

# FORM 56-1 ONE REPORT

Annual Registration Form / Annual Report  
Ended on 31 December 2022



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## Message from Chairman



### Dear Shareholders,

As Thailand joins the rest of the world in heralding a new era of hopes and promises after emerging from three odd years of devastation by Covid-19, the last thing we want to hear from WHO is that a new variant, more dreadful than all preceding ones, is looming in the horizon.

But thankfully our Thai Government has made the commendable move of playing down WHO's dire prediction of more severe and imminent pandemic and pursues the path of opening up our country to millions of enthusiastic foreign tourists, who couldn't wait a minute more in heading to Thailand, for all good reasons.

You may want to know, in the post Covid-19 era, where CHG will go from here to ensure growth year after year that will match our stellar performances in the past years. I am proud to say that this can be made possible by the constant increase of new excellence centers, one of which, the Heart and Stroke Center, is now second to none in the field. Other centers like the Hands and Micro surgeries, and various types of Minimal Invasive surgeries, including Radiology and Cancer Center are among the many services that have given CHG the limelight it deserves.

Not to be complacent with the seemingly current joyful national sentiment and regardless of CHG's continued success stories, it's high time that CHG joined the bandwagon of other corporations committed to rising to sustainability level. To do so, we know that full compliance with environmental, social and governance (ESG) standards is absolutely indispensable. At CHG, we have not long ago adopted a policy to toe the path of achieving such goal. The road ahead is still arduous and challenging.

However, communities, far and near our main branches are never out of sight. Our policy has always been to reach out to people in medically underserved communities.

Against all odds, Business Sustainability must be done and it shall be done. We will leave no stone unturned. We focus on conducting business with ethics under the principles of good corporate governance, be responsible to all stakeholder groups and drive business towards sustainability. Some of the ongoing actions are waste management, water and wastewater management, energy management and climate change management.

The catch word I want to leave is: CHG is nothing if we can't keep our promises to achieve eventual sustainable goal, adhering fully to ESG compliance. I may also add that ESG is for every human soul to live by and to live for. Everyone is duty-bound to safeguard it for the future generations. My dear shareholders, please do your part to help make this world a better place to live for eventual sustainability.

Yours sincerely,



**Kriengsak Plussind**

Chairman



## Message from CEO



### Dear Shareholders,

As we reflect on the year 2022, we are pleased to report that we have seen a significant decrease in the severity of COVID-19, thanks to the tireless efforts of healthcare professionals and the general public in following safety protocols and getting vaccinated. While we recognize that we are still facing the challenges of the pandemic, we remain optimistic about the future and the opportunities that lie ahead.

We are grateful for the dedication and excellence of our healthcare professionals, who have served our patients tirelessly, particularly during the past two years of the COVID-19 pandemic. Additionally, we extend our gratitude to our investors who have supported us during these challenging times.

The pandemic has prompted us to innovate and adapt to the changing needs of our patients, recognizing the need to create new products and processes to better serve our community. Thus, we have invested in health technology startups to enhance our services. One of our key investments is in “Medcury,” a company specializing in digitizing our processes and supporting our new hospital information system, which will improve the consumer experience. Another investment is in “Arincare,” a pharmacy platform that will strengthen our logistic and supply chain, making it easier for patients to order medicine under the supervision of a pharmacist.

We take pride in providing exceptional patient care and are thrilled to highlight our star services for 2022. One of our most notable services is the Chularat Heart Center, which has four centers and serves more than 7,000 cardiac patients. Our Stroke Center is another standout service that offers a new innovation called “mechanical thrombectomy,” decreasing the chances of a patient becoming handicapped or immobilized after a stroke. Finally, our Gastric Sleeve Center has been instrumental in helping obese patients achieve a better quality of life, reducing the chances of diabetes, hypertension, and other health complications associated with obesity.

Looking forward, we remain committed to improving our products and services while adhering to our policy of sustainability. We recognize the need to care for the environment, and by doing so, we can boost our sustainability and continue to provide high-quality medical care for years to come. We remain committed to the continuous development of both our medical and non-medical teams, providing opportunities for growth and advancement to improve patient care and satisfaction.

As the CEO, I assure our patients that we will continue to provide the best possible medical services, always putting their needs and well-being first. Our motto, “You are my family, we care,” reflects our commitment to treating our patients like our own family, providing them with the same care and attention that we would want for ourselves.

In conclusion, we are grateful for the opportunity to serve our community and remain committed to providing exceptional medical care while promoting sustainability and caring for our employees and the environment. Thank you for entrusting us with your health and well-being.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dr. Kumpol Plussind', written over a stylized blue line graphic.

**Dr. Kumpol Plussind**

CEO and MD

# The Board of Directors



## 1 Mr. Kriengsak Plussind

- Chairman of the Board of Directors
- Chairman of the Corporate Governance Committee

## 2 Dr. Kumpol Plussind

- Director
- Chief Executive Officer
- Managing Director

## 3 Mr. Apirum Panyapol

- Director
- Chairman of the Corporate Investment and Risk Management Committee

## 4 Dr. Suchai Laoveerawat

- Director
- Executive Committee
- Hospital Director of Chularat 1, 5, Cholvaej
- Corporate Investment and Risk Management Committee

## 5 Dr. Wichit Siritattamrong

- Director

## 6 Ms. Kannikar Plussind

- Director
- Corporate Investment and Risk Management Committee


**7 Mrs. Kobkul Panyapol**

- Director

**8 Mr. Yanyong Amornpitakkul**

- Director
- Nomination and Remuneration Committee
- Corporate Investment and Risk Management Committee

**9 Mr. Manit Jeeradit**

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

**10 Dr. Pinit Kullavanijaya**

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

**11 Mr. Santhat Sanguandikul**

- Director
- Independent Director
- Audit Committee
- Corporate Governance Committee
- Nomination and Remuneration Committee

**12 Mr. Somyos Yan-ubol**

- Director
- Independent Director
- Audit Committee
- Corporate Governance Committee
- Nomination and Remuneration Committee
- Corporate Investment and Risk Management Committee

# Financial Highlights

	Ended 31 December		
	2020	2021	2022
<b>Statement of financial position (Million Baht)</b>			
Total Assets	6,200.78	10,549.69	10,279.98
Total Liabilities	2,007.60	2,708.72	2,416.09
Total Shareholders' Equity	4,193.18	7,840.96	7,863.89
<b>Statement of comprehensive income (Million Baht)</b>			
Revenues from Hospital Operations	5,432.84	11,742.17	10,103.11
Total Operating Income	5,464.48	11,999.45	10,407.68
Cost of Hospital Operations	3,684.54	5,882.49	5,907.99
Administrative Expenses	673.20	821.27	934.88
Profit for the year	852.36	4,267.29	2,850.13
Profit attributable to Equity holders of the Company	876.62	4,204.07	2,778.45


	Unit	Ended 31 December		
		2020	2021	2022
Liquidity Ratio				
Current Ratio	X	1.23	2.67	2.81
Quick Ratio	X	0.72	1.54	1.53
Operating Cash Flow Ratio	X	0.83	2.20	1.31
Account Receivable Turnover	X	5.33	6.87	3.88
Average Collection Period	Day	68.54	53.15	94.00
Inventory Turnover	X	21.68	24.81	21.10
Average Inventory Period	Day	16.84	14.71	17.30
Account Payable Turnover	X	6.26	8.33	6.98
Average Payable Period	Day	58.29	43.81	52.29
Cash Cycle	Day	27.08	24.05	59.01

	Unit	Ended 31 December		
		2020	2021	2022
Profitability Ratio				
Gross Profit Margin	%	32.18	49.90	41.52
EBIT to Net Sale	%	20.37	45.12	35.34
Other Income Margin	%	0.21	0.46	0.37
Operating Cash Flow to EBIT	%	117.24	75.61	73.64
Net Profit Margin	%	16.04	35.03	26.68
Return on Equity	%	22.06	73.62	37.77
Efficiency Ratio				
Return on Assets	%	13.67	50.95	27.37
Return on Fixed Assets	%	29.60	108.74	70.54
Asset Turnover	X	0.88	1.43	1.00
Financial Policy Ratio				
Total Liabilities to Equity	X	0.50	0.36	0.32
Interest-bearing Debt to Equity	X	0.28	0.06	0.11
Interest Coverage	X	31.05	247.78	219.38
Commitment Coverage on Cash Basis	X	1.54	3.50	0.72
Dividend Payout Ratio	%	62.74	15.69	100.96



Section

1

A person in a dark suit is drawing a white line graph on a grid. The graph shows a bar chart with three bars of increasing height, followed by a line that rises sharply. The background is a blurred office with desks and chairs. A red vertical bar is on the right side of the image.

## Business Operations and Operating Results

# 1 Structure and Business Operations

## Business Overview

Chularat Hospital Public Company Limited (the “Company”) was founded in 1986 to operate private hospital with registered capital Baht 1,100 million, consists of 11 subsidiaries operating 14 branches (hospitals and clinics). Chularat Hospital Group service areas cover around Suvarnabhumi International Airport (Eastern Bangkok area) along Bangna-Trad Road to Bangpakong district, Gateway City Industrial Estate, Chachoengsao-Phanom Sarakham Road, Muang district in Chachoengsao province, along 304 highway to Prachinburi province, downtown in Chonburi province, Aranyaprathet Sa-Kaeo province and Muang district in Rayong province with total registered 793 beds. In 2020, the Company resolved the construction of Shewarat Hospital (formerly Suvarnabhumi Cancer and Radio Therapy Center, expected to be operational in 2023). Nowadays, the hospital group can support outpatients (OPD) more than 7,500 cases per day, in line with the Company’s goal to be the best private hospital in the eastern region and grow together with the expansion of businesses and industrial sectors. In 2019, the Company resolved to invest in Ruampat Mae Sot International Company Limited to operate private hospital in Mae Sot district, Tak province (expected to be operational in 2023).

In 2021, the Company has started a significant role by collaborating with the government to provide public health services to people in the area in several projects as follows.

- The Company has established **3 Comprehensive Heart Centers in 3 public hospitals:** Heart Center at Sirindhorn Hospital (located in eastern Bangkok), Heart Center at Samut Prakan Hospital (provincial-level public hospital) and Heart Center at Rayong Hospital (provincial-level public hospital), which all 3 Heart Centers are

located in the Group’s area (Bangkok and the East). In 2022, all 3 Heart Centers are ready to provide full-service to patients. This collaboration is considered as a cooperation in caring for heart disease patients, using our expertise and potential to help reduce people's mortality rate and help people to have an access to timely and quality treatment.

- The Company has provided **Hospital Management Service to Pattaya City Hospital and Koh Larn Medical Center** (under the supervision of Ministry of Interior). The Company has brought its expertise in hospital management to continuously develop and improve the process and system of the public hospitals. In addition to our intention to provide quality healthcare services to people in the area, this also helps expanding the Company’s customer base covering the eastern region.

The Company has established and operated Stroke Center at Chularat 3 International Hospital located in Samut Prakan province to provide services 24 hours a day, including receiving referrals from all hospitals, both public and private, both in the eastern area and surrounding areas. In 2022, the referrals were expanded to cover central and western regions, covering 14 provinces. This would help patients with cerebrovascular disease (Stroke) to receive the treatment in time, thus help reducing the disability rate, allowing the patients to live normally and having a good quality of life.

In 2023, the Company has planned to open Radiology and Cancer Center, located next door to Chularat 3 International Hospital. This Cancer Center is considered as the first comprehensive cancer center in Samut Prakan province, providing both radiotherapy and chemotherapy treatment.



For the COVID-19 related services in 2022, the Management reconfirmed its policy to continue providing its medical treatment and services to COVID-19 patients from 2020 and ready to support the government policies in taking care of COVID-19 patients. In 2021, the Company has collaborated with the hotels in the area providing more than 8,000 additional beds to accommodate the COVID-19 patients with mild symptoms or Green group (Hospitel). In addition, the Company has collaborated with CP and WHA Group to help reduce the workload on government hospitals. This collaboration saw the opening of field hospital in Samut Prakan namely “CP-WHA-CHG Hospital”, fully equipped with medical and supporting team and equipment and functioned like any specialized hospitals, to take care of the COVID-19 patients with severe symptoms or in Yellow and Orange group. There might be some concern regarding the decreased reimbursement rate from the government for the services and treatment provided to the COVID-19 patients. Under the changing COVID-19 situation, the Company has been resilient and well-adjusted to the situation. The Company has always supported the government policies in taking care of the COVID-19 patients.

In 2022, the Company has invested in two (2) start-up companies related to health technology to develop and improve the efficiency of its information systems and operational system, with an objective to upgrade its customer service standard and customer satisfaction, reduce unnecessary processes, reduce resource consumption, reduce repetitive processes and adjust the work process to respond to the behavior of the new generations, both its employees and customers, as well as looking for opportunities to increase online communication channels with targeted group of customers on its products and services that can effectively meet its customers’ need.

From all the above, this shows and emphasizes the Company’s strategic plan which contributes to the significant revenue and earnings growth in 2022. The Company has aimed to have sustainable growth and continue providing the quality treatment services to meet people’s medical needs as well as to support the government policies.

## 1.1 Healthcare Service

The Company has a policy focusing on providing good quality of services by medical professionals in all medical fields with modern equipment to create efficiency, safety and satisfaction of our customers. The Company has several excellent centers certified by various institutions such as Hand Microsurgery Center, Newborn ICU Center, Stroke Center, Heart Center, and Cancer Center. The Company always focuses on quality of treatment and specialist team, enabling the Company to receive both local and international quality standards. Hospitals in the group (Chularat 3 International Hospital, Chularat 9 Airport Hospital and Chularat 11 International Hospital) are certified with the Healthcare Accreditation Institute (HA). In 2014, Chularat 3 International Hospital, the first hospital in the group, received an International Accreditation Standard from Joint Commission International (JCI), USA and reaccredited in 2017 and 2020. (Each accreditation is valid for 3 years.)

The Company provides its services to 2 main types of customers, General patients and Government Welfare patients under the Social Security Office (SSO) and the National Health Security Office (NHSO) for hemodialysis and referral center for heart disease in Samut Prakan province and nearby provinces in the East. Our 9 hospitals and 5 clinics in our groups have covered the eastern areas where customers can easily access to quality medical services and treatments.

## Hospital Operation

In 2022, the Company had 793 IPD beds with a variety of room types such as special VIP rooms, Deluxe rooms, Single Deluxe rooms, Double Deluxe rooms, special 4-bed rooms, special 8-bed rooms, intensive care units (ICU), Critical Care Units (CCU), Neonatal intensive care units (NICU) and baby units, etc. The Company has outstanding services as follows:

- **Orthopedic and Micro Vascular Clinic (Available at CH3)\*:**

provides Hand Microsurgery by the team of well experienced and professional doctors who have expertise, trust and reputation in this field both locally and internationally. This clinic is also a Referral Center - Microsurgery for hospitals in Bangkok and the Eastern region. It is also an education center for specialists from medical schools in the country and from abroad.

- **Neonatal Intensive-Care Unit (NICU) (Available at CH3)\*:**

provides treatment to premature infants with unusual weight by a team of experienced doctors and nurses, enabling them to grow and live normally. The Unit is also a Referral Center for NHSO patients - Region Health 6, Rayong province.

- **Stroke Center (Available at CH3)\*:**

provides diagnosis and treatment for cerebrovascular disease (Stroke) with Mechanical Thrombectomy (MT): the treatment of acute cerebral artery occlusion where the surgeon will insert a small tube into the artery and inject a contrast medium into the artery that feeds the brain and neck while taking X-rays of that area and remove blood clots. MT can reduce the complications, disability and mortality rate of the patients. Moreover, the stroke center also provides rehabilitation care after the operations, especially in Acute Stroke Unit, with professional and well-trained nurses to ensure the best results.

- **Skin Center and Cosmetics Surgery (Available at CH1, CH3):**

provides diagnosis of skin diseases and counseling aesthetic plastic surgery (Breast Augmentation and Rhinoplasty), surgical slimming with VASER and laser treatment of skin types, including injection treatment with Botox and fillers certified by FDA and high quality skin care products for all skin types.

- **Minimally Invasive Surgery - MIS**

- **MIS - Brain and Spine (Available at CH3):**

provides diagnosis and treatment of various brain diseases, including brain tumors, head accident as well as neurosurgery with laparoscopic surgery which have small wounds and fast recovery. MIS - Brain and Spine is also used to treat spinal diseases as well, where neck and back pain are common problems. The pain may be caused by abnormalities of various organs, started from the outside such as the skin or muscles, and deep down to the inside such as the spine and intervertebral discs. Techniques used by Brain and Spine Center to treat spinal diseases shall be carefully selected and determined to ensure the best suit for the patient's disease characteristics to reduce pain, the risk of infection and shorten the recovery time.

- **MIS - Sleeve Gastrectomy (Available at CH3, CH9, CH11, CH Cholvaej and CH Rayong):**

provides consulting services and gastric surgery. MIS - Sleeve Gastrectomy is an alternative way internationally accepted to lose weight urgently and is considered as the treatment of chronic diseases caused by obesity. With current technology, Gastrectomy can be performed laparoscopically with pinhole size wound on the skin, less pain, safe and fast recovery.

- **Comprehensive Heart Center (Available at CH3 and 3 Public Hospitals)\*:**

The Company has high potential to treat patients with coronary artery disease and heart disease. In 2010, Chularat 3 International Hospital began **Open Heart Surgery** and opened a **Comprehensive Heart Center** in the first quarter of 2013. The scope of services includes EKG Ultrasound, Percutaneous Transluminal Coronary Angiography (PTCA) and Cardiac Surgery with high complexity. The Unit is also a Referral Center of the NHSO and SSO patients. In 2015, The Company opened Heart Center Arrhythmias with Cardiac Electrophysiology Lab, the first private hospital in this region. The Company has added Enhanced External Counter Pulsation (EECP) Innovation in the treatment of heart patients who cannot have surgery and Cardiac MRI Scan in case of a complex disorder for evaluation before the surgery. The Group has expanded its potential in comprehensive heart care services to 3 government hospitals to provide heart disease treatment to Thai people (healthcare accessibility) and reduce the mortality rate from heart disease.

- **Integrated Cancer Center (Available at CH3, CH9)\*:**

provides diagnosis and a wide range of cancer treatments and methods by specialized doctors, oncologist and skilled nurses in a relaxed atmosphere, including **(1) Chemotherapy** - provides advices on preparation for chemotherapy, closely monitor and assess the side effects during the treatment. **(2) Targeted Therapy** - Cancer treatment targets directly to cancer cells to stop or slow down the growth of cancer cells. This treatment only slightly affects normal cells and allow the patients to have a better quality of life from treatment. **(3) Radiation Therapy** - is a radiotherapy treatment with high safety for patients and precise computerized treatment planning supervised by a team of doctors, physicists, radiology technicians. and skilled nurses.

- **Prostate Cancer Center using Brachytherapy (Available at CH3):**

In 2014, the Company provides treatment of prostate cancer using iodine 125 brachytherapy without surgery, an alternative way with better treatment without any complication as the normal surgery does, by the well-known and experienced doctor from the United States.

