be modern, both Logo and Corporate Identity in order to be in compliance with the adjustment of the new image. Such is done so by expanding the group of clients to the healthy groups that required health care advice.

8. The Hospital has been awarded the Thailand Top Company Awards 2561, organized by the University of the Thai Chamber of Commerce in collaboration with Business+ magazine by ARIP Public Company Limited ("ARIP"). The Hospital as well has been ranked as the 8th in hospital category and the 4th in public hospital on Thailand's Most Admired Company by BrandAge Magazine. This year is considered the first year that Rama 9 Hospital is listed in the Top 10 of the survey.



(MR. ATTAPOL SARIDDIPUNTAWAT)

Chairman of the Executive Committee

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 22, 2019

REPORT OF AUDIT COMMITTEE

TO SHAREHOLDERS

The Audit Committee of Rama 9 Hospital Public Company Limited consisted of independent directors who have knowledge, skills and experience with all required qualifications in accordance with the Audit Committee Charter and the Notification of the Stock Exchange of Thailand. The Audit Committee consisted of 3 members, namely, Mr. Kanit Patsaman as Chairman of the Audit Committee, Prof. Wg. Cdr. Dr. Sirintara Singhara Na Ayudhaya and Mrs. Vilasinee Puddhikarant as member of audit committee (In this regard, Mrs. Vilasinee Puddhikarant had submitted the resignation letter from holding the position of the Audit Committee and is effective from July 31, 2018. The Board of Directors Meeting No. 3/2561 on July 31, 2018, has appointed Mr. Pisit Chiyasak as member of audit committee in place of Mrs. Vilasinee Puddhikarant)

The Audit Committee has performed its duties independently in accordance with the scope and responsibilities in compliance to the Audit Committee Charter which has been approved by the Board of Directors. During the year, 4 meetings were held with the management, auditors and internal auditors (after the conversion).

The summary of the Audit Committee's main activities and the expression of opinions as well as reports on various matters to the Board of Directors during the year are as follows:

1. Review of financial reports

The Audit Committee reviewed quarterly financial reports and annual financial reports. The reports have been reviewed and audited by the Certified Public Accountant and has been certified that such reports have been prepared in accordance with the generally accepted accounting standards; and the disclosure of financial statements information are accurate, complete and reliable. The Audit Committee has invited the Certified Public Accountant and executives, responsible for preparing financial reports, to attend every meeting with the agenda to consider certifying the financial statements, prior to submitting to the

Board of Directors for approval. The Audit Committee is of the opinion and certain that the report of financial statements have been prepared correctly in accordance with generally accepted accounting standards as well as adequately disclosed in the notes to the financial statements.

2. Assessment and review of internal control systems

The Audit Committee reviewed the internal control system by listening to the audit reports from the auditors, reports from internal audit unit and reports from the risk management working group; as well as by reviewing the adequacy of the internal control system in accordance with the guidelines set by the Securities and Exchange Commission of Thailand. The Audit Committee regularly reports the results and opinions to the Board of Directors and the Management Department to ensure that the work process has good internal control as well as appropriate and sufficient for business operations. In addition, to ensure that the work process can support the operating to be efficient and effective. Furthermore, to prevent or reduce the risk and reduce the damage that may occur and to ensure that the financial reports are accurate and reliable along with continuously developing and improving the quality of the internal control system.

3. Supervision of internal audit

The Audit Committee has approved the employment of ACC-PLUS CONSULTANT CO., LTD. with Ms. Wanna Malueangnon as the chief of the internal audit department; to independently perform duties in accordance with the annual audit plan that has been approved by the Audit Committee. Observations that have been reported by internal auditors which have been considered and commented by the Audit Committee have been continuously monitored. The Consideration and approval of the appointment, removal, transference of the position of chief of internal audit and determination of the remuneration

of the chief of internal audit department shall be considered and approved as well as received consent from the Company's Audit Committee.

4. Supervision of compliance with laws and policies

The Audit Committee reviewed Good Corporate Governance process; including the process of receiving complaints in terms of service quality, ethics, accepting whistle blowing or information. Such is done by listening and giving opinions in accordance with the report of the quality department which is the unit that is designated to be directly responsible through the report of the Risk Management Working Group and reports from internal auditors. The Audit Committee has acknowledged the changes in laws on securities and exchange and laws related to the company's business as well as reviewed the Company's operation to ensure that it is in accordance with the related laws and regulations, including reviewing to ensure that the Company is ready for continuous change.

5. Review of risk management

The Audit Committee reviewed and commented on the risk management plan and monitored the report of risk management working group on a quarterly basis; including reporting the results and comments of risk management to the Board of Directors.

6. Consideration of connected transactions or potential conflict of interest transactions

The Audit Committee has reviewed and commented on the necessity and reasonability of the connected transactions or potential conflict of interest transactions, as well as contracts, agreements and main conditions. This includes complete and sufficient disclosure of information in accordance with the regulations of the Stock Exchange of Thailand.

7. The consideration, selection and nomination of auditors

The Audit Committee has considered from the performance, knowledge, capability, understanding of the Company's business, quality of work and qualifications of the auditor, as well as the appropriateness of the audit fee. The Audit Committee view as appropriate to nominate EY Office Company Limited as the annual auditor, including proposing annual remuneration to the Board of Directors to propose to the Shareholders' Meeting for approval.