- **The New Baby Fertility Center (IVF Center, Available at CH11)\*:**

Established in 2017, Fertility Center provides the complete subfertility services to helps couples to overcome obstacles caused by factors affecting infertility by providing a thorough counselling with several investigations including endoscopic surgeries, blood test, hormonal assay, etc. The goal of treatment is pregnancy. Our medical doctors are specialized and well experienced in reproductive medicine and endoscopic surgery with certified training from Thailand and abroad. All professional scientists are certified to give the sophisticated egg, sperm, In Vitro Fertilization (IVF), Intracytoplasmic Sperm Injection (ICSI), Embryo culture, freezing gametes and embryos. With the new technology to check chromosome of embryo, such as next generation sequencing (NGS), our nurse counsellor & coordinator will give the couple the complete medical services with good standard of care.

- **Suvarnabhumi Eye Center (Available at CH1)\*:**

Started in 2017, Suvarnabhumi Eye center specializes in all areas of eye care, providing a complete range of examination, treatment and surgical options for all conditions and for patients of all ages. Our team of experienced ophthalmologist and optometrists are well trained, certified within the field of medicine to diagnose and manage all eye diseases with the new medical technology and equipment.

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\* **Note :** CH3 means Chularat 3 International Hospital.  
CH9 means Chularat 9 Airport Hospital.  
CH11 means Chularat 11 International Hospital.

## Other Businesses

### (1) Import and Distribution of Medical Devices

Thai Amdon Company Limited (“Thai Amdon”), a subsidiary of the Company, imports and supplies surgical and medical equipment such as electric surgery beds, heart rate counter and oxygen saturation equipment, etc. Presently, most medical devices and equipment imported by Thai Amdon are distributed to hospitals and clinics in the Group. The procurement of such medical equipment is performed according to procurement guidelines under normal market conditions.

### (2) Thai Traditional Medicine and Beauty services

The Company provides spa services under the name “Chularat Thai Traditional Medicine”, providing Thai Traditional Massage by expert staff. In addition, the Company also provides beauty and laser treatment under the name “Chularat - Renoir Beauty and Laser Center”.

### (3) Patient Assistant Training Center

The Company also operates Patient Assistant Training Center under “Chularat Inter Health” (CIH) to produce supporting personnel for the expansion of Chularat Hospital Group.

### The Performance of hospitals and clinical services as of 31 December 2022

Company	Registered Capital (Million Baht)	Shareholding Ratio (Percentage)	Type of business	Number of beds
Chularat Hospital Public Company Limited	1,100	-	Provide Medical Services under the trade name of: <ul style="list-style-type: none"> <li>Chularat Suvarnabhumi Clinic (Chularat 1)</li> <li>Chularat 2 Medical Clinic</li> <li>Chularat 3 International Hospital</li> <li>Chularat 5 Medical Clinic</li> </ul> <b>Total</b>	26 - 237 26 <b>289</b>
Convenience Hospital Company Limited	500	100	Provide Medical Services under the trade name of: <ul style="list-style-type: none"> <li>Chularat 7 Medical Clinic</li> <li>Chularat 8 Medical Clinic</li> <li>Chularat 9 Airport Hospital</li> </ul> <b>Total</b>	- - 139 <b>139</b>
Bangpakong Vejchakij Company Limited <sup>(1)</sup>	800	100	Provide Medical Services under the trade name of: <ul style="list-style-type: none"> <li>Chularat 11 International Hospital</li> <li>Chularat 12 Medical Clinic</li> </ul> <b>Total</b>	141 - <b>141</b>

Company	Registered Capital (Million Baht)	Shareholding Ratio (Percentage)	Type of business	Number of beds
Chularat Arkanay Hospital Company Limited <sup>(2)</sup>	500	70	Provide Medical Services under the trade name of: • Chularat 304 International Hospital • 304 Medical Clinic <b>Total</b>	59 - <b>59</b>
Cholvaej Hospital Company Limited <sup>(8)</sup>	200	98.04	Provide Medical Services under the trade name of “Chularat Cholvaej Hospital” <b>Total</b>	56 <b>56</b>
Sattayabutr International Company Limited <sup>(3)</sup>	100	100	Provide Medical Services under the trade name of “Chularat Rayong Hospital” <b>Total</b>	50 <b>50</b>
Ruampat Chachoengsao Hospital Company Limited <sup>(4)</sup>	600	64.58	Provide Medical Services under the trade name of “Ruampat Chachoengsao Hospital”. <b>Total</b>	59 <b>59</b>
Chularat Phreak Sa Hospital Company Limited <sup>(5)</sup>	1	100	Acquisition of land for future expansion. <b>Total</b>	- -
Shewarat Hospital Company Limited <sup>(6)</sup>	1	100	Acquisition of land for future expansion. <b>Total</b>	- -
Ruampat Mae Sot International Company Limited <sup>(7)</sup>	400	90	Acquisition of land for future expansion. <b>Total</b>	- -
<b>Total Company and subsidiaries</b>				<b>793</b>

**Note :** <sup>(1)</sup> The registered capital of Bangpakong Vejchakij Company Limited increased from Baht 500 million to Baht 800 million on December 22, 2016.

<sup>(2)</sup> The registered capital of Chularat Arkanay Hospital Company Limited increased from Baht 300 million to Baht 500 million on December 23, 2015. On January 29, 2016, the Company reduced the shareholding ratio from 100% to 70% by selling shares to local investors. On June 12, 2018, Chularat 304 Medical Clinic was registered as Chularat 304 International Hospital, operated by Chularat Arkanay Company Limited. Chularat 304 Medical Clinic was registered in December 2020.

<sup>(3)</sup> The Company acquired a subsidiary - Sattayabutr International Company Limited on March 1, 2016 and increased the registered capital from Baht 30 million to Baht 100 million on December 12, 2017.

<sup>(4)</sup> Ruampat Chachoengsao Hospital Company Limited was established on June 16, 2016. The Company held the shares by 64.58% and the rest belonged to local investors (Doctors, nurses and medical personnel).

<sup>(5)</sup> Chularat Phreak Sa Hospital Company Limited was established on September 8, 2016.

<sup>(6)</sup> Shewarat Hospital Company Limited was established on March 20, 2018. The Company name upon registration was Nawattaosot Suvarnabhumi Hospital Company Limited. On April 20, 2018, the Company name was changed to Cancer Suvarnabhumi Company Limited. On February 28, 2020 the Company name was changed to Shewarat Hospital Company Limited.

<sup>(7)</sup> Ruampat Mae Sot International Company Limited was established on November 27, 2019. On June 29, 2021, the registered capital increased from Baht 1 million to Baht 400 million and increased the shareholding ratio from 80% to 90%, the rest 10% shares held by the existing shareholders who are doctors.

<sup>(8)</sup> The registered capital of Cholvaej Hospital Company Limited increased from Baht 100 million to Baht 200 million on May 18, 2021.



## Details of other business

Company	Registered Capital (Million Baht)	Shareholding Ratio (Percentage)	Type of business
Chularat Hospital Public Company Limited	1,100	-	<ul style="list-style-type: none"> <li>• Full-service spa namely “Chularat Thai Traditional Medicine”</li> <li>• Beauty and laser treatment namely “Chularat Renoir Beauty and Laser Center”</li> <li>• Patient Assistant Training Center namely “Chularat Inter Health”</li> </ul>
Thai Amdon Company Limited <sup>(1)</sup>	200	100	<ul style="list-style-type: none"> <li>• Imports and supplies surgical and medical equipment</li> <li>• Distributes Beauty Vitamins and Dietary Supplement</li> </ul>
CHG Holding Company Limited <sup>(2)</sup>	143	100	<ul style="list-style-type: none"> <li>• Invest in Health Technology Business</li> </ul>

**Note :** <sup>(1)</sup> Thai Amdon Company Limited registered to add more purposes on November 9, 2015. The registered capital of Thai Amdon Company Limited increased to Baht 200 million on October 3, 2022.

<sup>(2)</sup> CHG Holding Company Limited was established on October 11, 2022. The registered capital increased to Baht 143 million on 3 November 2022.

### 1.1.1 Goals, Vision, Mission, Values and Objectives of the business

#### Goals

The Company has set a goal to become a leading private hospital with Good Corporate Governance under the concept of “The Star of the East” with an outstanding growth in healthcare industry, medical innovations, personnel development, and environmental cares. The Company aims to be a learning organization in the East and Samut Prakan province and the areas with medical needs and to be recognized by the customers in terms of good service quality, emphasizing on customer satisfaction (Patient Focus) with a fair price and the safety of the customers (Patient Safety). Moreover, the Company strives to grow together with the growth of the private businesses and the industries in the East and Samut Prakan province, focusing on service network expansion and service quality improvement through the Excellence Centers.

The Board of Directors and management determined the vision, mission, values and objectives as follows:

#### Vision

- Chularat Hospital Group is a leading healthcare service provider in Tertiary care, emphasizing on Excellent Centers, Specialized Clinics and focusing on international hospital quality standards of Joint Commission International (JCI), an accreditation standard of the United States and local hospital quality standards of The Healthcare Accreditation Institute (HA).
- To become a well-known chain hospital with sustainable growth and efficient network management.
- Adherence to the ethics of the profession. To be loved and trusted by the patients forever.

## Mission

1. Providing standard treatment to customers and ensuring customer satisfaction
2. Creating employee awareness to protect environment (Environmental Care) and aiming to be green Hospital.
3. Promoting quality of life in community (Community's Well Being)
4. Creating happiness among employees

## Core Values – iCARE

CHG Core Value | **iCARE** for Long Term Sustainability

- I Innovation** นวัตกรรมใหม่
- C Care our (CREP)**
  - Care our Customer ลูกค้ำที่มาใช้บริการในโรงพยาบาล
  - Care our Reputation ลูกค้ำภายใน ในกระบวนการทำงาน
  - Care our Environment คนที่เรายกให้มาทำงานกับเรา
  - Care our Reputation รักษาชื่อเสียงองค์กร
  - Care our Environment ดูแลสิ่งแวดล้อม
  - Care our People ดูแลสังคม
- A Accountability** มีความรับผิดชอบ ทำให้เกิดความน่าเชื่อถือ
- R Reform** พร้อมทั้งจะเปลี่ยนแปลงสู่อนาคต
- R Ethic** จริยธรรม



## Objective

Focusing on primary, secondary and tertiary medical cares with international quality standards to meet the needs of the community with efficient network management and development. To be a leader in providing an outstanding medical logistics network in the eastern area under the concept of “The Star of the East” and the areas with medical needs.

## 1.1.2 Changes and Developments

### 2020

- **February 2020**, Suvarnabhumi Cancer Company Limited was changed to Shewarat Hospital Company Limited.
- **September 2020**, Chularat 3 International Hospital received an honorary award “Favorite Hospital 2020” from Social Security Office, the Ministry of Labor on the occasion of 30th Anniversary of Social Security Office (SSO) at the Social Security Office, Tiwanon Road, Nonthaburi.
- **October 2020**, Chularat 3 International Hospital re-accredited with Joint Commission International (JCI) Standard. (3<sup>rd</sup> Reaccreditation). Each reaccreditation would valid for 3 years.
- **November 2020**, Chularat Hospital Group was awarded with “Thailand’s Top Corporate Brand 2020-Healthcare Service” from the Faculty of Commerce and Accountancy, Chulalongkorn University together with the Stock Exchange of Thailand (SET), an award for a qualified brand with value and long term sustainability. Through the lengthy research together with the Corporate Brand Success Valuation (CBS), the Company eligible for this award shall have a corporate brand value of 5,000 million Baht or more, listed on the Stock Exchange of Thailand (SET) at least 3 years and possessed “Very Good or Excellence” score on Corporate Governance. 2 consecutive years since 2019.
- **December 2020**, Chularat Hospital Group was nominated for an award “Best in Sector : Healthcare” by IR Magazine.
- **December 2020**, Chularat Arkanay Company Limited registered to open 304 Medical Clinic.



## 2021

### January 2021

- Chularat 304 International Hospital provided its medical treatment to Social Security patients and opened 304 Medical Clinic.
- Chularat 11 International Hospital provided Hospital Management Service to Pattaya City Hospital.

### February 2021

- Chularat 9 Airport Hospital was re-accredited with HA Certificate Step 2. (9<sup>th</sup> Reaccreditation).

### April 2021

- Chularat 3 International Hospital started operating Heart Center (Cardiovascular Center) at Sirindhorn Hospital, Medical Service Department, Bangkok to provide medical services and treatments to patients with heart disease and ischemic heart disease.

### May 2021

- Chularat Cholvaej Hospital increased registered capital from Baht 100 million to Baht 200 million.
- Chularat 3 International Hospital participated and discussed the measures and guidelines to support Social Security members during the COVID-19 pandemic at the Social Security Office, with an agenda to provide beds in hospital to accommodate the SSO patients infected with the COVID-19 and donated 400,000 surgical masks in "Fight COVID-19 Project" to the Social Security Office, Ministry of Labor.

### June 2021

- Ruampat Mae Sot International Company Limited increased registered capital from Baht 1 million to Baht 400 million. Chularat 3 International Hospital invested in Ruampat Mae Sot International Company Limited, Mae Sot District, Tak Province by holding 90% share and the rest 10% held by existing shareholders who are doctors.

### September 2021

- Chularat 3 International Hospital started operating Heart Center (Cardiovascular Center) at Samut Prakan Hospital to provide medical services and treatments to patients with heart disease and ischemic heart disease.
- Chularat 3 International Hospital received an honorary award "Favorite Hospital 2021" from Social Security Office, the Ministry of Labor.

### October 2021

- Chularat 3 International Hospital collaborated with CP and WHA Group to open specialized field hospital namely "CP-WHA-CHG Hospital" to accommodate the COVID-19 patients in Yellow and Orange group with bed capacity of 639 at WHA Mega Logistics Center – Chonlapharnpichit KM.4, Samutprakarn.

### November 2021

- Ruampat Chachoengsao Hospital (RPC) was re-accredited with HA Certificate Step 2. (25 November 2021- 24 November 2022.)
- Ruampat Chachoengsao Hospital (RPC) started the construction of 12-storey car park building (capacity 400 cars), expected to finish in April, 2022.

### December 2021

- Chularat Hospital Group was awarded with "Thailand's Top Corporate Brand 2021 -Healthcare Service" from the Faculty of Commerce and Accountancy, Chulalongkorn University together with the Stock Exchange of Thailand (SET). 3 consecutive years since 2019.
- Chularat 3 International Hospital started operating Heart Center (Cardiovascular Center) at Rayong Hospital to provide medical services and treatments to patients with heart disease and ischemic heart disease.

2022

**August 2022**

- Chularat 3 International Hospital was awarded with the “Best Medical Utilization Award” from AIA Thailand Company Limited.

**September 2022**

- Chularat 3 International Hospital received an honorary award “Favorite Hospital 2022” from Social Security Office, the Ministry of Labor.

**October 2022**

- Chularat 11 International Hospital was re-accredited with HA Certificate Step 3. (4<sup>th</sup> Reaccreditation).
- Chularat 3 International Hospital won 3 awards from SET Awards 2022 – Business Excellence : Outstanding Company Performance Awards, Outstanding CEO Awards and Best Company Performance Awards (SET market capitalization of over THB 30 billion but not more than THB 100 billion) from the Stock Exchange of Thailand (SET).
- Thai Amdon Company Limited increased registered capital to Baht 200 million on October 3, 2022.

**November 2022**

- Ruampat Chachoengsao Hospital (RPC) was re-accredited with HA Certificate Step 2. (2<sup>nd</sup> Reaccreditation)
- Chularat 3 International Hospital established CHG Holding Company Limited. The registered capital increased to Baht 143 million on November 3, 2022

2023

**January 2023**

- Chularat 3 International Hospital collaborated with business partners and invested in Healthcare Technology business.

**1.1.3 Information regarding the use of money from fund raising**

Information regarding the money from each equity and debt securities (Bond) offerings

In 2022, the Company does not raise fund from equity and debt securities offerings.

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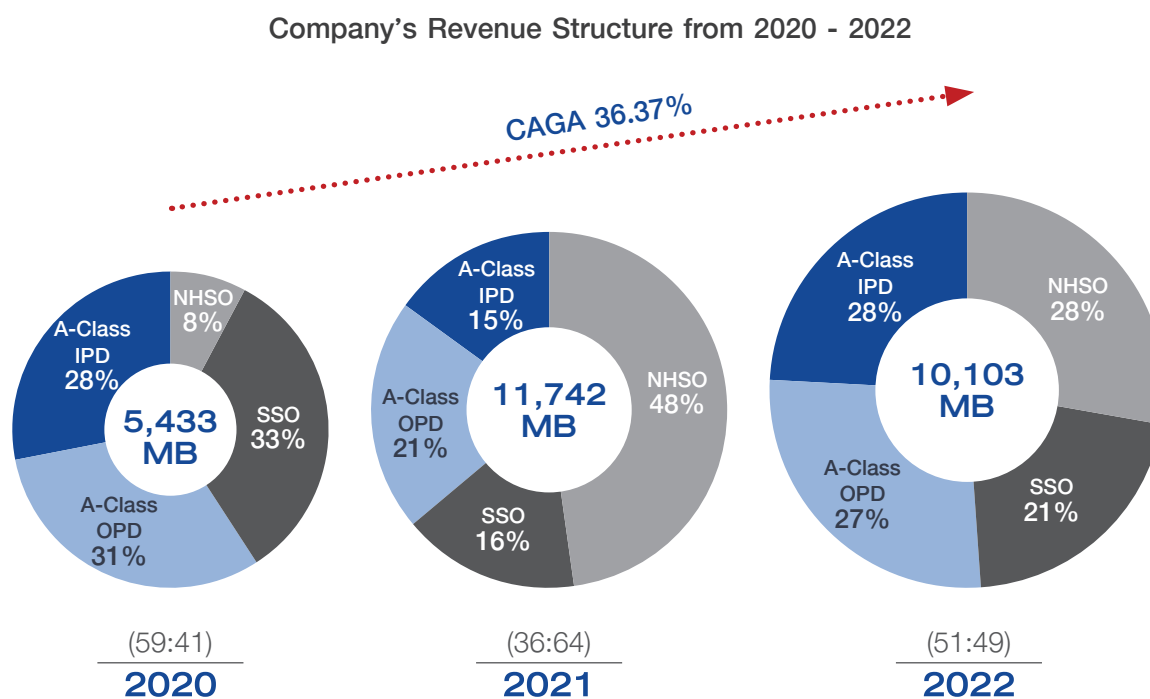
**Note :** The Ministry of Public Health Act regarding characteristic of clinic and type of services 2002, determining health facilities that doesn't take overnight patients as “outpatient clinic”, health facilities that take less than 30 overnight patient as “clinic” and health facilities that take more than 30 overnight patient as “hospital”.

## 1.2 Business Operation

### 1.2.1 Revenue Structure

The Company's revenues has grown steadily from 2020-2022 as shown below.