8. Performance Evaluation and The Review of the Charter

The Audit Committee has considered self-assessment for both the faculty and individual as well as review the Audit Committee's Charter by comparing the scope of duties and responsibilities with the Audit Committee Handbook which is prepared by the Securities and Exchange Commission and propose to the Board of Directors for approval.

The Audit Committee has performed its duties in accordance with the Charter of Audit Committee and as delegated by the Board of Directors with care and fullest capability. The Audit Committee is of the opinion that the Company financial reports and the disclosure of information are adequate and reliable in accordance with generally accepted accounting standards. The internal control system and risk management are effective, appropriate and sufficient for business operations. There were sufficient connected transactions and information disclosure which includes implementing in accordance with Good Corporate Governance Principles as well as continuously develop and improve the quality of the internal control system.



(Mr. KANIT PATSAMAN)

Chairman of the Audit Committee

Praram 9 Hospital Public Company Limited

February 22, 2018

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

TO SHAREHOLDERS

The Board of Directors of Rama 9 Hospital Public Company Limited has appointed the Nomination and Remuneration Committee which consisted of 3 directors and independent directors as follows

1. Assoc. Prof. Dr. SARANA BOONBAICHAIPRUCK
Chairman of the Nomination and Remuneration Committee
2. Mr. ATTAPOL SARIDDIPUNTAWAT
Member of the Nomination and Remuneration Committee
3. Mrs. VILASINEE PUDDHIKARANT
Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the duties and responsibilities in accordance with the Charter of the Nomination and Remuneration Committee regarding the preparation of policies, rules and methods in nominating directors, sub-committee and managing directors. The Nomination and Remuneration Committee has considered the appropriateness of the number of structures and composition of the Board of Directors, overseeing and preparing the succession plan in order to prepare for the succession of the managing directors and senior executives; as well as development plan for the directors, sub-committee

and the managing directors. Furthermore, considered and prepared policies for determining remuneration and other benefits for directors, sub-committee and the managing directors, including the salary adjustment of the managing directors to propose to the Board of Directors for approval.

In the year 2018, the Nomination and Remuneration Committee held a total of 2 meetings where all of the directors attended the meeting. The meeting was held to jointly consider recruiting persons with appropriate qualifications and knowledge in compliance with the Company's business strategies; as well as to consider the remuneration for senior executives in accordance with the policies and rules set forth by taking into account the Company's operating performance, business competition condition and to ensure that it is within the approved budget limit.

The Nomination and Remuneration Committee is of the opinion that the determinations of the remunerations of the Board of Directors and senior executives details as shown in this annual report of the year 2018, are appropriate with the duty and responsibility assigned which is in accordance with the policy and the criteria of the Company's payment of compensation; by taking into account the Company's operating performance, economic environment and overall business competition condition.



(Assoc. Prof. Dr. SARANA BOONBAICHAIPRUCK)

**Chairman of the Nomination and
Remuneration Committee**

PRARAM 9 HOSPITAL PUBLIC COMPANY LIMITED

February 22, 2019

THE BOARD OF DIRECTORS' REPORT ON ITS RESPONSIBILITY TO THE FINANCIAL STATEMENTS

TO SHAREHOLDERS

The Board of Director of Praram 9 Hospital Public Company Limited recognizes the importance of duties and responsibilities in accordance with the good corporate governance policy. This includes supervision of financial information in the annual report and ensures that such financial statements are prepared in accordance with generally accepted accounting standards; by selecting appropriate accounting policies and consistently adhering to those policies, with careful discretion and the best projection in preparation. In addition, provide sufficient disclosure in the notes to the financial statements in order to be transparently beneficial to shareholders and general investors.

The Board of Directors has set up an appropriate, efficient and effective internal control system and risk management system to ensure that all accounting transactions are correct, comprehensive and sufficient to maintain the assets as well as to prevent any fraud or abnormal operations that caused damages significantly.

The Board of Directors has appointed the Audit Committee to supervise and review accounting policies and quality of financial reports. This includes supervising and reviewing internal control systems, internal audit and risk management system to be effective; by commenting on such matters which appeared in the report of the Audit Committee in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company was at a satisfactory level, which resulted in confidence in the reliability of the financial statements of the Praram 9 Hospital Public Company Limited for the year ended December 31, 2018. The Company has practices in accordance with generally accepted standards and in compliance with the related laws and regulations.



(MR. BHANAPOT DAMAPONG)
CHAIRMAN OF THE BOARD OF DIRECTOR



(DR. SATIAN POOPRASERT)
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Praram 9 Hospital Public

Company Limited

(Formerly known as "Praram 9 Hospital Company Limited")

OPINION

I have audited the accompanying financial statements of Praram 9 Hospital Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Praram 9 Hospital Public Company Limited as at 31 December 2018, and its 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the 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.

KEY AUDIT MATTERS

Key audit matter is this matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter and how audit procedures respond to the matter are described below.

REVENUE RECOGNITION

Revenues from hospital operations are significant to the financial statements because the amount is high (approximately 99% of total revenues). In addition, it consists of many compositions, such as revenues from sales of medicines, revenues from medical services, revenues from patient rooms, etc., including discounts for counterparties, e.g. insurance companies and other several counterparties, whereas the agreements contain vary conditions for each party. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and

with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Performing analytical procedures on disaggregated data to detect possible irregularities in revenues transactions throughout the period, including accounting entries made through journal vouchers.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the period.
- Reviewing credit notes that the Company issued after the period-end.

OTHER INFORMATION

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 report of the Company, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 Company 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.

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 matter. 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.



Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Company Limited

Bangkok: 22 February 2019

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STATEMENT OF FINANCIAL POSITION

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

			(Unit: Baht)
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets			
Current assets			
Cash and cash equivalents	7	223,497,436	237,804,656
Current investments	8	1,636,628,116	453,725,087
Trade and other receivables	9	139,294,488	132,867,228
Medicines and supplies	10	42,883,989	39,468,137
Other current assets		6,641,565	14,755,066
Total current assets		<u>2,048,945,594</u>	<u>878,620,174</u>
Non-current assets			
Restricted bank deposits	11	2,704,300	2,704,300
Other long-term investment	12	1,375,000	1,375,000
Property, plant and equipment	13	2,136,137,758	1,713,327,084
Intangible assets	14	82,785,645	91,622,704
Advance for purchase of fixed assets		125,211,898	140,700,426
Deferred tax assets	22	25,214,479	26,623,893
Other non-current assets		2,007,286	1,609,787
Total non-current assets		<u>2,375,436,366</u>	<u>1,977,963,194</u>
Total assets		<u><u>4,424,381,960</u></u>	<u><u>2,856,583,368</u></u>

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

		(Unit: Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	15	408,383,679	616,859,876
Income tax payable		11,136,698	20,654,884
Other current liabilities		29,294,661	17,020,330
Total current liabilities		<u>448,815,038</u>	<u>654,535,090</u>
Non-current liabilities			
Provision for long-term employee benefits	17	100,687,240	105,557,223
Other non-current liabilities		1,537,848	1,462,748
Total non-current liabilities		<u>102,225,088</u>	<u>107,019,971</u>
Total liabilities		<u>551,040,126</u>	<u>761,555,061</u>
Shareholders' equity			
Share capital	18		
Registered			
800,000,000 ordinary shares of Baht 1 each (2017: 6,000,000 ordinary shares of Baht 100 each)		<u>800,000,000</u>	<u>600,000,000</u>
Issued and fully paid			
786,300,000 ordinary shares of Baht 1 each (2017: 6,000,000 ordinary shares of Baht 100 each)		786,300,000	600,000,000
Share premium	18	1,934,359,580	10,349,000
Retained earnings			
Appropriated - statutory reserve	19	67,861,280	60,000,000
Unappropriated		1,084,025,152	1,422,822,819
Other components of shareholders' equity		795,822	1,856,488
Total shareholders' equity		<u>3,873,341,834</u>	<u>2,095,028,307</u>
Total liabilities and shareholders' equity		<u>4,424,381,960</u>	<u>2,856,583,368</u>

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

STATEMENT OF COMPREHENSIVE INCOME

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

			(Unit: Baht)
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Profit or loss:			
Revenues			
Revenues from hospital operations		2,701,078,237	2,421,499,165
Other income		32,464,978	33,726,646
Total revenues		<u>2,733,543,215</u>	<u>2,455,225,811</u>
Expenses			
Cost of hospital operations		1,864,196,472	1,681,640,795
Selling expenses		64,223,637	59,884,356
Administrative expenses		477,531,217	396,613,086
Share-based payment	21	111,875,000	-
Total expenses		<u>2,517,826,326</u>	<u>2,138,138,237</u>
Profit before income tax expenses		<u>215,716,889</u>	<u>317,087,574</u>
Income tax expenses	22	(58,491,295)	(54,831,836)
Net profit for the year		<u>157,225,594</u>	<u>262,255,738</u>

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

			(Unit: Baht)
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Loss on change in value of available-for-sale investments	8	(1,325,832)	(100,641)
Less: Income tax effect	22	265,166	20,128
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		(1,060,666)	(80,513)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gain	17	19,797,523	-
Less: Income tax effect	22	(3,959,504)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- net of income tax		15,838,019	-
Other comprehensive income for the year		14,777,353	(80,513)
Total comprehensive income for the year		172,002,947	262,175,225
Basic earnings per share	23		
Profit attributable to equity holders of the Company		0.25	0.44
			(Unit: Share)
Weighted average number of ordinary shares		634,733,973	600,000,000