**Figure 1:** Revenue of the Company from 2020-2022



Income from Hospital Operations	Fiscal year, ending on 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Income from general patients</b>						
Income from outpatients (OPD)	1,688.37	31.1	2,458.24	20.9	2,769.35	27.4
Income from inpatients (IPD)	1,519.86	28.0	1,764.13	15.0	2,390.78	23.7
<b>Total income from general patients</b>	<b>3,208.23</b>	<b>59.1</b>	<b>4,222.37</b>	<b>36.0</b>	<b>5,160.13</b>	<b>51.1</b>
<b>Income from governmental welfare schemes</b>						
Social Security scheme	1,811.20	33.3	1,928.10	16.4	2,148.62	21.3
Other governmental schemes	413.41	7.6	5,591.69	47.6	2,794.36	27.7
<b>Total income from governmental welfare schemes</b>	<b>2,224.61</b>	<b>40.9</b>	<b>7,519.80</b>	<b>64.0</b>	<b>4,942.98</b>	<b>48.9</b>
<b>Total income from hospital operations</b>	<b>5,432.84</b>	<b>100.0</b>	<b>11,742.17</b>	<b>100.0</b>	<b>10,103.11</b>	<b>100.0</b>

## 1.2.2 Products and Service

Chularat Hospital Public Company Limited (“The Company”), operating private hospital business, consists of 6 subsidiaries which are:

- 1) Convenience Hospital Company Limited
- 2) Bangpakong Vejchakij Company Limited
- 3) Chularat Arkanay Hospital Company Limited
- 4) The Cholvaej Hospital Company Limited
- 5) Sattayabutr International Company Limited
- 6) Ruampat Chacheongsao Hospital Company Limited

Chularat Hospital Group’s service coverage are around Suvarnabhumi International Airport, Pravet and Lat Krabang districts (Eastern Bangkok area), along King-Kaew Road and Teparak Road in Bangplee district in Samut Prakan province, extend to Bangna-Trad Road to Bangpakong district and Gateway City Industrial Estate on Chachoengsao-Phanom Sarakham Road in Muang district in Chachoengsao province, along 304 highway to Srimahaphot district in Prachinburi province, downtown in Chonburi province and Aranyaprathet district in Sa-Kaeo province. In 2016, the Company added new hospital in Rayong province. The Company added new branch in Prachinburi province in 2018. Chularat Hospital Public Company Limited (CHG) has a total of 14 branches: 9 hospitals and 5 clinics with a total of 793 registered beds.

The Company always focuses on quality of treatment and specialist team. Hospitals in the group are certified by Thailand and International Quality Standards such as The Healthcare Accreditation Institute (HA) and Joint Commission International Accreditation (JCI). In 2014, Chularat 3 International Hospital is the first JCI- accredited hospital in Samut Prakan province, completed 2<sup>nd</sup> re-accreditation in 2017 and 3<sup>rd</sup> re-accreditation in 2020. (Each accreditation is valid for 3 years.).

The Company provides its services to 2 main types of customers, General patients and Government Welfare patients: the Social security Office (SSO) and the National Health Security Office (NHSO), where the Company (CHG) only acts as a referral center for hemodialysis and heart disease in Samut Prakan province and nearby provinces in the East.

## 1. Medical Services and Innovations

Hospitals in the Group provide medical services and treatments to patients by specialists in each field using effective tools and medical devices. The services of the group can be categorized as follows:

### 1) Medical Clinic

- **General Medical Clinic (Available at CH1, CH3, CH5, CH9, CH11, CH304, CH Cholvaej, CH Rayong, RPC):\*** provides general medical services and patient care clinics, such as diabetes, high blood pressure, high cholesterol, etc.
- **Internal Medicine Clinic (Available at CH3, CH9, CH11, CH304, CH Rayong, RPC) \*:** provides treatment and care of patients with the internal medicine diseases such as cardiovascular disease, gastrointestinal tract, skin diseases, cancer, infectious diseases, respiratory diseases, arthritis and rheumatic diseases, endocrine system disorders, brain and nervous system disease, kidney disease, allergies, blood diseases, etc.

### 2) Surgery Clinic

- **General and Specialized Surgery Clinic (Available at CH3, CH9, CH11, CH304, CH Rayong, RPC)\*:** provides diagnosis and treatment of general surgery, including laparoscopic surgery, Hand and micro surgery, Orthopedics surgery, Neuro and Brain Surgery, Maxillofacial Surgery, Plastic Surgery, Urological

Surgery, Cardiovascular Surgery, Surgical Oncology, Gynecological Cancer Surgery, General Cancer Surgery, Breast Surgery, Ophthalmology Surgery, ENT Surgery, etc.

**3) Integrated Heart Center (Available at CH3)\***

**4) Comprehensive Radiology and Cancer Center (Available at CH3, CH9)\***

**5) Other Clinics and Medical Centers**

- Neonatal Intensive Care Unit (NICU) (Available at CH3)\*
- 24-hour Pediatric Clinic (Available at CH3, CH9)\*
- Stroke Center (Available at CH3, CH9)\*
- Allergy Clinic (Available at CH3)\*
- ENT Clinic (Available at CH3, CH9, CH11)\*
- Eye Laser Center (Available at CH3)\*.
- Dental Center namely “Dr.Dentist” (Available at CH1, CH3, CH5, CH9, CH11)\*
- Obstetrics – Gynecology Clinic (available at CH3, CH9, CH11):\*
- Gastrointestinal and Liver Center (Available at CH3, CH9, CH11)\*
- Colon and Rectum Center (Available at CH3, CH9, CH11)\*
- Dissolution of gallstones and urinary tract Center (Available at CH3, CH9)\*
- Dialysis Center (Available at CH3, CH9, CH11)\*

- Physiotherapy Clinic (Available at CH3, CH9, CH11)\*
- Orthopedic Clinic (Available at CH3, CH9, CH11)\*
- Gastric Sleeve Clinic (Available at CH3, CH9, CH11, CH Cholvaej and CH Rayong)

**6) 24-hour Emergency Care Center (Available at CH3, CH9, CH11)\***

**7) Check-up Center**

**8) X- ray Mobile Check-up**

**9) Occupational Medicine Center**

**10) Laser and Beauty Center (Available at CH3)\***

**11) Fertility Center & IVF Clinic (Available at CH11)\***

**12) Eye Center (Available at CH1)\***

## Competency for Medical Services

As of 31 December 2022, the Company has the capability to provide medical services with service utilizations base on customer groups as follows:

**1) Number of visits and the number of beds**

Out-Patient Department (OPD) is assessed by the number of treatment rooms, whereas In-Patient Department (IPD) is assessed by the number of beds. The Company’s service capability as of 31 December 2022 is as follows:

Hospital / Branch	No. of OPD Room	No. of IPD Bed
<b>Chularat Hospital Public Company Limited</b>		
Chularat 1 Suvarnabhumi Hospital	5	26
Chularat 2 Medical Clinic	2	-
Chularat 3 International Hospital	53	237
Chularat 5 Hospital	5	26
<b>Convenience Hospital Company Limited</b>		
Chularat 7 Medical Clinic	1	-
Chularat 8 Medical Clinic	2	-
Chularat 9 Airport Hospital	31	139
<b>Sattayabutr International Company Limited</b>		
Chularat Rayong Hospital	7	50
<b>Cholvaej Hospital Company Limited</b>		
Chularat Cholvaej Hospital	5	56
<b>Bangpakong Vejchakij Company Limited</b>		
Chularat 11 International Hospital	21	141
Chularat 12 Medical Clinic	2	-
<b>Chularat Arkanay Company Limited</b>		
Chularat 304 International Hospital	14	59
Chularat 304 Medical Clinic	2	-
<b>Ruampat Chachoengsao Hospital Company Limited</b>		
Ruampat Chachoengsao Hospital	20	59
<b>Total</b>	<b>170</b>	<b>793</b>

## 2) Utilization Rate

The occupancy rates for the patients are assessed by the actual amount of services compared with the potential to provide the maximum service and classified into outpatients (OPD) and inpatient (IPD) groups. In 2020, the outpatient utilization rate decreased from 59.6 %t to 61.0% in 2021 and

increased to 70.6% in 2022 mainly due to the impact of the COVID-19 pandemic, while inpatient utilization rate (Bed Occupancy Rate) during 2021-2022 decreased from 81.5% to 73.0% from the decrease in the medical treatments provided to the COVID-19 patients.



## Outpatient

	2020	2021	2022
No. of Diagnosis Room (Average) *	161	167	170
No. of Day	366	365	365
Maximum Capacity (Time) **	4,125,240	4,273,360	4,337,200
No. of date of actual treatment (Time)	2,459,181	2,605,996	3,060,177
<b>Service Rate (%)</b>	<b>59.6</b>	<b>61.0</b>	<b>70.6</b>

## Inpatient

	2020	2021	2022
No. of Bed (Average) *	749	760	793
No. of Day	366	365	365
Maximum Capacity (Bed)	274,134	277,433	289,445
No. of date of actual treatment (Bed)	176,342	226,215	211,173
<b>Service Rate (%)</b>	<b>64.3</b>	<b>81.5</b>	<b>73.0</b>

**Note :** \* The actual number of OPD rooms and number of beds are calculated from the average of the beginning and end of the period.

\*\* The ability to serve the maximum outpatient assessed by the management is about 70 times/room/day.

## Thai Traditional Medicine

With holistic health awareness trend, the Company sees opportunities to grow Thai Traditional Medicine business. Using an area at Chularat 3 International Hospital, the Company opened the hollistic spa service under the name “Chularat Thai Traditional Medicine”, providing Spa services, Thai Massage, and foot massage by specialized staff. Chularat Thai Traditional Medicine opens daily from 10.00 am. to 9.00 pm.

## Medical Devices Procurement and Practical Nursing Assistant Training Business

Thai Amdon Company Limited (“Thai Amdon”), a subsidiary of the Company, imports and supplies medical devices and equipment such as electric beds, heart rate measurement machine and blood oxygen levels calculator, etc. Presently, most of medical devices and equipment imported by Thai Amdon are distributed to hospitals and clinics in the Chularat Hospital Group. However, Thai Amdon is

setting a marketing plan to increase their distribution to other hospitals in the future. The Company also operates a Patient Assistant Training namely “Chularat Inter Health” (CIH) to train personnel to support the future expansion of the Group.

## 2. Marketing and Competition

### a) Marketing Strategy for Key Products and Services

The Company has its marketing policy to provide medical services to all customer groups living in the area around the hospitals and medical clinics. The Company has provided the primary, secondary and tertiary medical services. The Company aims to be a leading private hospital under the concept of “The Star of the East” with easily access by the customers and to be recognized by the customers in terms of quality of service with Patient Focus at a reasonable and fair price (Affordable Price). The Company also aims to grow in line with the business and industry expansions in the East, Samut Prakan



province and the areas with medical needs, focusing on expanding the service network and enhancing the service qualities through its Excellent Centers.

Presently, 3 hospitals in the Group have provided the Secondary Care which are Chularat 3 International Hospital, Chularat 9 Airport Hospital, Chularat 11 International Hospital. The Company also provides the Tertiary Care through its Excellent Centers: Hand Surgery and Orthopedic Clinic, Neonatal Intensive Care Unit (NICU), Heart Center, Comprehensive Cancer Center including clinical treatment of prostate cancer, Stroke Center, Gastric Sleeve Clinic, etc. The Company has a total of 14 branches in the group with service cluster in the eastern area of Thailand, starting from Suvarnabhumi International Airport, Pravet and Lat Krabang districts (Eastern Bangkok area), along King-Kaew Road and Teparak Road in Bangplee district in Samut Prakan province, extend to Bangna-Trad Road, Bangpakong district and Gateway City Industrial Estate, Chachoengsao-Phanom Sarakham Road in Muang district in Chachoengsao province, along 304 highway to Srimahaphot district in Prachinburi province, downtown in Chonburi province and Aranyaprathet district in Sa-Kaeo province. The Company opened new branch in Muang district in Rayong province in 2016 and Muang district in Chachoengsao province in 2018. All hospitals and clinics in the group are located closed to several industrial estate zones in the eastern area of Thailand, including those industrial estate zones in Samut Prakan (Bangplee) province and Bangkok (Lat Krabang).

The Company provides the services to 2 main types of customers, General patients and Government Welfare patients: the Social security Office (SSO) and the National Health Security Office (NHSO), where the Company (CHG) only acts as a referral center for hemodialysis and heart disease in Samutprakarn province and nearby provinces in the East. (CHG is not a primary service provider under NHSO.)

## Types of Customers

### 1) General Patients

- **Cash:** Customers are responsible for the cost of medical treatment on their own. The target group is people with upper-level income whose residence or workplace are close to the location of the hospitals or medical facilities of the Company, or those who have confidence in the quality of the medical services of the Company. The Company focuses on providing a quality service and specialized medical services, including the public relations and marketing activities to the target customers.
- **Corporate Contracts:** A group of customers who receive medical treatment where their organizations have agreements with the Company and the Company will charge directly to the organization. Also, a group of customers with health insurance where the Company will charge directly to the insurance companies. This customer group is likely to grow in accordance with the increasing growth of insurance business and health care trend.
- **Road Accident Victims Protection Act B.E.2535 (1992):** Patients in this group are patients who have road accident and get treatment under Road Accident Victims Protection Act B.E.2535 (1992). Hospitals in the group are located on major roads with high tendency for car accidents: Theparak Road, Kingkaew Road, and Bangna - Trad Road. Therefore, hospitals in the Group provides emergency care to support the patients and able to send an ambulance to the scene in a timely manner. The hospitals will provide treatment to the patients or the aggrieved party of the patients at no charge and will reimburse from the insurance company under this Act.
- **Workers Compensation Fund:** Employees at the factories who have injury due to accidents at work and get the treatment according to the Worker Compensation Fund Act B.E.2537 (1994). The Company's Hand and Micro Surgery Center is well equipped with medical equipment and experienced and professional team to support

the injured persons on hand injuries and organ transplantation using microscopy (Micro Surgery). The Company will provide the treatment at no charge and will reimburse the treatment cost from the Compensation Fund.

## 2) Government Welfare Scheme Patients

- **Social Security Office (SSO):** The Social Security Act B.E.2533 (1990) requires the employee to contribute a certain amount of their monthly wages to Social Security Fund. Such employee can choose one hospital for medical treatment at no charge among the hospitals under Social Security Network. The hospitals under Social Security Scheme will receive the services fees from Social Security Office (SSO) in 2 forms:

1. Fixed Payment (Flat rate, Capitation) per each patient. The rate of 2015 is Baht 1,460 per person per year. In July 2017, SSO increased the payment rate from Baht 1,460 to Baht 1,500 per person per year. In January 2020, SSO increased the payment rate from Baht 1,500 to Baht 1,640 per person per year.
2. Additional fee from other services.

In 2022, an average number of Company's patients under Social Security Scheme is approximately 504,737 persons. With Chularat 3 International Hospital and Chularat 11 International Hospital certified by HA Step 3, the Company can increase the quota of insured person to maximum approximately 562,400 persons. If all expansion projects finish in the future, the Company can request to increase quota of insured person under Social Security. However, the management of the Company has no plans to increase this customer group. The future projects are mainly to serve General patients.

- **National Health Security Office (NHSO):** This group of customers can receive the medical

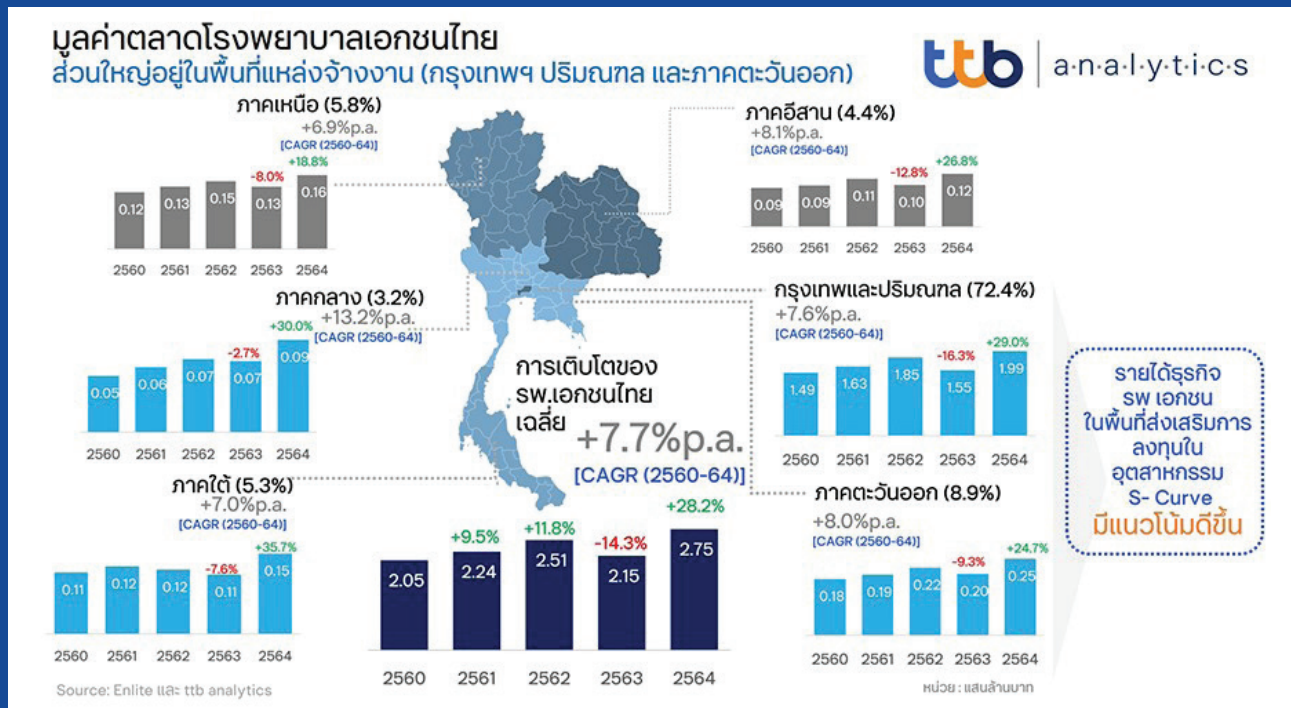
treatment only at Chularat 3 International hospital because Chularat 3 International hospital is a "Referral Center for Heart Disease" in Samut Prakan and nearby provinces to help coping with the lack of specialist doctors in Public and Private Hospitals. The Company will receive the medical service payment from NHSO by the relative weight (RW) method, depending on the area of the referral hospitals (host hospitals) and the additional medical devices provided.

## b) Industry Outlook and Competition

### Overview of the health service business in Thailand

The private hospital industry recovered fast following the COVID-19 outbreak. With the outbreak occurring in late 2019, the government announced a nationwide lockdown, restricting travel and not allowing foreigners to enter the country in order to prevent a widespread outbreak. As a result, Thais and foreigner are unable to receive medical treatment in private hospitals, leading income to fall by more than 14.3% in 2020. However, when COVID-19 vaccination covers the majority of the country's population. As a consequence, the government eased the restrictions. Private hospitals have benefited from the treatment of COVID-19 patients, causing revenue to turn around and grow 28.2% in 2021.