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on changes in value of available-for-sale investments	shareholders' equity
Balance as at 1 January 2017	600,000,000	10,349,000	60,000,000	1,208,567,081	1,937,001	1,880,853,082
Profit for the year	-	-	-	262,255,738	-	262,255,738
Other comprehensive income for the year	-	-	-	-	(80,513)	(80,513)
Total comprehensive income for the year	-	-	-	262,255,738	(80,513)	262,175,225
Dividend paid (Note 26)	-	-	-	(48,000,000)	-	(48,000,000)
Balance as at 31 December 2017	600,000,000	10,349,000	60,000,000	1,422,822,819	1,856,488	2,095,028,307
Balance as at 1 January 2018	600,000,000	10,349,000	60,000,000	1,422,822,819	1,856,488	2,095,028,307
Profit for the year	-	-	-	157,225,594	-	157,225,594
Other comprehensive income for the year	-	-	-	15,838,019	(1,060,666)	14,777,353
Total comprehensive income for the year	-	-	-	173,063,613	(1,060,666)	172,002,947
Increase share capital (Note 18)	186,300,000	1,924,010,580	-	-	-	2,110,310,580
Dividend paid (Note 26)	-	-	-	(504,000,000)	-	(504,000,000)
Transferred to statutory reserve (Note 19)	-	-	7,861,280	(7,861,280)	-	-
Balance as at 31 December 2018	786,300,000	1,934,359,580	67,861,280	1,084,025,152	795,822	3,873,341,834

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

CASH FLOW STATEMENT

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

	(Unit: Baht)	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit before tax	215,716,889	317,087,574
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	155,821,701	151,173,340
Bad debt	436,806	501,659
Increase in allowance for doubtful debt	4,458,966	704,113
Loss on disposals and write-off of buildings improvement and equipment	1,339,162	1,977,204
Gain on disposals of current investments	(4,292,223)	(1,829,412)
Share-based payment	111,875,000	-
Increase in provision for employee benefits	19,494,763	13,494,886
Dividend income	(377,494)	(1,210,359)
Interest income	(6,258,239)	(11,055,207)
Profit from operating activities before changes in operating assets and liabilities	498,215,331	470,843,798
Operating assets (increase) decrease		
Trade and other receivables	(11,646,936)	7,576,068
Medicine and supplies	(3,415,852)	2,118,050
Other current assets	8,113,501	(2,489,550)
Other non-current assets	(397,499)	(124,223)
Operating liabilities increase (decrease)		
Trade and other payables	51,027,509	20,190,296
Other current liabilities	(218,479)	539,808
Other non-current liabilities	75,100	161,400
Cash paid for long-term employee benefits	(4,567,223)	(1,238,235)
Cash flows from operating activities	537,185,452	497,577,412
Cash paid for income tax	(57,602,051)	(57,147,666)
Net cash flows from operating activities	<u>479,583,401</u>	<u>440,429,746</u>

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

CASH FLOW STATEMENT (CONTINUED)

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

		(Unit: Baht)
	<u>2018</u>	<u>2017</u>
Cash flows from investing activities		
Decrease (increase) in current investments	(1,179,936,637)	162,505,929
Cash receipt from dividend of investment	377,494	1,210,359
Acquisition of buildings improvement and equipment	(412,039,409)	(313,609,404)
Cash paid for purchase of buildings improvement and equipment	(357,787,055)	(39,065,857)
Cash paid for advance for purchase of fixed assets	(41,872,971)	(178,368,748)
Acquisition of intangible assets	(4,227,176)	(5,021,074)
Cash paid for purchase of intangible assets	(234,458)	(4,265,358)
Proceed from sales of equipment	954,000	883,500
Interest income	6,639,556	11,511,854
Net cash flows used in investing activities	<u>(1,988,126,656)</u>	<u>(364,218,799)</u>
Cash flows from financing activities		
Proceed from increase in share capital	2,049,205,000	-
Payments of expense relating to the share offering	(63,461,775)	-
Dividend paid	(491,507,190)	(47,143,200)
Net cash flows from (used in) financing activities	<u>1,494,236,035</u>	<u>(47,143,200)</u>
Net increase (decrease) in cash and cash equivalents	<u>(14,307,220)</u>	<u>29,067,747</u>
Cash and cash equivalents at beginning of year	<u>237,804,656</u>	<u>208,736,909</u>
Cash and cash equivalents at end of year	<u><u>223,497,436</u></u>	<u><u>237,804,656</u></u>
Supplemental cash flows information:		
Non-cash related transactions		
Acquisition of buildings improvement and equipment for which no cash has been paid	96,861,447	357,787,055
Acquisition of intangible assets for which no cash has been paid	1,656,360	234,458
Disposal of building service systems for which no cash has been received	57,413	-
Reclassification property, plant and equipment to intangible assets	-	2,257,208
Transfer advance for purchase of fixed assets to fixed assets	57,361,499	44,025,411
Dividend payable	13,577,760	3,735,405

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

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
(Formerly known as "Praram 9 Hospital Company Limited")
As at 31 December 2018

1. General information

Praram 9 Hospital Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the hospital operations. The registered office of the Company is at 99, Praram 9 Road, Bangkapi, Huaykwang, Bangkok.

On 29 March 2018, the Company registered the change of its status to a public limited company under the Public Limited Company Act and the change of its name with the Ministry of Commerce from "Praram 9 Hospital Company Limited" to "Praram 9 Hospital Public Company Limited".

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years 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 management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as 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 management of the Company believes that this standard will not have any significant impact on the financial statements when it is initially applied.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which 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	Extinguishing 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 Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales, and medicine sales, are recognised as income when services have been rendered or medicine delivered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Rental income

Rental income is recognised over the rental period and at the rate determined in the agreement.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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 of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Medicines and supplies

Medicines and supplies are valued at the lower of cost and net realisable value. Cost is determined by First-in First-out method.

4.5 Investments

- a) 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 profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	-	10 - 30 years
Buildings, building improvement and condominium units	-	30 years
Building service systems	-	10 - 20 years
Tools and medical instruments	-	7 - 10 years
Office furniture, fixtures and equipment	-	3 - 10 years
Motor vehicles	-	10 years

NOTES TO FINANCIAL STATEMENTS

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Depreciation is included in determining income.

No depreciation is provided on land, assets under installation and construction in progress.

An item of property, plant 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 profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses of assets (if any).

Amortisation expense is calculated by reference to their costs on a straight-line basis over the economic useful lives of 7 - 10 years.

The amortisation expense is charged to profit or loss.

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 assets may be impaired. The amortisation period and the amortisation method of such intangible assets is reviewed at least at each financial year end.

4.8 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 associated companies 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 operations.

4.9 Long-term leases

Leases of 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 profit or loss 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.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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Leases of 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 profit or loss on a straight line basis over the lease term.

4.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant 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.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, paid annual leave and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and medical care under other employee benefit plans. The Company treats these severance payment and medical care obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is 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.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.12 Share-based payment

The Company makes the public offering ordinary shares to the Company's directors and/or executives who are the Company's founders, conditional upon satisfying specified vesting conditions. The Company shall recognise the services received from share-based payment when the Company's directors and/or executives who are the Company's founders have provided the specified vesting conditions, if any, are met. The Company records share-based payment by reference to the fair value of share at grant date (less the value of ordinary shares which offered by the Company).

4.13 Provisions

Provisions are recognised when the Company 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.

4.14 Income Tax

Income tax expense represents the sum of corporate income tax currently payable 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 Company recognises deferred tax liabilities for all taxable temporary differences while its 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.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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At each reporting date, the Company reviews and reduces 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 Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 Company 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 categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an 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 Company 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses 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.

Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing require the management to consider the significant changes related to the use or expected use of such assets with an adverse effect on the entity during the year or in the near future and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount.

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.

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 plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate, gold price change rate and medical fees increase rate.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Pricing Policy

Transactions with related companies

Medical service income	Normal price
Medical service discounts	At the rate of 10% (2017: rate of 10%)
Rental expenses	Contract price
Service expenses	Normal price and contract price

Pricing Policy

Transactions with related individuals

Medical service income	Normal price
Medical service welfares and discounts	At the rate of 15% to 100% (2017: rate of 15% to 100%)
Rental expenses	Contract price
Consultancy fee	Contract price
Purchase of fixed assets	Mutually agreed price with reference to appraised value

(Unit: Million Baht)

	<u>2018</u>	<u>2017</u>
<u>Transactions with related companies</u>		
Medical service income	2.3	2.4
Medical service discounts	-	(0.1)
Medical service income - net	2.3	2.3
Rental expenses	1.2	1.2
Service expenses	5.5	3.8
<u>Transactions with related individuals</u>		
Medical service income	5.9	12.6
Medical service welfares and discounts	(2.9)	(5.8)
Medical service income - net	3.0	6.8
Rental expenses	-	3.9
Consultancy fee	0.4	-
Purchase of fixed assets	60.1	321.0

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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As at 31 December 2018 and 2017, the balances of the accounts between the Company, and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade accounts receivable - related parties</u> (Note 9)		
Related individuals (director and shareholder)	225	241
Related companies (related by common directors)	1,120	1,376
Total trade accounts receivable - related parties	<u>1,345</u>	<u>1,617</u>
<u>Other non-current asset - related party</u>		
Related company (related by common directors)	813	813
Total other non-current asset - related party	<u>813</u>	<u>813</u>
<u>Other payable - related party</u> (Note 15)		
Related company (related by common directors)	164	137
Total other payable - related party	<u>164</u>	<u>137</u>
<u>Accounts payable - purchase of fixed assets</u>		
- <u>related individual</u> (Note 15)		
Related individual (shareholder)	-	301,030
Total accounts payable - purchase of fixed assets		
- related individual	<u>-</u>	<u>301,030</u>

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	74,878	61,354
Post-employment benefits	9,704	557
Share-based payment	111,875	-
Total	<u>196,457</u>	<u>61,911</u>

In the first quarter of 2018, the Company recorded healthcare benefits of the directors who were founders of the hospital totaling approximately Baht 8.5 million, and these are recognised in post-employee benefits.

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash	2,764	3,265
Savings and current deposits at banks	200,142	150,762
Fixed deposits at banks with an original maturity of 3 months or less	20,591	52,828
Bills of exchange	-	30,950
Total	<u>223,497</u>	<u>237,805</u>

As at 31 December 2018, the Company had bank deposits in saving accounts and fixed deposits which carried interests between 0.37 and 1.30 percent per annum (2017: between 0.37 and 1.25 percent per annum).