Thai private hospital business is recovering in all regions, particularly in key employment centers. Although the initial wave of the COVID-19 epidemic reduced private hospital income greatly in 2020, it recovered to normal levels by 2021. Additionally, when considering the past 5 years (2017-2021), it will be found that private hospital business revenue grew at an average of more than 7.7% per year. Even though the private hospital business has been affected by the COVID-19 epidemic, it still tends to grow continuously.



In 2021, private hospital business revenue has recovered in all regions of the country. When delving into the regional, it was found that Bangkok metropolitan region and the eastern region accounted for more than 80% of total revenue from private hospital sector. Due to it is the country's source of employment, Bangkok metropolitan region and the eastern area will grow by 29.0% and 24.7% in 2021, compared to 16.3% and 9.3% in 2020.

TTB Analytics expects that in 2022, revenue from Thai private hospital sector will grow 15% from 2021 with the market value of Baht 320 billion, benefiting from demand from both Thai and foreign markets.

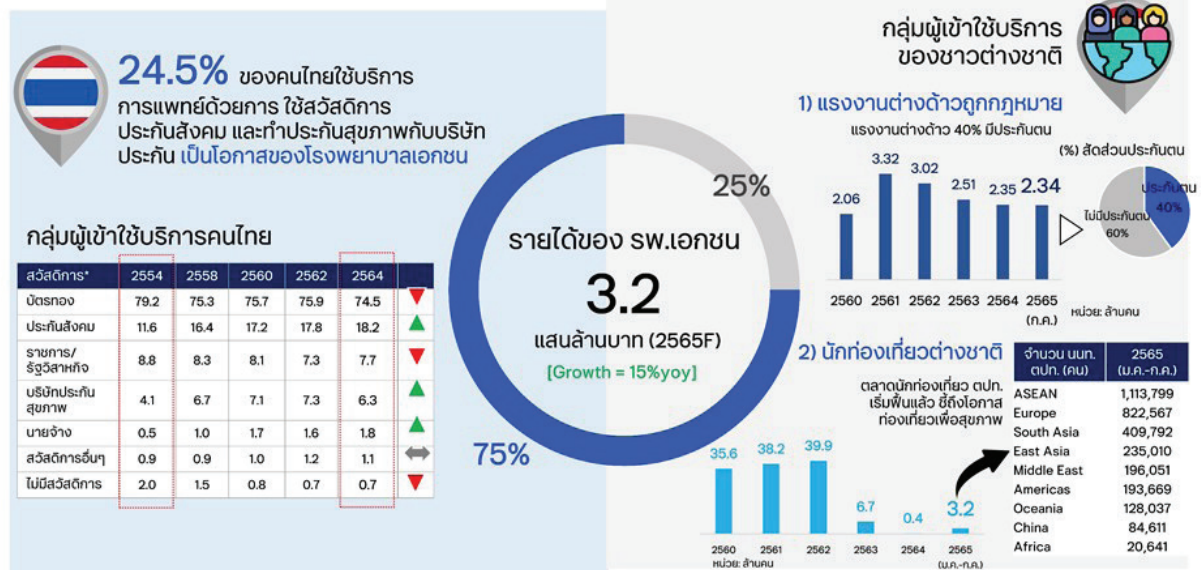
- Thai market:** It is predicted to develop rapidly due to the lack of travel restrictions. Most of Businesses can continue to operate as regularly, allowing the Thai economy to gradually recover. Most people can receive medical care as usual. Nevertheless, private hospitals in Thailand continue to benefit from COVID-19 patients' treatment.

- Foreign market:** Over the past 2 years (2020-2021), there has been a severe contraction due to the restriction on foreigners entering the country. But since the end of 2021, the government has relaxed the country to allow foreigners to enter the kingdom. As a result, the demand for foreigners who want to seek medical treatment in Thailand has started to recover, especially the middle east market. In addition, the capability of domestic enterprises to function as a result, more than 960,000 legal foreign workers who make up 40% of the total number of legal foreign workers are covered by social security. The majority of these individuals live in the Bangkok metropolitan area and the eastern region, where they can access private hospitals for medical care, which boosts their overall revenue in the international market.



## ตลาดโรงพยาบาลเอกชนไทย แยกตามกลุ่มผู้ใช้บริการสถานการณ์ดีขึ้น

ttb analytics



ที่มา: สำนักงานสถิติแห่งชาติ กระทรวงแรงงาน และ ttb analytics หมายเหตุ: \*ประชากร 1 คน สามารถมีมากกว่า 1 สวัสดิการ

Thailand continues to be a global tourist destination, as evidenced by the rapid growth in the number of international visitors after the openness of the nation in the middle of 2022, some of which include **medical tourism (Medical Tourism)**. Throughout the COVID-19 crisis Thailand has seen a sharp decline in medical tourism revenue because of the epidemic's prevention strategies across the world. Specifically, in 2020, the revenue decreased by more than 90%, but eventually began to slowly improve around in 2021. Revenue in 2022 is anticipated to reach 80% of that in 2019 before the COVID-19 crisis, and there is from 2023, the trend will have reached 25 billion baht, the number it was before to the COVID-19 crisis.

Thailand's healthcare system ranks in the top 5 in the world and has the lowest medical cost per capita among the 10 countries. Thailand is recognized as a country with good health care reflected by the Global Health Security (GHS) Index 2021, which is during the COVID-19 epidemic situation. In terms of overall preparedness to combat the pandemic, Thailand is ranked 5th in the world and 1st in Asia. This includes public health systems and compliance to international standards. Also, it was discovered

that Thailand continues to have the lowest medical costs per capita among the top 10 nations, with an average of 296 US dollars annually. While South Korea placed ninth with a 3,406 US dollars' expenditure. Thailand was depicted in medical tourism destinations as having the greatest income in Asia, coming in above of South Korea (415 million US dollar) with 589 million US dollar.

TTB Analytics expects medical tourism revenue to grow at the same level as before the COVID-19 crisis in 2023. During the year 2019 before the outbreak of COVID-19, income from foreign tourists is Baht 1.9 trillion from the total number of foreign tourists of 40 million, including foreign tourists who travel to Thailand for medical treatment along with tourism. In this regard, the overall revenue projection is taken from the revenue of private hospitals serving foreign patients, which accounts for about 15% of total revenue, making medical tourism revenue in 2019 approximately Baht 24.7 billion, and the revenue dropped by more than 100% during the COVID-19 crisis. However, the estimated total population for the year 2022 is 10.5 million, and the expected income in the commercial tourism sector is Baht 19 billion, or 80% of the medical income in 2019.

In 2022, when the COVID-19 situation has improved along with the country's 100% opening, this will result in an increase in foreign tourists, including tourists who come for medical treatment. The number of foreign visitors to Thailand is predicted to reach 22 million in 2023, with travelers from ASEAN, South Asia, East Asia, and the Middle East leading the way. It has been discovered that these populations are more likely to seek medical attention abroad and can therefore be considered the primary market for medical tourism. Therefore, there is a tendency for revenue to grow continuously, expected at 25 billion baht, which is comparable to the income level before the COVID-19 crisis. Although the total number of foreign tourists is only 50% of the year 2019.

**Wellness tourism and Medical technology** has become the important factors that will fuel future commercial tourist growth. The COVID-19 crisis having passed, the negative economic and social effects have served as a lesson for people all across the world, while new diseases tend to occur all the time. The concept of self-immunity is a trend that has been accepted by people around the world in taking care of their health. The concept of wellness tourism was developed from the necessity to discover a destination that satisfies these requirements. This will displace traditional tourism with high-end travelers with high quality and purchasing power. The strict monetary policy, particularly in major economies like China, the United States, and Europe, where situations like these occur. As a result, travelers who are concerned about their health are more inclined to choose affordable destinations. Consequently, it is considered as a **chance for Thailand to grow as a destination for medical tourism** due to the potentials in many areas, including the capacity of medical staff, hospitals with worldwide accreditation and very affordable medical costs, as

well as modifying visa requirements to entice foreign patients to visit to Thailand for medical care, such as providing long-term visas to foreigners with high spending potential, high-net-worth people or those looking to reside in Thailand after retirement. The latest addition of a 30-day visa-free extension to other nationalities is Saudi Arabia.

**Medical tourism is attracted by the usage of innovative technology**, especially, the Preventive Care is a widespread business with a high growth rate. Regular health check-ups are common since people today focus more on health concerns even when there are no symptoms of sickness. Since early disease detection reduces the chance that a disease will progress to a critical stage. There is currently a group of tourists interested in visiting Thailand in order to use the preventive care service, and the Global Wellness Institute estimates that this sector will expand at an average annual growth rate of 8.1%. The usage of genetic coding technology (Genes) to detect the probability of genetic disease is a relatively new business, but it has significant growth potential. Genetic code testing is an in-depth examination of health information so that examiners can know their health information and treat them in a timely manner. The use of robotic surgery enables precision surgery to be able to perform surgery in hard-to-reach areas and reduce the time spent on surgery. Presently, it appears that more hospitals in Thailand are using robotic technology to aid in surgery, and this trend is expected to continue. The world's medical technology is always evolving, and when employed in the course of therapy, may significantly improve outcomes. It is anticipated that it will assist in attracting a group of medical tourism customers who desire to receive care using the medical technology and who are willing to expend. This is a factor that will contribute to the future expansion of medical tourism in Thailand.

ttb analytics คาดอุตสาหกรรมการท่องเที่ยวเชิงการแพทย์ของไทยฟื้นเร็ว  
โตเฉลี่ย 2.5 หมื่นล้านบาทในปี 2566 หนุนด้วยกระแสการท่องเที่ยวเชิงสุขภาพ  
การพัฒนาใช้เทคโนโลยีทางการแพทย์สมัยใหม่ดูแลสุขภาพเชิงการป้องกัน

ttb | a-n-a-l-y-t-i-c-s

รายได้จากการท่องเที่ยวเชิงการแพทย์ของไทย



ปัจจัยหนุนการท่องเที่ยวเชิงการแพทย์

- ✓ กระแสดูแลสุขภาพหลังวิกฤตโควิด-19
- ✓ การพัฒนาใช้เทคโนโลยีการแพทย์สมัยใหม่
  - การดูแลสุขภาพเชิงป้องกัน (Preventive Care)
  - การใช้เทคโนโลยีตรวจหาลักษณะพันธุกรรม (Genomics)
  - การใช้หุ่นยนต์ผ่าตัด (Robotic surgery)
- ✓ การปรับหลักเกณฑ์วิชาชีพเพื่อดึงดูดชาวต่างชาติที่มีศักยภาพ

ที่มา: การท่องเที่ยวแห่งประเทศไทย และ ttb analytics

According to Krungthai COMPASS, the private hospital industry will obviously rebound in 2022 and still have an opportunity for long-term expansion. The entire income of the private hospital industry is anticipated to increase constantly from year to year by 42.5% in 2022. 2021 tends to be better owing to temporary effects from treating COVID-19 patients and the necessity to address diseases unrelated to COVID-19. In 2022, Thai patients will continue to represent the majority of the customer that utilizes the service. The group of people who purchase health insurance has the capacity to contribute to the funding of private hospitals. Also, it has profited from the country's opening in the

second half of 2022 and the relaxation of travel restrictions that began at the end of 2021, which has allowed for a slow but steady increase in revenue from overseas patients. This benefited the revenue of private hospital groups with a high percentage of foreign patients such as Bumrungrad Hospital (BH), Samitivej (SVH), and Bangkok Dusit Medical Services Group (BDMS). Krungthai COMPASS expected that 8.9 million international visitors would visit Thailand in 2022 which increase from the forecast for the first half of the year. Moreover, it is anticipated that a significant majority of these patients would be foreigners seeking medical care in Thailand which will be advantageous for business.

**Source :** TTB Analytics, Thailand's Medical Tourism Industry recovered as fast as 25 billion Baht in 2023, December 23, 2022.

**Source :** TTB Analytics, Private Hospital Business continues to grow indicates future demand will accelerate in the EEC area and promote medical tourism, September 22, 2022.

**Source :** Krungthai COMPASS, Direction of the private hospital business in 2022, the revenue continues to grow responding to good news, opening the country sending positive signals in 2023, Sujitra Anno, August 30, 2022

## Industry Outlooks

TTB Analytics estimates that by 2023, corporate operations and the country reopening situation will be as usual. It will provide motivation for the growth of the Thai and foreign market. The entire revenue of private hospitals is projected to increase by 8–10%.

**Issues of concern for 2023: The risk factor is inflation while the additional factor is the Baht Depreciation.** Although the private hospital business has recovered, the significant risk to monitor is

rising product prices from increasing energy and food costs. TTB Analytics expects inflation in 2022 to increase by more than 6.7%, and in 2023 it will continue to increase. 2.1%. The raising in minimum wages will have an impact on both the Thai market and international employees in the country. This is a negative aspect of the business in 2023, however the tendency of both depreciation is a good element for the firm in 2023. Due to US Federal Reserve's (FED) rising interest rate policy, money transfers over to the US dollar since it is seen as a security

asset. Uncertainty the value of Thai Baht compared to countries where foreigners live tends to depreciate more, it will encourage foreigners to seek medical care and travel in the country. This is a chance for the overseas market to make more use of medical services.

**TTB Analytics suggested that private hospital sectors should focus on domestic market, social security patients and health insurance in EEC area, including medical tourism from international market.** From the statistical data on the structure of the use of medical welfare of Thai people, it was found that over the past decade (2011-2021), the trend of Thai people using medical services by using social security, welfare and health insurance from insurance companies has increased steadily. At 2021, the proportion of the use of social security, welfare and health insurance together reached 24.5% of the total use of medical welfare, an increase from 15.7% in 2011, indicating increased demand for medical services from workers. More than 11 million people in the social security system and those willing to pay health insurance for sickness protection.

TTB Analytics also advised that **EEC area (Rayong, Chonburi and Chachoengsao) will be the potential area for private hospital sector** as a support base New industrial goals (new S curve) that are important for the country. In 2021, in the EEC area, there are a total of 3,059,193 Thai population, 1,478,343 Thai workers (Section 33), and 244,007 foreign workers. More than 300,000 more workers to support the New S-Curve industry. This is an opportunity for the private hospital business in the domestic market.

**International market** The private hospital industry is expected to profit from the opening of the country. More than 9.5 million international visitors are predicted to visit Thailand by 2022, with the majority coming from Asia, Europe, and the Middle East and in 2023 about 15-20 million visitors are expected to visit Thailand. Before the COVID-19

outbreak, Foreign travelers are the main source of revenue for Thai medical tourism. It is a challenge that the government, travel business operators and private hospital operators will work together to persuade those tourists to return to Thailand and use medical services as before in order to increase revenue from international visitors.

**Krungthai COMPASS forecasts that international travel will resume normalcy in 2023. As a consequence, income from the private hospital industry increased by 19.8 year on year, supported by additional factors such as the recovery of medical tourism.** Customers, particularly international patients from ASEAN, China, Russia, Japan, and the Middle East, will continue to use private hospital services in Thailand since they have confidence in the quality of service. Medical costs and living costs are not too expensive when compared to rivals in the same region. There is also a high level of quality and service which confirmed by 59 JCI accredited hospitals in Thailand, while the key supporting elements, such as an increase in the number of patients and a greater morbidity rate from disease-risking lifestyles, an aging society, and the development of diseases, continue to have an impact.

**Health insurance customers are also vital targets for private hospital revenue in the context of an unstable Thai economy, inflation, and increased living costs.** According to Fitch Solutions data on patient payment methods from private hospitals, the majority of people paid their own hospital expenses, followed by health insurance customers. This is consistent with statistics from the hospital group with the largest market share in the BDMS network. As a consequently, Thai economy is still unstable, and buying power is under pressure from inflation and growing living costs. Customers with health insurance are potential clients who will contribute to the income of private hospitals once the transitory COVID-19 effects and earnings from alternative vaccinations retreated. Expansion of



this customer base requires strategic planning and collaboration with insurance providers in order to develop a policy and improve privileges in using services at the private hospital.

**Thai people are concerned about their health and desire to obtain health insurance. This has a positive effect on the private hospital industry** since the COVID-19 epidemic has encouraged Thai people more conscious of health care illness prevention, including concerns about the burden of increasing medical expenses. As a result, people realize the importance of purchasing health insurance to reduce the risk of having to bear medical expenses that may occur in the future, as well as considering the convenience of using services in private hospitals especially for middle-income customers. This is consistent with the TDRI's estimation of public health expenditures over the next 15 years, which discovered that the eligibility rate for Universal Health Coverage is inversely proportional to income, which means that as income rises, the eligibility rate decreases, and people are willing to pay more to go to a private hospital or buy health insurance for their convenience.

When total health insurance rates were compared between the first half of 2019 (before the COVID-19 crisis) and the first half of 2022, it was discovered that the first half of 2022 had a total health insurance rate that was 1.3 times higher than the first half of 2019. On the other hand, Krungthai COMPASS advised that the overall health insurance premium per population remains extremely low, it is expected to be around 1,691 baht per person in 2021.

**The positive impact of the cancellation of the Thailand Pass is that it allows medical tourism to gradually recover.** Before to the COVID-19 crisis, medical tourism consumers were a significant source of revenue for private hospitals, allowing them to expand indefinitely. But, when the crisis occurs, as a result of the restriction of international travel, this portion of the income has declined. Nevertheless, in late 2021, the government has

relaxed travel restrictions to enter the nation and has begun to completely open the country in the second half of 2022 by canceling the Thailand Pass, affecting the income of private hospitals that rely on foreign patients. The relatively significant portion of nations has begun to expand once more. As a result, medical tourism will gradually revive in 2022. Though, a sharper recovery is expected in 2023, with key contributing aspects such as Thailand having 59 hospitals that have acquired worldwide JCI certification, more than competitors in the area. Not only the medical costs are not prohibitively expensive when compared to rivals in the same region, but also having high standards and service. As well as a reputation for specialized medical treatments including infertility, anti-aging medication, gender reassignment surgery, and etc. Furthermore, the cost of living in Thailand is not prohibitively expensive, making it ideal for long-term recovery and rehabilitation.

In the first half of 2022, Revenue from business operations and net earnings of 24 private hospital operators listed on the Stock market increased in comparison to the same time previous year. Overall sales were Baht 125,499 million, up 48.9% year on year, while net profit was Baht 24,226 million, up 173.8% year on year, where Thai patients represent the majority of those that come to receive the service. Also, private hospital groups with a large number of international patients, such as Bumrungrad Hospital, Samitivej Hospital Group and BDMS Group would benefit from the relaxation of travel restrictions to enter the country in late 2021.

#### **Would telemedicine or telehealth transition to competitor in the private hospital industry?**

Since the COVID-19 crisis, health technology, or Health Tech, has performed a significant role in medical assistance and health care. Telemedicine, in particular, is recognized as Telemedicine or Telehealth, and was first utilized to improve the potential of hospital medical services. In a while, telemedicine may be utilized in the future in the

form of telehealth kiosks in shopping malls and government centers. The collaboration between health-care providers, mobile companies, medical clinics and pharmacies that make it easier and more convenient for consumers to acquire health care. Despite the fact that hospitals cannot be completely replaced, it is seen as a competitor to be watched. As a result, the business model is being adjusted through collaboration with partners from diverse business sectors will assist to develop chances to extend medical care. According to a survey conducted by Arizton Consulting & Intelligence, which estimates the worldwide market value of Telemedicine in 2027, the market value will rise to \$ 3.18 billion from 2021. valued at \$1.12 billion, with an average annual growth rate of 19.0%.

**Health Tech or Digital Health possibly will become a major direct and indirect competitor.**

The technological advancements combined with people's comfortability with technology, will result in current health innovations. And as Health Tech performs a larger role in making medical treatment and basic health care more accessible, as well as extending to public health benefits in the long run, this will help reduce overcrowding in public hospitals and inequity in access to health services. As a result, demand for services at private hospitals, which are more expensive, falls. However, private hospitals may use Health Tech to assist increase their capacity to provide better medical services at lower costs including an emphasis on introducing sophisticated, internationally recognized medical technologies to

be used in complexity treatment such as Precision Medicine, Regenerative Medicine that focuses on cell therapy or gene therapy, including appealing for doctors to have specific expertise. This will be able to build credibility and generate long-term revenue growth for the hospital.

Krungthai COMPASS views that the private hospital sector has the ability to develop rapidly after experiencing a revenue crisis as a result of the global COVID-19 pandemic. Estimate that the firm will continue to expand in the long run with the strong support factors such as **the need for medical treatment, the number of patients, the greater morbidity rate from lifestyles, the aging society, the expansion of various diseases, and the recovery of the medical tourism.** Thailand is well-known for the treatment quality, which is ranked among the top in the world, as well as the low cost of medical care and living in comparison to rivals in the same area. The COVID-19 crisis is a critical lesson for entrepreneurs in every sector, even the private hospitals must prepare to deal with situations that have an unpredictable impact on revenue. Consequently, a strategy to broaden the domestic client base must be developed. Expanding the customer base, especially health insurance customers will reduce the risk of being overly reliant on any type of the client group's revenue through developing alliances with insurance companies to create health insurance policies that better meet the needs of clients in various categories, particularly overseas patients.

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**Source :** TTB Analytics, Private Hospital Business continues to grow indicates future demand will accelerate in the EEC area and promote medical tourism, September 22, 2022.

**Source :** Krungthai COMPASS, The direction of the private hospital business in 2022, the revenue continues to grow responding to good news, opening the country sending positive signals in 2023, Sujittra Anno, August 30, 2022

## Competition

The Company may face competition with the private hospitals located in a radius of 10 kilometers from the Group. The area covers Bangkok in Prawet and Latkrabang district, Samut Prakan and Chachoengsao province. The hospitals in the areas are as follows:

Hospital in the Group	Nearby Hospitals	Location
Chularat 3 International Hospital	Princ Hospital Suvarnabhumi	Samut Prakan
	Central Park Hospital	Samut Prakan
	Bangna 5 Hospital	Samut Prakan
	Ratharin Hospital	Samut Prakan
	Paolo Memorial Samutprakarn Hospital	Samut Prakan
	Meaungsamut Paknam Hospital	Samut Prakan
	Samrong Medical Hospital	Samut Prakan
Chularat 9 Airport Hospital	Thai Nakarin Hospital	Bangkok
	Bangna 1 Hospital	Bangkok
	Sikarin Hospital	Bangkok
Chularat 11 International Hospital	Ruamchaipracharak Hospital	Samut Prakan
	Bangna 2 Hospital	Samut Prakan
	Kasemrad Chachoengsao Hospital	Chachoengsao
	Vibharam Amata Hospital	Chachoengsao

As there are many private hospitals in the same area, the competition is quite high. However, the Company has a competitive advantage in many areas as follows:

- Medical personnel of the Group has expertise in a wide range of specific diseases and the Company has specialized medical centers such as:
  - **Orthopedics and Micro Vascular Center:** Well equipped with professional and experienced team, the Company's Hand and Orthopedics Center is the specialist in this field in Samut Prakan province and nearby provinces in the eastern region.
  - **Integrated Heart Center** can provide a complete and comprehensive services from the initial diagnosis, using stent and balloon to expand the artery, to Cardiac surgery. In

additional, this Center is a Referral Center under the National Health Security Office (NHSO).

### - Neonatal Intensive Care Unit (NICU):

Chularat 3 International Hospital is a referral center for newborns with unusual weight under the National Health Security Office (NHSO).

- The preparedness for both medical devices and facilities: The medical tools and equipment are modern and well equipped. The Availability of patient rooms and beds are sufficient for both outpatient (OPD) and inpatient (IPD). Moreover, the atmosphere of the hospitals is beautiful, clean, neat and safe.
- The location of hospitals and clinics in the Group located in the communities with easy access and travel.

## Competitive Strategy

Currently, the competition in healthcare business is very intense in terms of quality of service and the advance of medical technology. To build competitive edge and sustainability, the management of the Company has developed and continually revised Competitive Strategies as follows:

### 1) Having hospital networks in potential areas

The Company has 9 hospitals and 5 medical clinics spreading around Samut Prakan and Chachoengsao province and covering the East of Bangkok (Prawet and Lat Krabang), Sa-Keaw and in Rayong province. All hospitals and medical clinics of the Group are located in the industrial estate zones and communities with high growth potential and near the Suvarnabhumi International Airport. The Company can provide its services to general patients and patients under the government welfare schemes effectively. In addition, the network of the Company results in economies of scale for the following aspects:

- Effective management of medical equipment and supplies from the shared usage of equipment or tools.
- Inventory Management by using a rotation system between the pharmaceutical medicines warehouse in each field for replacement in case of shortages.
- Management of medical personnel, the Company's medical experts can circulate to other hospitals in the group effectively.

### 2) Distribution of Revenue from a diverse group of customers (Customer Diversification)

The Company has revenues from multiple customer segments such as general customers - Cash patients, Corporate contract and Insurance patients, patients under compensation fund and patients under government welfare programs. Having multiple sources of income gives the consistency of revenue to the Company, resulting

in the management and allocation of resources effectively. However, the policy of the Company continues to focus on increasing revenue from general patients as they provide higher profit margin than the patients under government welfare programs. The revenue from general patients was 59% in 2020, 36% in 2021, and 51% in 2022 due to the COVID-19 pandemic since the beginning of 2020. During 2018 to 2022, the revenues from general patients has increased from Baht 2,754.77 million to Baht 5,160.13 million, representing the average increase of 16.99% per annum. The Company has a policy to increase the number of general patients by increasing the competency of medical services, service area expansion and renovation, and adding more specialty services, such as Integrated Heart center, Stroke Center, Cancer Center including clinical prostate cancer, etc. In addition, the Company has an aggressive marketing strategy for general patients such as providing knowledge and understanding on basic healthcare treatment through workshops or activities, including providing discounts to patients who obtain health insurance with the insurance companies who are the partners to the Company.

### 3) Quality of Service

Quality of service is one of the key success factors for hospital business. The Company has recognized the importance of such factors and has a service policy to ensure that patients receive the quality service as follows:

- Providing a standard quality service with speed and safety.
- Having an effective patient assessment, analysis, diagnosis, treatment plan and reassessment plan.
- Having an appropriate and accurate communication with patients and their families.
- Having an appropriate patients-discharge, including after care.

All processes take into account the safety of the patient (Patient Safety) under the standard of World Health Organization (WHO) along with the continuous development of patient treatment. The hospitals have set up the reviewing activities from reviewing medical records to reviewing all processes related to medical treatment to get the personnel of the Company to be ready to serve their patients fully and effectively and focus on patients' need (Patient Focus). The Company also try to educate its personnel to have service-minded attitude which will help maintain service quality to meet the standards continuously.

In addition, with continuous improvement in service quality, the Company's hospitals have accredited with the Healthcare Accreditation Institute Standard (HA). In 2012 and 2013, Chularat 3 International Hospital and Chularat 11 International Hospital have been certified with HA Step 3 respectively. (Re-accreditation is valid for 2 years.) In 2014, Chularat 3 International Hospital has been certified by Joint Commission International Standard (JCI) from the United States. (Re-accreditation is valid for 3 years). Moreover, the Company has continuously updated the technology of tools and medical equipment to enhance its ability to provide accurate diagnosis and treatment more precisely. The Hospital also focuses on recruiting a team of medical specialists in each field, including nurses and support personnel with knowledge and experience to provide 24-hour service. The Company also provides the training courses to educate employees on a regular basis, especially to medical staff and employees who closely interact with customers.

#### 4) Setting the rate for medical fee

The Company has the policy to set the medical fee to be consistent with the types and severity of the disease and at a level that can compete with nearby hospitals. The Company has no policy for price competition because it may impact negatively on the quality of service.

#### 5) Social Responsibility

The Public Relation activities strengthen the image of the Company and create awareness of the capabilities and quality of service to the Company's target customers. The Company organizes activities, booths and exhibitions in collaboration with government agencies and private sectors continually.

In addition, as a part of the community, the Company recognizes the importance of its roles and responsibilities to the community and society. With the Company's philosophy **"The hospital not only exists for profit, but also the responsibility social and the environment"**, the Company has organized several social activities in collaboration with several government bodies on a regular basis which helps build good relationships with people in the community, such as 10,000 Hearts Project in commemoration of King Bhumiphol, Heart Hero Project, etc. The Company also provides healthcare knowledge and trainings both within and outside the hospitals to the public and the employees of the clients' companies such as first aid training, child care training to pregnant mothers, mobile community health promotion projects, school tours, Cardiopulmonary resuscitation (CPR) training. Moreover, the Company tries to educate the public to be aware of environmental issues and consider these environmental issues as personal and every person is responsible to change their behavior to reduce resource consumption as well as using recycled materials, etc.

#### 6) Distribution Channel

The hospitals and clinics of the Company are located in prime location with high population community and close to industrial estate areas. The target customers can travel to the hospitals easily and the space allocation in the hospital is neat and ergonomic. In addition, the Company has CALL CENTER 1609 ambulances to transfer patients to hospitals in the group for emergency case in a



timely manner. Moreover, with 9 hospitals and 5 clinics in the group, patients under Social Security Scheme (SSO) can easily access to services from every hospitals and clinics in the Group.

## 7) Cost Control

The Company's revenue from Social Security Scheme is paid base on the flat rate per person per year (Capitation). Therefore, the Company's revenue from Social Security Scheme is depend on the Company's ability to manage and control cost, while maintaining the good quality of service. The Company determined the strategic plan to ensure that patients is safe while there is no waste. The Company set up "Quality assurance with No Waste Program" and continuously reviewed the activities with assigned personnel. The Company also organized special activities to encourage the employees to give their opinions on how to save cost and increase work efficiency (Work Productivity). Having hospital network, the Company can use resources efficiently (Cost and Facilities Sharing) by sharing certain tools and medical equipment together.

## 3.Provision of products and services

### Medicine and Medical supplies

Main Products for hospital business are medicines and medical supplies for patient's treatment. Pharmaceutical Department will gather all information of pharmaceutical and medical quantity needed and send the information to Procurement Department. The Company has 2 methods for procurement which are purchasing through auction and direct purchasing.

When making procurement through auction, the Company will cooperate with other private hospitals to gather the amount of medicines and medical supplies needed. With higher quantity (Big Lot), the Company has more bargaining power on price

and commercial terms. The Company, acting as a mediator, will gather all demands for medicines and supplies and invite the distributors and medical supply tenders to join an online auction. Then, the Company will find the particular supplier who offers the most affordable and appropriated prices and conditions. The contract will be signed with a supplier who won the auction. In order to ensure transparency and fairness in the procurement process of the Company and other hospitals participating in the procurement, the Company has set up a Joint Committee to evaluate and consider purchasing medicines and medical supplies each time. The Committee members are the representatives of hospitals that join the auction. The Committee will consider the appropriateness of price, quality standards and Good Manufacturing Practice (GMP), enabling the Company to acquire medicines and medical supplies at affordable price under quality standards.

However, the Company will purchase some medicine and medical supplies directly from distributors, not through the auction system. This procurement method is mainly for the purchase of medicines and medical equipment with low demand (Low Volume) or for Original Medicines (Imported Medicines) which are specialized and expensive.

The inventory management of hospitals is another important factor that the Company is focusing on. The Company has set up a medicines or medical provision policy with a high frequency of use to be regularly sufficient and uses rotation system between the pharmaceutical medicines warehouse in each branches in case of shortage. The Company has Inventory System to maintain quality by controlling the temperature and humidity at an appropriate level for each medicines or medical equipment, also prevent the exposure to direct sun light for particular medicines and medical supplies to last as indicated which is between 2-5 years. The Company has good relationship with distributors enabling the Company to receive the good after-sales-services

and medicine and medical supplies quality assurance where the distributors allow the Company to return medicines and medical supplies if having any quality problems, including the return those medicines and medical supplies that are nearly expired.

The Company has held a monthly meeting to monitor the amount of medicines, including those almost reaches the expiration date but still be in good quality and the remaining date is still good for use, to find the best solution. However, as required by law the Company needs to set a provision for certain medicines and cannot return but such medicines need to be destroyed when they reach the expiration date.

The Company purchases medicines and medical supplies from local vendors with 3-7 days delivery, or within 24-hour for urgent cases and with 30-90 days credit terms.

The Company has low dependence on any particular suppliers because there are no vendors supplying to the Company more than 30% of the value of all the medicines and medical supplies. During 2020 to 2022, the Company is not obligated to purchase the medicines or medical suppliers for more than 30% of the value of raw materials in the future.

### Medical equipment

In the procurement of medical equipment and devices, the Company has established a Medical Equipment Committee to consider and approve the purchase of medical equipment, by comparing prices, features, and commercial terms with multiple vendors to get the tools and medical devices with quality and adhere to Joint Commission International Standard (JCI) and Healthcare Accreditation Institute Standard (HA). Some medical devices and equipment are imported and supplied by Thai Amdon Company Limited, the Company's subsidiary, such as Electric beds, heart rate measuring counter and blood oxygen levels machine, etc. However, the procurement of medical equipment through Thai

Amdon has strictly followed the guidelines according to Joint Commission International Standard (JCI) and Healthcare Accreditation Institute Standard (HA).

### Medical Personnel

As of 31 December 2022, the Company and its subsidiaries had a total of 4,831 medical personnel from all branches. In the past, the Company can continuously recruit medical professionals to work with the Company mainly because of the management of the Company has a good relationship with medical schools and nurse training schools. The Company has policy to maintain medical staff to work with the Company for long period of time by determining appropriate compensation and benefits, providing scholarships to employees, creating good atmosphere and working environment in the organization and creating a supportive organizational culture, for instance, senior personnel will provide care and training to personnel who have recently graduated and joined the Company, etc. In addition, the Company also has divisions to provide training to nursing assistants under the operation of Chularat Inter Health (CIH), which is responsible for providing nurse assistants to all 14 branches of the group (9 hospitals and 5 clinics).

### Environmental Management

The Company strives to be a caring and environmental friendly organization. The Company has a policy to reduce waste and energy use, reduce carbon emissions, conduct wastewater treatment prior to release it into public water, increase green areas in the hospital and organize the campaigns to raise awareness among staff and community to contribute to a sustainable quality of life.

During the month of April every year, the Company has organized **"Green Hospital"** workshops and exhibitions held at Chularat 3 International Hospital to educate the public and raise the employees' awareness to recognize the impact of global warming by starting the "Tree Planting Campaign"

to plant trees in free space in the hospital area in order to help reduce energy consumption, reduce greenhouse gas emissions and purify air around the hospital, which gives a positive impact in the surrounding community.

### Hazardous Waste

The result of the waste disposal of burning in the furnace at 1200 degrees causes the carbon dioxide and landfill gives methane gas in the atmosphere. Both carbon dioxide and methane leads to global warming. Well aware of these conditions, the management of the Group has set a policy to control the amount of waste, reduce waste and all kinds of energy consumption, and aim to reduce emissions of carbon dioxide and methane. The management has set up the workshops and projects to educate its employees, aiming to create employee's awareness and change their behaviors that are harmful to environment.

The ongoing projects of the Company are : Tree Planting Campaign in the hospital areas and community, campaign to reduce the use of plastic bags and Styrofoam boxes, including change the use of cleaning chemicals to be biological, 2-sided paper Campaign, reduce paper copying through the use of IT resulting in lower amount of toners, electricity, paper, storage space, and replace fluorescent bulbs and fluorescent lights with LED to reduce electricity use, reduce heat by switching off lights in office, tune office temperature to be constant, reduce elevator use and encourage its employees to use ladder, turn off computers when not in use, unplug all electrical appliances after use and car pool campaign to reduce energy consumption, etc.

### Wastewater Treatment

The hospitals in the Group have sewage system and waste water treatment to improve water quality to meet the standards of the Department of Health,

Ministry of Public Health, before discharge to the public sewer. The treated water quality is monitored regularly and the measured parameters are within with specified standards.

Every year, the Company has passed the audit by the Social Security Office and meets all requirements to be hospitals under Social Security Office. The Company has developed and improved the wastewater treatment to ensure that the quality and safety standards are met before releasing to the public. Some of treated water is used for plants in hospital area and carpark cleaning.