8. Current investments

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Fixed deposits at banks	550,220	208
Bills of exchange	300,000	-
Investments in available-for-sale securities		
Unit trust in open-end mutual funds	785,413	26,944
Government and state-owned enterprise bonds	-	77,975
Private sector debt securities	-	346,277
Total investments in available-for-sale securities, Cost	785,413	451,196
Add: Unrealised gain on changes in value of investments	995	2,321
Total investments in available-for-sale securities, Fair Value	786,408	453,517
Total current investments	<u>1,636,628</u>	<u>453,725</u>

As at 31 December 2018, the Company had fixed deposits and bills of exchange which carried interests between 0.90 and 1.75 percent per annum (2017: investment in state-owned enterprise bonds that paid no yield amounting to Baht 55 million and the remainder paid yield between 0.90 and 4.65 percent per annum).

NOTES TO FINANCIAL STATEMENTS

Praram 9 Hospital Public Company Limited
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9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	1,336	1,615
3 - 6 months	9	2
Total trade accounts receivable - related parties	<u>1,345</u>	<u>1,617</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	119,609	116,773
3 - 6 months	8,134	6,434
6 - 12 months	11,578	2,749
Over 12 months	<u>14,580</u>	<u>15,666</u>
Total	<u>153,901</u>	<u>141,622</u>
Less: Allowance for doubtful debts	<u>(20,458)</u>	<u>(15,999)</u>
Total trade accounts receivable - unrelated parties, net	<u>133,443</u>	<u>125,623</u>
Total trade accounts receivable - net	<u>134,788</u>	<u>127,240</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	1,864	2,625
Accrued interest income	1,943	2,325
Accrued income	<u>699</u>	<u>677</u>
Total other receivables	<u>4,506</u>	<u>5,627</u>
Total trade and other receivables - net	<u>139,294</u>	<u>132,867</u>

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10. Medicines and supplies

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Medicines	28,912	26,085
Medical supplies	10,667	10,310
Other supplies	3,305	3,073
Total	<u>42,884</u>	<u>39,468</u>

11. Restricted bank deposits

These represent fixed deposits pledged with the bank to secure bank guarantees issued by that bank on behalf of the Company.

12. Other long-term investment

This represents an investment in 125,000 ordinary shares of Thai StemLife Company Limited, representing 5 percent of the share capital of that company.

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13. Property, plant and equipment

	Land	Land improvement	Buildings, building improvement and condominium units	Building service systems	Tools and medical instrument	Office furniture, fixtures and equipment	Motor vehicles	Assets under installation and construction in progress	Total
(Unit: Thousand Baht)									
Cost									
1 January 2017	138,966	17,157	739,619	466,398	565,957	278,591	21,786	66,775	2,295,249
Additions	312,595	-	7,255	12,120	44,775	13,030	3,550	278,072	671,397
Disposals	-	-	(909)	(22)	(4,080)	(14,571)	(3,150)	-	(22,732)
Transfer from advance for purchase of fixed assets	20,000	-	-	-	-	-	-	24,025	44,025
Reclassification	-	-	-	-	-	-	-	(2,257)	(2,257)
Transfer in (out)	-	-	3,165	40,429	51,070	6,344	4,808	(105,816)	-
31 December 2017	471,561	17,157	749,130	518,925	657,722	283,394	26,994	260,799	2,985,682
Additions	58,054	-	15,105	13,159	62,358	15,760	590	343,875	508,901
Disposals/write-off	-	-	(1,266)	(35)	(7,994)	(4,893)	(2,825)	-	(17,013)
Transfer from advance for purchase of fixed assets	4,000	-	2,980	-	-	162	-	50,219	57,361
Transfer in (out)	-	-	20,352	39,356	-	7,358	-	(67,066)	-
31 December 2018	533,615	17,157	786,301	571,405	712,086	301,781	24,759	587,827	3,534,931
Accumulated depreciation									
1 January 2017	-	12,588	328,497	288,441	339,012	173,464	13,262	-	1,155,264
Depreciation for the year	-	792	24,781	31,511	55,900	22,188	1,790	-	136,962
Depreciation on disposals	-	-	(273)	(3)	(3,882)	(13,477)	(2,236)	-	(19,871)
31 December 2017	-	13,380	353,005	319,949	391,030	182,175	12,816	-	1,272,355
Depreciation for the year	-	792	25,398	34,099	58,440	20,481	1,891	-	141,101
Depreciation on disposals/write-off	-	-	(602)	(35)	(7,846)	(4,522)	(1,658)	-	(14,663)
31 December 2018	-	14,172	377,801	354,013	441,624	198,134	13,049	-	1,398,793
Net book value									
31 December 2017	471,561	3,777	396,125	198,976	266,692	101,219	14,178	260,799	1,713,327
31 December 2018	533,615	2,985	408,500	217,392	270,462	103,647	11,710	587,827	2,136,138
Depreciation for the year									
2017 (Baht 115 million included in cost of hospital operations, and the balance in selling and administrative expenses)									136,962
2018 (Baht 121 million included in cost of hospital operations, and the balance in selling and administrative expenses)									141,101

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As at 31 December 2018, certain items of buildings improvement and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 558 million (2017: Baht 469 million).

14. Intangible assets

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Computer software - cost	186,470	180,587
Less: Accumulated amortisation	(83,684)	(68,964)
Less: Allowance for impairment loss	(20,000)	(20,000)
Net book value	<u>82,786</u>	<u>91,623</u>

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	91,623	98,322
Additions	5,884	5,256
Reclassification	-	2,257
Amortisation	(14,721)	(14,212)
Net book value at end of year	<u>82,786</u>	<u>91,623</u>

15. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Trade accounts payable - unrelated parties	111,869	109,227
Other payable - related party	164	137
Other payables - unrelated parties	76,776	46,600
Accounts payable - purchase of fixed assets, related individual	-	301,030
Accounts payable - purchase of fixed assets, unrelated parties	98,518	56,992
Accrued physician's fee	87,305	81,828
Accrued expenses	33,752	21,046
Total trade and other payables	<u>408,384</u>	<u>616,860</u>

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16. Loan from bank

On 27 April 2018, the Company entered into a loan agreement with a local commercial bank granting credit facilities totaling Baht 2,000 million that were used to pay costs of land, building construction, and equipment for renovation of a new building and existing building. The long-term loan is unsecured and to be paid at maturity in 21 monthly from the date of the first drawdown, or within 31 January 2020 if earlier. Interest is charged at float rate plus fixed rate, and is payable on a monthly basis.

The above loan agreement contains certain covenants and exception which the Company must comply such as:

- Maintain the direct and indirect shareholdings of the family of main shareholders in the Company. In case of public offering of newly issued shares, the maintenance of capital fund does not take into account the newly issued shares offered to the public.
- Maintain a debt to equity ratio.
- If the Company makes an initial public offering, the long-term loan is to be repaid within 15 days from the end of the offering period.
- No changes in the shareholding structure, mergers, transfers of business, other than actions taken by the Company in making an initial public offering.
- No disposals or transfers of the assets of the Company, except in the ordinary course of business.
- No creation of any commitments by borrowing and guaranteeing.

As at 31 December 2018, the Company has not yet been drawn down the long-term credit facilities.

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17. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

	Defined benefit plans		Other long-term employee benefits		Total	
	2018	2017	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	103,066	90,910	2,491	2,390	105,557	93,300
Included in profit or loss:						
Current service cost	7,555	10,440	1,012	608	8,567	11,048
Interest cost	2,354	2,391	59	56	2,413	2,447
Past service cost	8,515	-	-	-	8,515	-
Included in other comprehensive income:						
Actuarial gain arising from						
- Demographic assumption changes	(7,302)	-	-	-	(7,302)	-
- Financial assumptions changes	(12,149)	-	-	-	(12,149)	-
- Experience adjustments	(347)	-	-	-	(347)	-
Benefits paid during the year	(4,407)	(675)	(160)	(563)	(4,567)	(1,238)
Provision for long-term employee benefits at end of year	<u>97,285</u>	<u>103,066</u>	<u>3,402</u>	<u>2,491</u>	<u>100,687</u>	<u>105,557</u>

The Company expect to pay Baht 3 million of long-term employee benefits during the next year (2017: Baht 1 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 11 - 21 years (2017: 11 years).

Significant actuarial assumptions are summarised below:

	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)
Discount rate	1.4 - 3.9	2.6
Future salary increase rate	4.0 - 7.0	5.0
Staff turnover rate (depending on age)	0.0 - 13.0	0.0 - 17.0
Gold price change rate	2.5	3.0
Medical fees increase rate	3.0 - 6.0	-

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Thousand Baht)					
	2018	2017	2018		2017	
	% of change per annum		Increase	Decrease	Increase	Decrease
Discount rate	1	1	(10,644)	12,630	(10,585)	12,526
Future salary increase rate	1	1	12,246	(10,425)	11,157	(9,596)
Staff turnover rate	20	1	(6,105)	6,986	(11,128)	4,947
Gold price increase rate	20	20	689	(689)	559	(460)
Medical fees increase rate	1	-	928	(832)	-	-

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 28 million. The Company will reflect the effect of the change by recognising past services costs as expenses in profit or loss in the statement of comprehensive income of the period in which the law is effective.

18. Share capital and share premium

18.1 On 28 March 2018, the meeting of the 2018 Annual General Meeting of the Company's shareholders passed the following resolutions.

- Approval of the conversion of the Company to a public limited company and the change of the Company's name to "Praram 9 Hospital Public Company Limited".
- Approval of a change in the par value of ordinary shares from Baht 100 per share to Baht 1 per share, such that the Company's registered share capital of Baht 600 million will comprise 600 million ordinary shares with a par value of Baht 1 each, or a total of Baht 600 million.

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- c) Approval of an increase in the Company's registered share capital, from Baht 600 million to Baht 800 million, through the issuance of 200 million additional ordinary shares with a par value of Baht 1 each, and approval of the allocation of the new shares as follows.
- Allocation of new shares to the initial public offering
 - Allocation of 12.5 million new shares to an offering to the directors and/or executives who are the Company's founders
 - Allocation of 20 million over-allotment shares to be offered to the Company's Over-allotment Agent, within 30 days from the first day of trading of the shares on the Stock Exchange of Thailand
- d) Approval of the listing of the Company's shares on the Stock Exchange of Thailand.