## 4. Assets used in business (Business Assets)

Details as per Attachment 4 - Business Assets and Details on Asset Valuation under Section 4 Certification of Accuracy

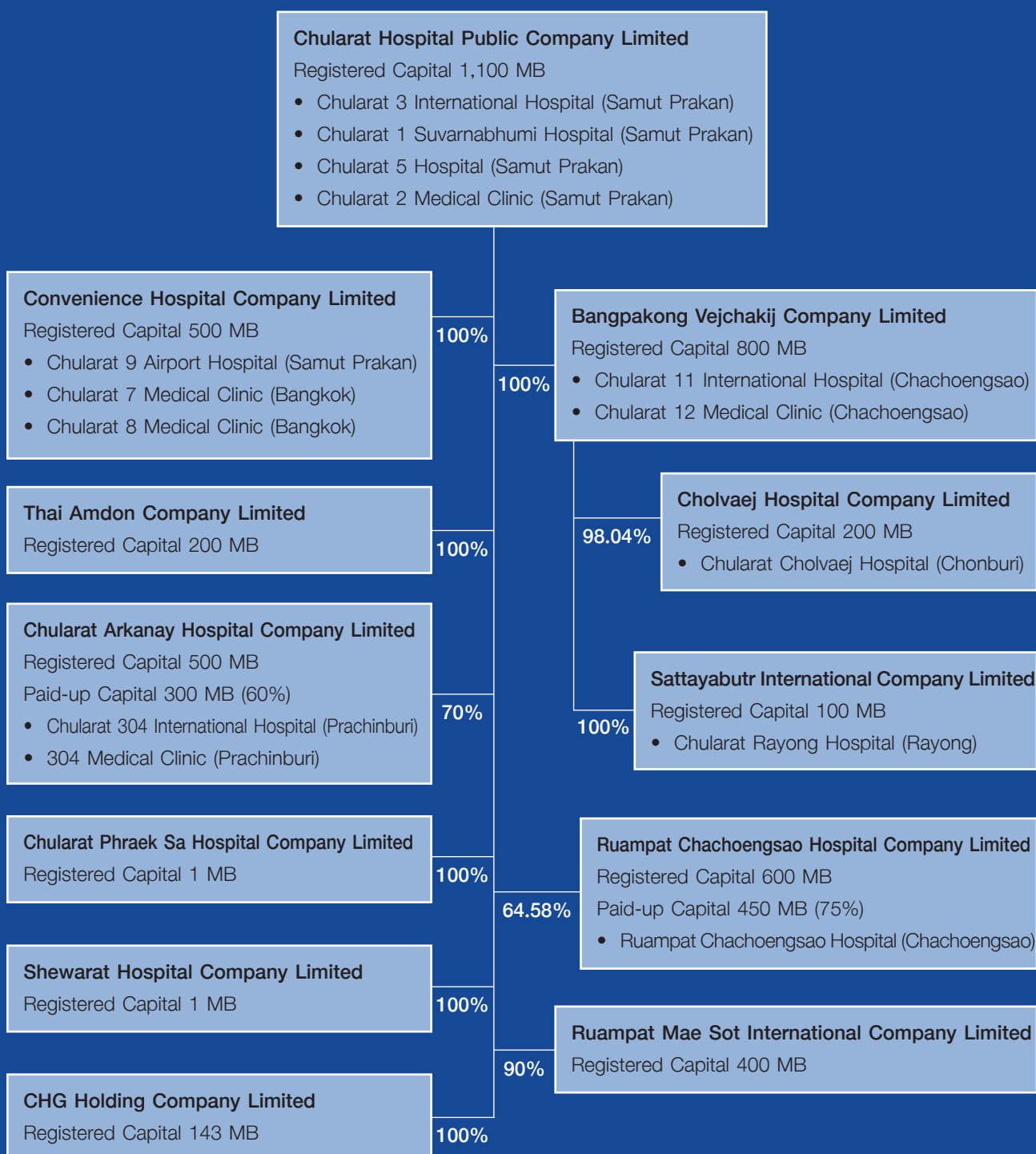
### 1.3 Shareholder Structure of the Group

#### 1.3.1 Shareholder Structure of the Group

As of 31 December 2022 Chularat Hospital Public Company Limited ("The Company") consists of 11 subsidiaries which are Convenience Hospital Company Limited, Bangpakong Vejchakit Company Limited, Thai Amdon Company Limited, Chularat Arkanay Hospital Company Limited, Ruampat Chachoengsao Hospital Company Limited, Chularat Phreak Sa Hospital Company Limited, Shewarat Hospital Company Limited, Ruampat Mae Sot International Company Limited, CHG Holding Company Limited and Cholvaej Hospital Company Limited and Sattayabutr International Company Limited invested through Bangpakong Vejchakit Company Limited. Chularat Hospital Public Company Limited has shareholder structure as shown below:

Figure 1-1

Shareholder structure of the Group of Chularat Hospital Public Company Limited as of 31 December 2022



### 1.3.2 Persons who may have conflicts of interest holds shares in subsidiaries or associated companies in aggregate more than 10% of shares with voting rights of that company.

- None -

### 1.3.3 Relationship with business group of major shareholders.

The Group has no dependence or competition with the major shareholder's business significantly.

### 1.3.4 Shareholders

#### Shareholders

The latest shareholder book closed on December 30, 2022, 10 major shareholders of the Company including those related shareholders according to Section 258 of the Securities and Exchange Act B.E. 2535 and shareholders under the same authority are as follows.

Major Shareholders	On the latest shareholder book closing date December 30, 2022	
	No. of Share	Ratio (%)
<b>1. Plussind group</b>	<b>4,122,657,700</b>	<b>37.48</b>
<b>1.1 Ratipanichvong group</b>	2,957,960,050	26.89
1.1.1 Ms. Kannikar Plussind*	1,994,750,400	18.13
1.1.2 Mr. Naran Ratipanichvong	775,393,100	7.05
1.1.3 Mr. Tajchai Ratipanichvong	187,816,550	1.71
<b>1.2 Plussind group</b>	<b>1,164,697,650</b>	<b>10.59</b>
1.2.1 Mr. Kriengsak Plussind*	368,587,850	3.35
1.2.2 Ms. Suwimol Atikij	283,877,650	2.58
1.2.3 Dr. Kumpol Plussind*	253,670,200	2.31
1.2.4 Mr. Polsin Plussind	15,745,250	0.14
1.2.5 Dr. Polsant Plussind	6,320,100	0.06
1.2.6 Ms. Panitra Plussind	338,600	0
1.2.7 Ms. Rujee Thongprakob	58,049,900	0.53
1.2.8 Ms. Prayong Yimmak	4,019,200	0.04
1.2.9 Ms. Siriporn Trasee	38,871,600	0.35
1.2.10 Ms. Kullapha Plussind	66,240,100	0.60
1.2.11 Mr. Krid Plussind	68,977,200	0.63
<b>2. Panyapol Group</b>	<b>2,021,345,650</b>	<b>18.38</b>
2.1 Mr.Apirum Panyapol*	1,127,189,050	10.25
2.2 Ms. Kobkul Panyapol*	894,156,600	8.13
<b>3. ThaiNVDR Co., Ltd.</b>	<b>634,444,360</b>	<b>5.77</b>
<b>4. Lady Pattama Leesawatrakul</b>	<b>399,655,300</b>	<b>3.63</b>
<b>5. STATE STREET EUROPE LIMITED</b>	<b>299,482,776</b>	<b>2.72</b>
<b>6. LGT BANK (SINGAPORE) LTD</b>	<b>200,000,000</b>	<b>1.82</b>
<b>7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED</b>	<b>190,953,831</b>	<b>1.74</b>
<b>8. BBHISL NOMINEES LIMITED</b>	<b>171,956,600</b>	<b>1.56</b>
<b>9. DBS BANK LTD. FOR CLIENT AC SG1400387203</b>	<b>133,178,700</b>	<b>1.21</b>



Major Shareholders	On the latest shareholder book closing date December 30, 2022	
	No. of Share	Ratio (%)
10. Krungsri Dividend Stock LTF	99,512,900	0.90
11. Other shareholders	2,726,812,183	24.79
<b>Total</b>	<b>11,000,000,000</b>	<b>100</b>

**Note :** \* Company's Director

On the latest shareholder book closing date on December 30, 2022, the 1st shareholder has considered having a relationship with 2<sup>nd</sup> - 11<sup>th</sup> shareholders as declared above, and confirmed they are not related person according to the Securities and Exchange Commission's notice serial no. G.J. 17/2551 on determination of the definitions in the declaration on issuing and offering of assets and they are not the shareholders under the same authority or the same group as major shareholder, and no relationship as nominee.

## 1.4 Authorized capital and paid-in capital

On December 31, 2022 the Company has an authorized capital of Baht 1,100 million and paid-up Baht 1,100 million, divided into 11,000,000,000 units of common stock with 0.10 Baht par value each. (On April 28, 2015)

## 1.5 Other asset issued

None, as of December 31, 2022.

## 1.6 Dividend Payment Policy

### 1.6.1 The Company's Policy

The Company has a policy on paying dividend not less than 50% of net profit from the company's consolidated financial statement after legal reserve and other reserves have been deducted. Dividend payment may change as deemed appropriate

depend on operating result, business growth, investment plan, financial status, liquidity, and other necessity in the future. In order to consider an annual dividend payment of the Company, a consent of shareholders' meeting is required, except for interim dividend payment which the Board of Directors has an authorization to approve the payment and report to the shareholders' meeting in the next meeting for acknowledgement.

### 1.6.2 Subsidiaries' Policy

Subsidiary companies of the Company have dividend payment policy for no less than 50% of net profit from the subsidiary company's consolidated financial statement after legal reserve and other reserves have been deducted. Dividend payment may change as deemed appropriate depend on operating result, cash flow, business growth, investment plan, financial status, terms and conditions in various contracts that the Company is legally abide, and any future necessities.

### Dividend Payment History during 2020-2022

	2020	2021	2022
Net Profit (Million Baht)	876.62	4,204.07	2,778.45
Number of Share	11,000,000,000	11,000,000,000	11,000,000,000
Dividend* (Baht per share)	0.050	0.20	0.16
Total dividend paid (Million Baht)	550.00	2,200	1,760
Dividend paid to net profit ratio*	63%	52%	63%

**Note :** \* Calculated from interim dividend and annual dividend paid from operating result of each year

## 2 Risk Management

### 2.1 Risk Management Policy

The Company recognizes the importance of risk management which is considered as key component of Good Corporate Governance. The Company believes that risk management is an important mechanism and tools for management to achieve the Company's set objectives and goals, as well as help reducing unexpected events which may affect profit, business performance and trust from investors and stakeholders. Therefore, Board of Directors has determined risk management policy for the Company and its subsidiaries (Risk Management Policy -Full Version <https://investor.chularat.com/th> “นโยบายการบริหารความเสี่ยง”) and responsible for reviewing the Company's overall risk management policies and guidelines, as well as monitoring the compliance with risk management policies and processes. Risk management is considered as the responsibility of all executives and employees. Executives and employees of all levels shall be aware of the operational risks of their departments and the Company by having risk management in various areas at an adequate and appropriate level. The risks that affect the achievement of the Company's objectives should be processed as follows.

1. Identify risks in a timely manner.
2. Analyze, evaluate and prioritize the likelihood of risks and impacts, if there are any incident.
3. Manage risks in accordance with established risk management processes, taking into account the costs involved and the impacts of such risk management.
4. Monitor and evaluate to ensure that the corporate risks are properly managed.

In case of any risks that may affect the business plan and strategy of the Company at high and very high levels, such risks should be reported to the Corporate Investment and Risk Management Committee, Audit Committee and Board of Directors for acknowledgement.

### Risk Management

The Board of Directors and administrative division have a direct duty and responsibility to arrange risk management. Therefore, Risk Management Committee was appointed to maintain and provide an appropriate and efficient risk management.

### Objective of Risk Management

1. To acknowledge the overall organizational risk of the present and the future.
2. To determine risk management strategy suitable for organization culture.
3. To create added-value to organization.

### Risk Management Process

1. Objective Establishment
2. Risk Identification
3. Risk Assessment
4. Risk Management Planning
5. Monitoring & Review

### 8 Classifications of Risk

As of December 31, 2022, the Company has determined 8 types of risks as follows:

- 1. Operational Risk:** The business of healthcare is the delivery of care that is safe, timely, effective, efficient, and patient centered within diverse populations. Operational risks relate to those risks resulting from inadequate or failed internal processes, people, or systems that affect business operations. Included are risks related: adverse event management, credentialing and staffing, documentation, chain of command, and deviation from practice.
- 2. Clinical/Patient Safety Risk:** Risks associated with the delivery of care to residents, patients and other healthcare customers. Clinical risks include: failure to follow evidence based practice, medication errors, hospital acquired conditions (HAC), serious safety events (SSE), and others.
- 3. Strategic Risk:** Risks associated with the focus and direction of the organization. Because the rapid pace of change can create unpredictability, risks included within the strategic domain are associated with brand, reputation, competition, failure to adapt to changing times, health reform or customer priorities. Managed care relationships/ partnerships, conflict of interest, marketing and sales, media relations, mergers, acquisitions, divestitures, joint ventures, affiliations and other business arrangements, contract administration, and advertising are other areas generally considered as potential strategic risks.
- 4. Financial Risk:** Decisions that affect the financial sustainability of the organization, access to capital or external financial ratings through business relationships or the timing and recognition of revenue and expenses make up this domain. Risks might include: costs associated with malpractice, litigation, and insurance, capital structure, credit and interest rate fluctuations, foreign exchange, growth in programs and facilities, capital equipment, corporate compliance (fraud and abuse), accounts receivable, days of cash on hand, capitation contracts, billing and collection.
- 5. Human Capital:** This domain refers to the organization's workforce. This is an important issue in today's tight labor and economic markets. Included are risks associated with employee selection, retention, turnover, staffing, absenteeism, on-the-job work-related injuries (workers' compensation), work schedules and fatigue, productivity and compensation. Human capital associated risks may cover recruitment, retention, and termination of members of the medical and allied health staff.
- 6. Legal & Regulatory:** Risk within this domain incorporates the failure to identify, manage and monitor legal, regulatory, and statutory mandates on a local, state and federal level. Such risks are generally associated with fraud and abuse, licensure, accreditation, product liability, management liability, Centers for Medicare and Medicaid Services (CMS), Conditions of Participation (CoPs) and Conditions for Coverage (CfC), as well as issues related to intellectual property.
- 7. Technology:** This domain covers machines, hardware, equipment, devices and tools, but can also include techniques, systems and methods of organization. Healthcare has seen an explosion in the use of technology for clinical diagnosis and treatment, training and education, information storage and retrieval, and asset preservation. Examples also include Risk Management Information Systems (RMIS), Electronic Health Records (EHR) and Meaningful Use, social networking and cyber liability.

**8. Hazard:** This ERM domain covers assets and their value. Traditionally, insurable hazard risk has related to natural exposure and business interruption. Specific risks can also include risk related to: facility management, plant age, parking (lighting, location, and security), valuables, construction/ renovation, earthquakes, windstorms, tornadoes, floods, fires.

### Risk Assessment

Risk assessment, a process and procedures after risk identification, consists of 2 major processes as follows:

- 1. Risk Analysis** determines the root cause, source of risk, positive and negative impacts and also the chances of the impacts which may follow. Certain incident could affect several organization's purposes and objective. Moreover, risk analysis should also consider the current risk management measures and its efficiency.
- 2. Risk Assessment** will accommodate the system by applying assessed risk to the acceptable risk rating. If the risk does not fall under acceptable rating, it should immediately be supervised.

### Risk Likelihood Scale

There are 5 ratings for evaluating the risk likelihood scale as below:

Rating	Explanation
5	Almost certain
4	Likely
3	Possible
2	Unlikely
1	Rarely

### Risk Impact

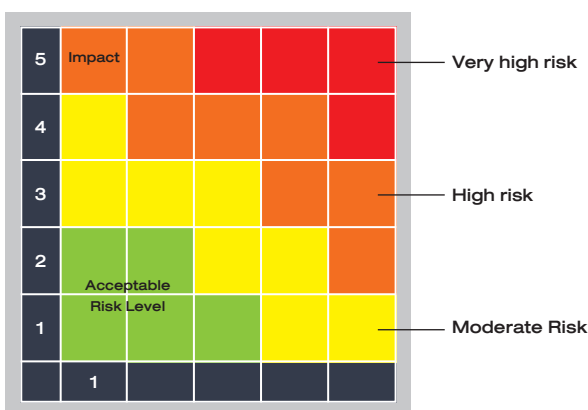
There are 5 risk impacts as below:

1. Financial Impact
2. Reputation and Image Impact
3. Compliance Impact
4. Impact to the key person of the Stock Exchange of Thailand
5. Impact from the delay of important projects

Damage Levels are classified into 5 rating as follow:

Rating	Explanation
5	Catastrophic
4	Major
3	Moderate
2	Minor
1	Negligible

### Risk Map



Risk map is a tool used to report the rating of risk assessment, elaborating the relationship of Risk Impact and Risk Likelihood.

In order to benefit from the rating of an assessed risk: Extreme risk (red), Major risks (orange), Medium risks (yellow) or Minor risks (green), risk management commission and the administrative division shall proceed as below:

- Analyze and conclude Risk Map Evaluation and prioritize the importance of risk.
- Present the conclusion of assessment to the Board of Director so as to select the key issues needed to manage and assign an administrative division for further management.
- Present the risk assessment and measures to the Corporate Investment and Risk Management Committee, Audit Committee and Board of Directors for acknowledgement.

Risk management plan will be presented to the Board of Directors for consideration and approval on appropriated resources required to execute risk management. In order to select the most appropriate risk management, risk appetite in comparable with execution cost and benefits in relation to Law, regulation and social responsibility should be considered.

Acceptable risk is the risk rating which the stock exchange market can accept, allowing the organization to continue the operation and achieve the organization's purposes and goals. Therefore, in deciding risk management approach, the risk that may occur if there no risk management which seems unreasonable in the economic view, such as the risks that have significant negative impact but rarely occur, should be considered. Guideline for risk management shall be considered on case-by-case basis or may be considered together with other risks.

### Risk Management Approach

- **Avoid:** The process to avoid incidents that lead to risk, mostly use in case of major risk that are unavoidable and could not bring down to acceptable level.
- **Share:** The process of sharing or transferring some or all risk to individual or organization outside such as the purchase of insurance.

- **Reduce:** The process to seek risk management measure to reduce likelihood of risk incident or reduce risk impact to an acceptable level such as preparation of contingency plan.
- **Accept:** The process of acknowledging current risk at an acceptable level by taking no action to reduce the risk likelihood or risk impact, mostly applying with risk management in which the execution cost is more than the benefit.

### Control Activity

Control Activity is the policy and operational process to ensure the risk management at an acceptable risk rating in order to prevent the negative impact that may affect organization's vision. Each organization has specific objectives and implementation techniques for their organization. Therefore, there are a variety of control activities which could be divided into 4 categories as follows.

- **Preventive Control** is the control approach to avoid risk incident from the first step.
- **Detective Control** is the control approach to detect and control the occurred defect.
- **Directive Control** is the control approach to support or motivate the targeted success.
- **Corrective Control** is the control approach to correct the occurred defect and prevent recurrence.

Therefore, to operate the control activities effectively and efficiently, execution cost and benefits expected to receive should be considered. The control activity should consist of the following elements:

- Operational procedures (step and process)
- The assignment of personnel responsible for specific control activity, which should hold responsibilities as per below:
  1. Consider current risk management efficiency
  2. Consider additional control activity to increase risk management efficiency



- Schedule activity time-limit.

Risk management under stock exchange market should be communicated on risk assessment, risk control, risk control progress and major risk monitoring, including the unusual events to ensure as follows:

- Risk Owner closely monitors, evaluates, analyzes and manage appropriate risk management.
- Major risks that impact organization should be reported for its progress and risk tendency to executives in charge and the Corporate Investment and Risk Management Committee.
- Set an appropriated and efficient internal control and being conducted to prevent and reduce any possible risks. Internal controls are constantly reviewed and revised to be in line with the situation and the changed risks.

Risk Management Committee are entitled to coordinate with administrative division to report risk management process and risk status to the Corporate Investment and Risk Management Committee, Audit Committee and Board of Directors for acknowledgement and consideration.

Administrative division should closely analyze and monitor the changing of internal and external environment, leading to the revision of overall risk management and risk prioritization.

### **Risk Assessment Result**

As of December 31, 2022, Risk Assessment Results of all 8 risk domains are at an acceptably low level.

### **Information Security Management Policy (IT Security)**

The Board of Directors has approved and announced the Information Security Management Policy for the use of information technology systems

and computer network systems as appropriate and effective as possible, as well as to prevent problems that may arise from use in a risky manner, including to supervise information technology and maintain the security of information and communication network systems to ensure the compliance with the protection of personal information in accordance with Personal Data Protection Act B.E. 2564 (2019) (PDPA) and any relevant standards, laws and regulations.

### **Information Security Management Working Group (IT Security)**

The Company has set up a committee and a working group “Information Security Management Committee (IT Security)” to supervise the management of information security effectively with the following roles and responsibilities.

- 1) Manage and respond to information security incidents (Incident Response).
- 2) Provide advice and resolve threats to information technology security (Cyber Security Advisor).
- 3) Monitor and communicate news or events related to the security of information technology systems to those involved in the Company
- 4) Study and improve tools and practices regularly to increase the security of the Company's information technology system

### **Performance of Information Security Management Committee (IT Security)**

In 2022, the Company has set the KPIs or targets for an immediate prevention and control of Cyber Attacks at 99% and an immediate stop of Cyber Attacks at 100%. In 2022, the Company was attacked 12,000 times (10,000 times in 2021), with 90% low-risk attacks and 10% high-risk attacks (Cyber Attack statistics of Chularat 3 International Hospital.)

## Risk Management Working Group

The Company has appointed Risk Management Working Group to plan, manage and control risks that may affect business operations at an acceptable level and integrate risk management into business decision-making in order to ensure a systematic operation and in line with the Company's business strategy. Duties and responsibilities of Risk Management Working Group are as follows:

- 1) Identify, define and compile a list of risks that may occur in the Company covering all aspects.
- 2) Assess and prioritize risk opportunities for effective prevention and remediation. Define and compile a list of risks that may occur in the organization covering all aspects.
- 3) Determine policies, guidelines and strategies to reduce the likelihood and impact of risks in the organization, including communicate such policies, guidelines and strategies to operational level throughout the Company.
- 4) Set guidelines for supervision, monitoring, evaluation and an appropriate internal control system
- 5) Integrate risk management into other important tasks of the Company.
- 6) Arrange the meeting at least every month or as appropriate.
- 7) Report the operating results to the Corporate Risk Management Committee and the Strategy Working Group.

## 2.2 Risk Factors

### 2.2.1 Business Risks of the Company or the Group

The Company may face several risks which might affect the business operations and the Company's share price. The following risk factors are some important risk factors that could negatively affect

the Company which may lead to investment risk by investors significantly. The Company may have other risk factors that are not aware of yet and there might be some risk factors that the Company doesn't see its importance but might affect the Company's business operations in the future.

### Risk of Medical Personnel Shortage

Healthcare services rely on qualified healthcare personnel in various fields. Currently, the number of medical personnel is quite limited and the expansion of the healthcare business requires qualified personnel with experience. It would take time for medical personnel to develop their knowledge and skills. As a result, the Company may face the shortage of medical personnel in various fields in the future.

However, in the past the Company did not face with a shortage of medical personnel due to the Company's appropriate Compensation and Benefits policies along with the atmosphere and good hygiene in the workplace. Moreover, the Company has a policy to provide training and scholarships to employees of the Company, including the aforementioned medical personnel, with an objective to develop skills and continually learning attitude in various fields, thus making employee engage and attach to the Company. The Company believes that the aforementioned policy can help reducing the risk of shortage of medical personnel. In addition, the Company also has a division to provide training to nursing assistants under the operation of Chularat Inter Health (CIH) to meet the needs of the Company.

### Legal Risk

Healthcare business is at risk of being sued by patients or relatives of patients, which might be due to the standard of service or treatment provided by the Company does not meet the expectations of such persons.

Several countries, including Thailand, have recognized the importance of protecting the rights of consumers. Consequently, Consumer Protection Law has been issued to facilitates remedies for any damage caused by consumption and litigation for consumers, for instance, Consumer Case Procedure Act B.E.2551 (2008), Establishment of the Consumer Organization Council Act B.E.2562 (2019), etc. Such laws will facilitate the consumers in litigation against medical facilities as well as medical personnel, thus increasing the Company's risk of being sued for medical treatment by the consumer. In addition, the enforcement of the Personal Data Protection Act B.E. 2562 (2019) ("PDPA") which protects individual's personal data and establishes a legal framework and standard for Personal Data collection, use and Disclosure, may lead to legal risk for the Company as a medical facility involved in the collection and use of Patients' personal data, or risk of being prosecuted by such laws.

The Company recognizes this risk factor and has tried to continuously strengthen the service standards both for the treatment process and evaluation. The Company has prepared the guidelines to evaluate the satisfaction of service along with the risk management of getting customer complaints before being sued in court. This will help limit the impact of such risk factor. There are no cases of prosecution significantly as of 31 December 2022.

**Risk of Inaccurate Withholding Delivery when medical doctors' income tax assessed by the Revenue Department differs from the approach of the Company**

Medical doctors are primary personnel to provide medical services. The Company has a written agreement under "Contracts for the clinical practitioner of Healing Arts Practices" with medical

doctor who take care of patients in the hospital. The purpose of the agreement is to provide medical doctor with the tools and equipment of the Company as medical clinic for the treatment of patients. The medical doctor will share their earnings to the Company and they are not an employee of the Company. The medical doctor will charge the medical treatments and services (Doctor Fee) according to the difficulty and complexity of the disease and assign the Company to do billing and collecting payments from patients. The Company will arrange the place and the tools needed for medical treatment.

If considered according to the guideline from the Department of Revenue related to agreements between hospitals and medical doctors in the same manner as the Company, the medical treatment fee received from patients for medical treatment is considered as independent professional remuneration under the Revenue Code, Section 40 (6). When the Company collects the medical treatment fee on the medical bill or medical personnel fees (Doctor Fee) from patients, the Company shall repay the money to medical doctors without deducting the withholding income tax.

However, in practical the interpretation of tax legislation related to types of doctor fee are different in details. Therefore, the Company may be liable for additional withholding income tax and payment in the event that the Revenue Department's assessments on Medical Doctors' taxes are different from the Company's assessment. To reduce the impact of this risk factor, the Company shall specify in the Company Agreement with the medical doctors that the party shall be responsible for any possible additional expenses that may arise from additional withholding tax assessments of the individual medical doctors caused to the Company.

## Competition Risk in Healthcare Business

Currently, healthcare business is likely to have intense competition as the major operators in the healthcare business do joint venture arrangement continuously, leading to costs advantages and various service channels. Moreover, new operators are entering into the healthcare business, competing for market share from existing operators, leading to competition in services and pricing policy to attract customers. In addition, the impact of the liberalization of trade and services under AEC (ASEAN Economic Community) may attract new competitors from the ASEAN countries to expand the scope of services to Thailand. These competing factors may affect the Company unavoidably.

The Company may also face the competition with private hospitals located in a radius of about 10 kilometers from the Group. The area covers Bangkok in Prawet and Lat Krabang, Samut Prakan and Chachoengsao, Choburi, Prachinburi and Sakeaw province where there are many hospitals and healthcare facilities. As a result, the competition is quite high. However, in compared with hospitals in the neighboring area, the Company has the competitive advantages in many aspects such as the location of hospitals and clinics and the Company's specialized medical services (Tertiary Care) with high standard.

Being aware of such competition risk, the Company set the policy to improve quality of services by striving to meet the standard of Hospital Accreditation (HA) and Joint Commission International (JCI) so as to provide healthcare services to both Thai and international patients. Chularat 3 International and Chularat 11 International hospitals are certified with HA Certificate Step 3 respectively, while Chularat 9 Airport Hospital has

been certified HA Certificate Step 2. Chularat 3 International hospital has been certified with Joint Commission International (JCI) standard in April 2014, re-accredited in 2017 and 2020 respectively where each valids for 3 years. The Company also continues to expand its scope of services to cover more of alternative medicines, tertiary care and beauty services such as Comprehensive Heart Center, Comprehensive Cancer Center and, Prostate Cancer Clinic, Chinese Medical Clinic, Laser and Beauty Center namely Chularat - Renoir along with spa services and Thai traditional massage, etc. In 2017, the Company opened IVF Center at Chularat 11 International Hospital and Suvarnabhumi Eye Center at Chularat 1 Suvarnabhumi Hospital. In terms of cost control to enhance competitiveness, the Company has executed E-Procurement together with other affiliated hospitals, resulting in higher bargaining power with medicine and medical supplies suppliers.

## Financial Risk: Payment of Medical Fees

Besides SSO and NHSO patients, according to medical ethic, the Company will provide medical services to general patients prior to billing process. Therefore, the Company has the risk that the Company may not be able to collect medical fee from general patients after the service is completed and provided.

Therefore, the Company shall notify the medical fee incurred to general patients from time to time throughout the treatment process. In order to reduce this risk, the Company has a receivable management unit to monitor the risk, find preventive guidelines along with appropriated solutions for the Company and patients if problems of paying medical bills occur.

Considering the quality of the Company's receivables in 2022, the Company's main receivables are accrued medical treatment income from National Health Security Office of Baht 2,009.92 million and accounts receivable of Baht 737.05 million, which were mainly from National Health Security Office, life insurance companies and casualty insurance companies, having low risk of not paying debt. Therefore, the Company has low risk in collecting medical billing.

### **Risk of Medical Technology Change**

The Company, focusing on providing medical services to more critical diseases through its specialized medical centers, relies on medical equipment and devices with modern technologies. Presently, medical technology has changed dramatically, causing some medical devices to become obsolete and have high maintenance cost. However, the Company has a policy to consider the functions and long term benefits of all high-technology medical equipment before making an investment.

### **Risk of Social Security Policy Changes**

Presently, the Company has a relatively high proportion of medical service revenues under the Social Security Scheme of around 33.3%, 16.4% and 21.3% in 2020, 2021, 2022 respectively. The impact of the change in the Social Security Policy from the government is quite high to the Company. However, the Social Security System in Thailand is quite stable in terms of capital disbursement and funds. Also, the direction of changed policies is about adjusting more additional payments to reflect the cost of service and this benefits the hospitals under Social Security Scheme. However, The Company closely monitors changes of Social Security policies via a network of private hospitals under the Social

Security Scheme, enabling the Company to fully assess the risk of changing policies and to provide opinions and recommendations before the policies become effective.

### **Risk of Dissociation between Social Security revenue and medical service cost**

In 2020, 2021 and 2022, the Company's revenue from medical services under the Social Security scheme were 33.3%, 16.4% and 21.3% of the hospital operation revenue. The Company faces risk when there is no correlation between the payment from the Social Security revenue and the actual cost of medical service. The payment of Social Security is dependent on government policy, number of registered member in a hospital which may vary due to the relocation of the patients and companies in that area, statistic data on services provided to patients with 26 chronic diseases (OPD) and services provided to patients with critical diseases (IPD) with high medical expenses. Therefore, the Company has a policy to manage the patients under the Social Security Scheme by focusing on efficient cost management, providing knowledge on hygiene, health care and basic illness treatment and also providing point of care services throughout medical clinics so as to prevent and care for patients before the symptoms become serious.

The Company has a strong patient referral system of which the patients can be transferred to the hospitals in the group with medical equipment and experienced doctors so as to have prompt and safe medical diagnosis and treatment. As a result, The Company can reduce the risk for patients with critical diseases and chronic diseases and manage the cost of services efficiently in accordance with the SSO fixed payment (Capitation). In addition, with Social Security Office's additional payment for



patients with critical diseases (High Cost Care), the Company would be able to reduce the risk on the cost of services provided to the aforementioned patients.

The Company has a policy to focus more on general patients in order to manage cost more efficiently, thus leading to the lower SSO patients and finally reduce the risk from SSO revenue.

### **Interest Rates Volatility Risk**

The Company has a conservative financial policy, with no emphasis on external financing and use additional loan only during the period with long term investment plan. By December 31, 2022, the Company has long-term loans from financial institutions for the use in expansion projects to accommodate the increased number of patients. Therefore, fluctuations of the interest rates may affect the Company's financial costs. However, the Company's proportion of loans is relatively low compared to the Company's registered capital. In addition, the Company has a policy to consider low-cost loans.

### **Risk of major shareholders' power in management policy**

The Plussind Family is a major shareholder group in the Company (More details in Section 1 - 1.3.4 Shareholders). As at the latest book closing date on 30 December 2022, this major group hold shares in the Company accounted for 37.48% of paid-up capital which is less than 50%, thus reducing the above risks. In addition, the Company has organized the management structure to consist of the Board of Directors, Executive Committee, and the Audit Committee with knowledge and experience.

The Company appoints four (4) independent directors from the 'outside' who have knowledge and experience to join the Board of Directors, and three (3) of them are appointed as the Audit Committee to audit and closely monitor the related party transactions before presenting them to the Board of Directors or at the Annual General Meeting.

### **Risk from future Changes in Laws and Regulations or any Standards governing the Company**

The Company operates its business under the supervision of the Ministry of Public Health and other related government agencies. The Company shall comply with laws governing healthcare, companies and other related laws, including follow and consider any changes in the interpretation of current regulations or the enforcement of new laws or regulations that are likely to be more stringent and may impact the Company's operations. This also includes the price control by the Ministry of Commerce proposing a list of controlled medicine, medical supplies and medical services for the year 2019, according to Act on the Price of Goods and Services BE 2542. Nevertheless, there is no conclusion on this agenda (announced on January 22, 2019).

However, the Company is in compliance with various quality standards such as Joint Commission International (JCI) and Healthcare Accreditation Institute (HA) which require the Company to operate and follow the standard in order to maintain the service quality standard and ensure that it meets the Safety and Environment standards, including other risks. These may help to lessen the effects of changes in related laws and regulations.

## 2.2.2 Investment Risks of Shareholders

### Risk from the Uncertainty of Returns on Investment that the investors expect to receive

In any investments, the investors may receive returns on investment both in forms of increased share price and dividend payment. However, the Company's share price may increase or decrease depending on various factors that are beyond the Company's control, for example, changes in policies, regulations or conditions affecting the Healthcare industry, economic situation and crisis, irregular situations such as the COVID-19 outbreak, etc. Such factors may cause the share price to drop below the investors' buy price and/or higher than the investors' sell price.

In addition, these uncontrolled factors may affect the Company's ability to pay dividends. Although, the Company has set up a policy to pay dividends not less than 50% of net profit from the Company's consolidated financial statement after legal reserve and other reserves have been deducted, the dividend received each year may be lower than expected. Therefore, investors may have risk from the uncertainty of the return on investment.

## 2.2.3 Investment Risks in Foreign Securities

The Company does not invest in foreign securities.

## 3 Driving Business towards Sustainability

### Sustainability Management Policy and Goal

#### 3.1 Sustainability Management Policy

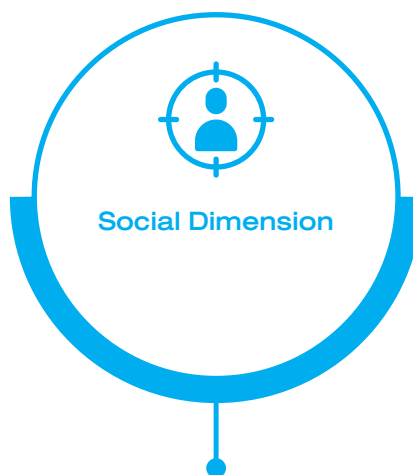
The Company is committed to driving sustainable business growth by conducting business with responsibility and considering the interests of all stakeholders. The Company has established organizational policies and strategies to drive sustainable business in company with economic development, social, and environment. A task force

has been set up to plan and prioritize key issues and participate in sustainable activities, with the objective of increasing understanding in these areas. A step-by-step analysis is conducted and identify all stakeholders. The Company conducts an annual review of its policies to ensure they remain relevant to new challenges and changing business trends.

#### Framework for Sustainability Development



Aiming to conduct its business with ethics and good corporate governance principles against corruption. Responsible for all stakeholders and sustainable business development. Always prioritize the improvement of service quality, customer relationship management, and privacy, security, and confidentiality of information.



Aiming for respecting human rights and treating employees fairly without discrimination, providing equal opportunities, emphasizing the development of the potential and quality of employees' life at work, ensuring occupational health and safety, and the working environment. Participating in promoting good living and good health in society and communities, also supporting government policies about the public's healthcare.



Aiming to promote efficient resource management, cultivate a culture of environmental care and awareness, conserve energy, and encourage the efficient use of valuable resources among employees. Responsible for its products and services. Encourage the environmentally friendly products, services, and procurement processes.

## Roles and Responsibilities of Board of Directors, Management, Working Groups and Employees



Board of Directors

Set policies and directions for sustainable management. Consider and approve key issues related to sustainable business development. Acknowledge the Company's involvement with relevant stakeholders. Monitor and acknowledge progress on sustainability-related operations.



Managing Director

Define sustainable strategy direction for the organization. Establish sustainable management practices. Communicate policies, practices, and strategies to all employees across the organization. Report on the performance and provide opinions on sustainable business development to the Board of directors.



Working group

Supervise, monitor, and implement the operations in accordance with the established policies, practices, strategies, and goals on sustainable development. Prepare sustainability reports and present progress to Managing Director. Communicate progress and goals of sustainability to employees for their acknowledgement and participation improve performance.



Employee

Act in accordance with sustainable development policy, practice and guidelines. Actively participate in providing feedback or suggestions on activities related to sustainable development.

In 2022, the Managing Director has reviewed and revised the definition of **the Core Value: Icare**, to align with the Company's vision, strategy, and direction for sustainable business operations. Communication was conducted to all employees through meetings and various communication channels within the organization, to enhance the employee's understanding, participation, and instill

a sense of responsibility, to drive the organization towards sustainable practices in a moral and ethical manner. Additionally, the Company organized a competition to create a description of the Core Value - Icare, for each department's service, to create awareness, participation, and motivation for employees to perform their duties with a sense of responsibility towards society and the environment.



Reporting on sustainability performance is part of 56-1 One Report, which the Company has consistently prepared for 2 consecutive years with an objective to drive and drive business sustainability in a concrete and measurable manner. The Company has improved the disclosure of its sustainability performance in the economic, governance, social and environmental dimension, starting from January 1, 2022 to December 31, 2022 within the scope of the headquarter. This report is prepared in accordance with SET ESG Metrics 2022 recommended by the Stock Exchange of Thailand (SET), in line with the United Nations Sustainable Development Goals (SDGs), as well as with reference to the GRI Standard 2021.

### Sustainability Management Goal

The Company has committed to operate and create a sustainable growth for its business in accordance with the principles of sustainability development and good corporate governance throughout the value chain, taking into account

the impacts on all stakeholders, society and environment. The Company believes that operating its business on the principles of sustainability is a key foundation for growing its business towards sustainable growth. In addition, the Company has committed and strived to grow its business on the basis of creating positive changes towards the community, environment and economy as well as to operate its business in an appropriate direction and benefit all stakeholder groups. This intention will help promote the operation of both the Company and the Group towards sustainability.