18.2 On 29 March 2018, the Company registered the change of its status to a public limited company, change in the par value of ordinary shares, and increase in its registered share capital with the Ministry of Commerce.

18.3 During 16 to 19 October 2018, the Company made the public offering of the 167.5 million additional shares at a price of Baht 11.60 per share and made the Company's directors and/or executives who are the Company's founders offering of the 12.5 million additional shares at a price of Baht 2.65 per share, or a total of Baht 1,976.13 million and received payment for the shares on 22 and 24 October 2018. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 October 2018.

The first trading day of the Company's ordinary shares on the Stock Exchange of Thailand was 30 October 2018.

On 28 November 2018 the Company's Over-allotment Agent exercised its right to purchase 6.3 million additional shares from the Company at a price of Baht 11.60 per share, or for a total of Baht 73.08 million, in order to return them to the directors and/or executives who were the Company's founders. The Company has offered those additional ordinary shares, which have a par value of Baht 1 each, and received full payment for the shares on 29 November 2018, while the increase in the Company's paid-up capital was registered with the Ministry of Commerce on 30 November 2018.

The Company incurred expenses relating to the shares offering totaling Baht 50.77 million (net of income tax of Baht 12.69 million), and these were presented as a deduction from the premium on ordinary shares.

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19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Salaries, wages and other employee benefits	875,022	668,921
Depreciation and amortisation	155,822	151,173
Physicians' fees	648,932	581,592
Medicines and supplies used	410,402	374,149

21. Share-based payment

During the year ended 31 December 2018, the Company granted 12.5 million ordinary shares to the Company's directors and/or executives who are the Company's founders at a price of Baht 2.65 per share, or for a total of Baht 33.13 million, conditional upon the success of the initial public offering. The fair value of ordinary shares on the grant date, measured at market price at the first trading day of the Company's ordinary shares on the Stock Exchange of Thailand, was Baht 11.60 per share. The Company recorded share-based payment amounting to Baht 111.88 million in the statement of comprehensive income for the year ended 31 December 2018.

22. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Current income tax:		
Current income tax charge	60,775	57,017
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,284)	(2,185)
Income tax expenses reported in the statement of comprehensive income	<u>58,491</u>	<u>54,832</u>

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The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Deferred tax on loss from change in value of available-for-sale investments	(265)	(20)
Deferred tax relating to actuarial gain	3,959	-
Total	<u>3,694</u>	<u>(20)</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>215,717</u>	<u>317,088</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rates	43,143	63,418
Effects of:		
Non-deductible expenses	24,440	479
Additional expense deductions allowed	(9,092)	(9,065)
Total	<u>15,348</u>	<u>(8,586)</u>
Income tax expenses reported in the statement of comprehensive income	<u>58,491</u>	<u>54,832</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	<u>Statement of financial position</u>	
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Allowance for doubtful debts	2,615	3,200
Allowance for intangible asset impairment	2,369	2,777
Provision for employee benefits	20,429	21,111
Total	<u>25,413</u>	<u>27,088</u>
Deferred tax liability		
Unrealised gain on changes in value of available-for-sale investments	199	464
Total	<u>199</u>	<u>464</u>
Deferred tax assets - net	<u>25,214</u>	<u>26,624</u>

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23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The Company adjusted the number of ordinary shares for the year ended 31 December 2017, in proportion to the change in the number of shares as a result of the change in par value from Baht 100 each to Baht 1 each as if the change in the par value of the ordinary shares had occurred at the beginning of the first year reporting.

24. 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 Company is principally engaged in the hospital business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer

For the year 2018 and 2017, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 3 percent and 5 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 10 million (2017: Baht 8 million) were recognised as expenses.

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26. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 28 April 2017	48,000	8
Final dividends for 2017	Annual General Meeting of the shareholders on 28 March 2018	504,000	84

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2018 and 2017, the Company had capital commitments as follows.

	(Unit: Million Baht)	
	2018	2017
Improvement, construction of buildings and building systems	860	1,011
Acquisition of tools and equipment	65	6
Acquisition of computer software	32	26
Total capital commitments	957	1,043

27.2 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the office spaces, equipment and others. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2018 and 2017, future minimum lease payments required under these agreements were as follows.

	(Unit: Million Baht)	
	2018	2017
Payable:		
In up to 1 year	8	8
In over 1 and up to 4 years	2	2

27.3 Long-term service commitments

The Company has entered into service agreements for maintenance of medical instruments and other services, with a total of approximately Baht 44 million to be paid between the years 2019 and 2021 (2017: Baht 65 million to be paid between the years 2018 and 2020).

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27.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 3 million (2017: Baht 3 million) issued by the bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use.

28. Fair value hierarchy

As at 31 December 2018 and 2017, the Company had the assets that were measured at fair value using levels 2 as follow:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Assets measured at fair value		
Current investments (Note 8)	786,408	453,517

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposures to interest rate risk relate primarily to its deposits with financial institutions and current investments. Most of the financial assets and liabilities of the Company bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

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Foreign currency risk

The Company does not consider itself exposed to foreign currency risk because it has no significant foreign currency transactions.

29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Company's debt-to-equity ratio was 0.14:1 (2017: 0.36:1).


31. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 22 February 2019.



Annual Report 2018

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