In 2022, the Company has reviewed and improved its sustainability management targets in each dimension, setting short-term and long-term goals in both quantitative and qualitative terms. The Company has also specified a clearer direction for its sustainability operations, in order to provide a framework for operations and align with the expectations of all stakeholders.

### Overall Sustainability Management Goals

Sustainability Development Strategy	Goals and Key Performance Indicators
 <p><b>Economic and Good Corporate Governance Dimension</b></p> <p>Focus on conducting business with ethics and integrity under the principles of good corporate governance. Responsible for all stakeholders. Emphasize on the continuous improvement of service quality.</p>	<ul style="list-style-type: none"> <li>• 0 Complaint on Good Corporate Governance</li> <li>• 0 Complaint on the use of Inside Information</li> <li>• 0 Complaint/Warning from the Securities and Exchange Commission (SEC)</li> <li>• 0 Acts of misconduct or unethical behavior</li> <li>• 0 Non-executive director resigns due to Corporate Governance issues</li> <li>• 0 Reputation-damaging dispute arising from the Board's failure to perform their oversight duties</li> <li>• 4-star CG Score</li> <li>• Announcement of its commitment on Anti-Corruption</li> <li>• Consistent Business Growth</li> <li>• &gt;90% Customer Satisfaction</li> <li>• Create innovation in Health Technology and focus on its medical treatment potential enhancement</li> <li>• Management Discussion and Analysis (MD&amp;A) reflecting the linkages between the nature of a Company's business operations and ESG practices/guidelines</li> </ul>



## Sustainability Development Strategy



## Social Dimension

Commit to developing its employees' potential and improving their quality of life. Contribute to the well-being and good quality of life of Society and Communities. Support the government policies in promoting the health of Thais.



## Environmental Dimension

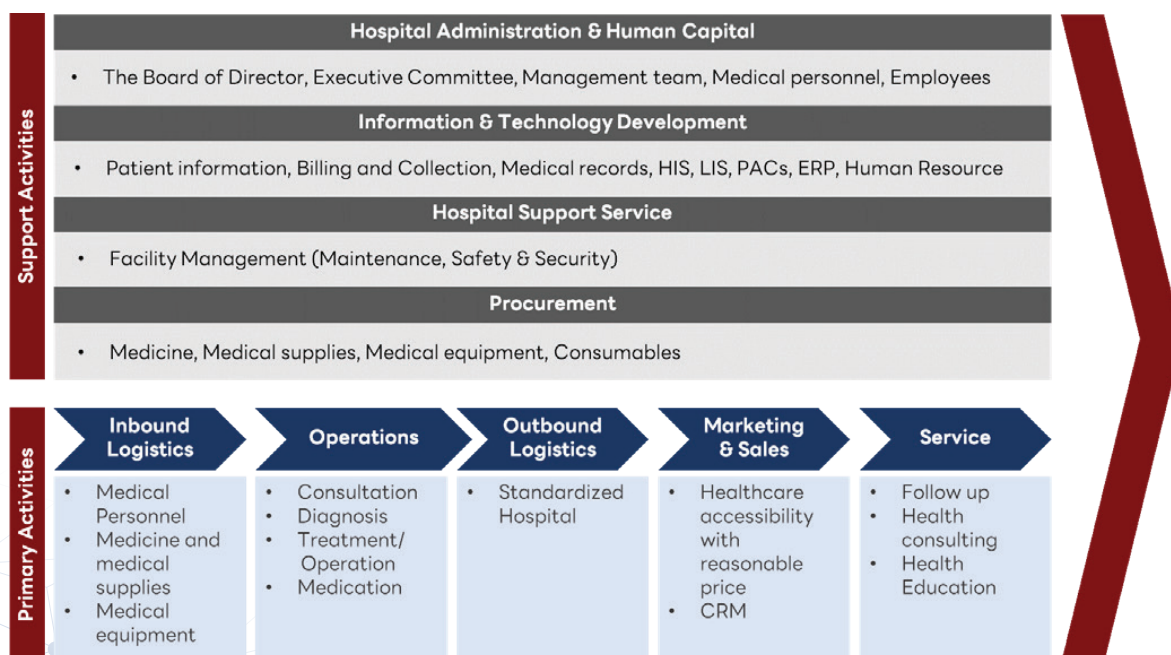
Promote the efficient resource management. Cultivate environmental care awareness and culture among its employees. Promote the efficient use of all resources and energy to its employees.

## Goals and Key Performance Indicators

- >80% Employee Satisfaction
- 10% Work-related Accident Rate
- 0 Work-related Fatality Rate
- <20% Employee Turnover Rate
- 0 Complaints from the Community and Society
- 0 Labor Disputes
- 50% Provident Fund Member
- Continue to develop quality of life, provide employment opportunity, and contribute to environmental care in nearby communities through various projects and activities.
- 0 Complaint on Environment
- Control the increase of total waste generated from its operation to not exceeding 5% per year.
- Control the increase of total water consumption from its operation to not exceeding 5% per year.
- Control the increase of total electricity consumption from its operation to not exceeding 5% per year.
- Control the increase in GHG Emissions from its operations to not exceed 5% per year.
- Plan to have an external certified verifier for GHG emission information

## 3.2 Impact Management to Stakeholders in Business Value Chain

## 3.2.1 Business Value Chain



The Company places great importance on supply chain management (SCM) from beginning to end. The Company consistently practices the framework of sustainable supply chain management, which includes managing environmental, social, and economic impacts, as well as promoting good governance throughout the life cycle of products and services. The Company has established the policy, starting from the very first the process of servicing, screening the service recipients, serving the service, until sending the service recipients home. Continuous patient monitoring and follow-up are carried out to evaluate the outcomes of treatment or service delivery, towards assessing the satisfaction level of all stakeholders, including patients and their families. The Company controls the entire process, taking into account the value chain of the Group, which consists of two parts: primary activities and support activities. The details of each part are as follows:

### Primary Activities

1. **The management of production factors or Inbound Logistics** of the Chularat Hospital Group consists of medical personnel who are the main factors in providing care for patients, procurement of quality medicines and medical supplies that meet the needs of medical personnel providing services and service recipients, as well as procurement of state-of-the-art medical equipment to ensure accurate diagnosis and treatment of diseases for the best treatment outcomes.
2. **Operations** of Chularat Hospital Group mainly focus on providing comprehensive medical care services since disease screening, consultation, diagnosis, treatment, doing various procedures and dispense medicines or medical supplies that the service recipient needs to use, including referral for treatment to other hospitals according to the potential or wishes of the service recipient as appropriate.

3. **Distribution of products and services or Outbound Logistics** for the service delivery of Chularat Hospital Group. The Group's quality services are delivered through its 14 standardized hospitals and clinics, which are designed for good healthcare accessibility.

4. **Marketing and Sales** With the commitment to patient care under the Company's slogan "You are my family, We care", healthcare accessibility with reasonable price is therefore the key for its business operation. The Group has provided services to both the government sector and general public at an affordable price and focus on managing customer relationships to build trust and confidence in its medical treatment.

5. **Customer Services** after sales are one of the primary activities that create value for its products and the services. The Group has monitored the patient's symptoms after the end of treatment and follow-up with doctor appointment on their symptoms to ensure that the customers receive the best care that brings the best treatment results. In addition, the Group has provided health knowledge to its customers/patients/service recipients through various media channels to create their awareness on preventive care and create their understanding in taking care of their own health in the future, which in turn will strengthen the overall Public Health of Thailand.

### Support Activities

It is well known that Primary Activities cannot achieve their objectives smoothly without Support Activities, which include various activities such as:

1. The Board, the Management and Human Capital
2. Information and Technology Development
3. Hospital Support Service
4. Procurement

### 3.2.2 Stakeholders Engagement

The Company places great importance on Stakeholders Engagement, both internal and external, directly and indirectly, throughout its business value chain, covering those who have been affected by or may affect the Company's business operations, in the past, present, and future. The Company is pleased to listen to opinions and suggestions from stakeholders through various channels, including surveys, in order to analyze, plan, and develop appropriate guidelines to respond to their expectations and maximize benefits for all stakeholder groups.

In 2022, the Company has set a policy to involve stakeholders of all groups, both internal and external, throughout its business value chain.

The Company has reviewed and evaluated all stakeholder groups according to their level of importance by considering impacts that stakeholders have received or may receive from the business operations. The Company has also considered the alignment of stakeholder needs and expectations. A report on the Company's Stakeholder Engagement Results has been prepared and presented to the Board of directors. The Company's stakeholder groups, in order of importance, are divided into seven (7) groups: 1. Employee 2. Customer 3. Shareholder and Investor 4. Supplier/Partner 5. Creditor 6. Society 7. Competitor. The Company has different communication channels and engagement approaches for each stakeholder group to strengthen good relationships and appropriately respond to their expectations, in line with good governance principles. The details are as follows:



#### 1. Employee

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Employee Satisfaction Survey (once a year)</li> <li>Individual Development Plan (all year round)</li> <li>Employee Training (Professional Employee at least 25 hours per year/Supporting Employee at least 18 hours per year)</li> <li>Recommendations, Whistle-Blowing and Complaints to Management team, Compliance Department and Internal Audit Department through various channels (all year round)</li> <li>CEO-Employee Meeting (once a year)</li> <li>The Board of Directors' Meeting (6 times a year)</li> <li>Occupational Health, Safety and Environment Committee's Meeting (12 times a year)</li> <li>Outstanding Employee Project with Certificate and Recognition (12 times a year)</li> <li>Employee Orientation (12 times a year)</li> <li>Communication with employee</li> </ul>	<ul style="list-style-type: none"> <li>Career Growth, Career Opportunity and reasonable compensation.</li> <li>Welfare Improvement to match employees' needs</li> <li>Work Safety</li> <li>Skill Development through training</li> </ul>	<ul style="list-style-type: none"> <li>Communicate the Company's history, nature of business, management and executives, key rules and guidelines to employees at all levels through orientation.</li> <li>Provide employees various communication channels.</li> <li>Communicate the Company's policy based on the principles and guidelines of Human Right, Labor Laws and Diversity (No discrimination on sex, religion, race).</li> <li>Have measures to protect the whistleblowers.</li> <li>Organize Town Hall Meetings between senior and middle management, including department and interdepartmental meetings.</li> <li>Conduct employees Satisfaction Survey and organize employees' activities to build employee engagement and morale.</li> <li>Organize assessment Performance Appraisal and Two-way Communication.</li> <li>Develop employees' knowledge and skills through training from both internal and external organizations, online and offline formats. Provide opportunities for employees to suggest or choose learning methods and training courses suitably to develop their potential in the field.</li> <li>Organize the meetings with employees to jointly initiate and participate in social activities.</li> <li>Develop employees salary structures and career path, also motivate employees to conduct and support advancement opportunities</li> <li>Set up and train employees in occupational safety and health in their operations and guidelines in case of adverse events every year to make employees feel safe in their work and ready to deal with incidents.</li> <li>Prepare Individual Development Plans (IDP) and Retention Plans to keep good personnel with the organization.</li> </ul>

Engagement Channels	Expectations	Responses
<p>through various channels such as meetings, email, corporate intranet, LINE group, LINE Official (all year round)</p> <ul style="list-style-type: none"> <li>Performance Evaluation based on KPIs or OKRs (once a year)</li> </ul>		<ul style="list-style-type: none"> <li>Provide an area for religious practices to employees such as a prayer room.</li> <li>Review the compensation and benefit plans to satisfy employees and be competitive at the same industry level.</li> <li>Develop employees by using new information technologies that are in line with future human resource development trends.</li> <li>Encourage the Professional Certificate Accreditation for professional staff</li> <li>Creates organizational communication channels via LINE group or Application to provide information and encourage employees, such as announcing the list of outstanding employees of the month.</li> </ul>



## 2. Customer

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Customer Satisfaction Survey through telephone, questionnaire, and various electronic channels (all year round)</li> <li>Customer Relation Department and Hotline Call Center (all year round)</li> <li>Improve employee's skill and potential in providing good services to customers (all year round)</li> <li>Healthcare Knowledge Sharing activities and trainings in hospitals (all year round)</li> <li>Various communication channel for contact, feedbacks, opinions, recommendations, complaints, such as customer service center, telephone, email, letter, Company's website, LINE Official, Whistle-blower (all year round)</li> <li>Cyber Security System (all year round)</li> </ul>	<ul style="list-style-type: none"> <li>Provide Quality, standardized, safe and satisfactory services</li> <li>Variety products and services that meet the needs, as well as an improving plan for the products and services quality.</li> <li>Have good Corporate Governance, Code of Conduct, Social Responsibility, and emphasize Customer Data Protection system.</li> </ul>	<ul style="list-style-type: none"> <li>Mobilize customer events to reinforce relationships on important occasions.</li> <li>Organize activities to provide information regarding the products and services of the hospitals.</li> <li>Organize Knowledge-Sharing activities to provide knowledge on medical treatment and health care free of charge through online, branch network, notice board, Company's website and various electronic channels.</li> <li>Conduct Customer Satisfaction Survey through telephone, LINE, questionnaires and various electronic channels.</li> <li>Provide various direct and indirect communication channels, for feedback, opinions, recommendations, and complaints such as customer service center, telephone, LINE Official, Corporate application, Company's website, whistle-blower system, etc.</li> <li>Develop products and services to achieve the intention of each customer group.</li> <li>Listen and acknowledge problems and actively solve them immediately.</li> <li>Build and maintain relationships with corporate customers along with providing accurate products and services.</li> <li>Provide modern technologies and comprehensive products and services to their entire needs.</li> <li>Have a good Information Security Management System (ISMS).</li> <li>Develop the service-mind and language of employees to provide impressive service to customers.</li> </ul>



## 3. Shareholder and Investor

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders (AGM) (once a year)</li> <li>Analyst Meeting (4 times a year)</li> <li>Organize activities to communicate the Company's operating results, in both online and offline formats, such as domestic and international roadshows, Company Visits, Site Visits, Conference Call, Thailand Focus hosted by SET (all year round)</li> </ul>	<ul style="list-style-type: none"> <li>Good Performance, consistent return and sustainable business growth</li> <li>Good Corporate Governance, Sustainable business operations, comprehensive Risk Management as well as Social and Environmental Responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>Review annual investor relations activities and plan the direction of activities for the next year.</li> <li>Review the effectiveness of various communication channels with shareholders and investors, such as Company's website under Investor Relations (IR), email, letter, telephone, LINE, etc.</li> <li>Provide opportunities for shareholders and investors to express their opinions and suggestions for consideration in formulating strategies and operating guidelines of the Company.</li> <li>Set up a committee to receive complaints and suggestions from shareholders and develop an appropriate and effective solution/plan.</li> </ul>

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>• Provide accurate, complete, timely operating results and the Company's important news through the Company's website. (all year round)</li> <li>• Answer investors' and shareholders' inquiries through various communication channels such as telephone, email, LINE. (all year round)</li> <li>• Provide operating results and MD&amp;A (4 times a year)</li> <li>• Prepare Annual Report (56-1 One Report) (once a year)</li> <li>• Provide various channels for contact, opinions and suggestions, such as phone call, letter, email, Company's website, Whistleblower, etc. (all year round)</li> <li>• Provide various channels to contact investor relations such as Company's website, email, telephone. (all year round)</li> <li>• Executive Interviews (all year round)</li> </ul>	<ul style="list-style-type: none"> <li>• Fair Business Practice.</li> <li>• Accurate, complete and timely information.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine a policy to prevent transactions that may cause Conflict of Interest and Risk Management policies for sustainable growth.</li> <li>• Promote activities that support innovation for community, society and environment.</li> <li>• Determine Whistleblower policy and measures to protect whistleblowers.</li> <li>• Regularly report an accurate, complete and timely information to the Stock Exchange of Thailand.</li> <li>• Regularly communicate business expansion and growth plan through various communication channels.</li> <li>• Disclose and communicate an accurate, complete and timely information.</li> <li>• Determine policies and guidelines related to Human Rights and Labor Practice, Anti-corruption, Intellectual Property and Copyright, Information Security, Tax and Privacy (Personal Data Protection), etc.</li> </ul>



#### 4. Supplier

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>• Meeting Invitation to clarify the scope of work for bidding through specified channels (every time there is a tender)</li> <li>• Meet or Visit to suppliers' sites to strengthen the relationship, listen to suggestions and problems, guidelines for working together (once a year)</li> <li>• Supplier Satisfaction Survey (one a year)</li> <li>• Supplier Performance Evaluation (once a year)</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and transparent procurement and business practice.</li> <li>• Strictly compliance with the agreed terms and on time.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the Company's compliance with the terms and contracts agreed with the suppliers.</li> <li>• Treat suppliers and business partners with equality, transparency, fairness, verifiable, without demanding or accepting any benefits in accordance with the Anti-corruption policy.</li> <li>• Organize meetings, company visits and conduct Supplier Performance Evaluation on an annual basis to develop long-term relationship, jointly identify problems and solutions, share product updates and related knowledge for mutual business development and growth.</li> <li>• Communicate the Business Partner Code of Conduct to suppliers and business partners as a guideline for doing business together.</li> <li>• Conduct Supplier Satisfaction Survey on an annual basis.</li> <li>• Build Suppliers' confidence through efficient and standardized business operations with business expansion plans.</li> </ul>





## 5. Creditor

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Provide information, answer questions, listen to opinions and suggestions to creditors through various channels such as meetings, email, telephone (all year round)</li> <li>Disclose financial information through financial statements, MD&amp;A, debt to equity ratio via the Company's website (4 times a year)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with agreed conditions with honesty, accuracy, on time.</li> <li>Conducting businesses in a transparent and verifiable manner.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly meet with creditors to build a good relationship and provide creditors an opportunity to express their opinions or suggestions for mutual business development and growth.</li> <li>Regularly conduct Creditor Satisfaction Survey. Comply with agreed terms and conditions with honesty, strictly and on time to build confidence and trust in the Company.</li> <li>Regular reviews of good governance towards creditors are conducted, such as the terms and conditions for guaranteeing capital management and cases of default in debt repayment.</li> <li>Regularly communicate with creditors to provide accurate and complete information, news, and knowledge.</li> <li>Disclose the Company's operating results, financial statements, key financial information through various channels, such as the Company's website.</li> </ul>



## 6. Society

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Survey communities' satisfaction, identify needs and receive opinions from surrounding communities (once a year)</li> <li>Conduct community relations activities to continuously improve the quality of life and environment in surrounding communities. (all year round)</li> <li>Organize Healthcare Knowledge-Sharing activities and provide any assistances and supports to communities and society (all year round)</li> <li>Survey environmental impacts from the Company's business operations to the surrounding communities. (once a year)</li> <li>Provide assistance and support to the community and society in the event of emergency (all year round).</li> <li>Organize classes or trainings to Village Health Volunteer to share knowledge and practice on Cardio Pulmonary Resuscitation (CPR) at individual level, First Aid, Self-Care during the COVID-19 epidemic as well as organize mobile units or centers for Influenza and COVID-19 vaccination in communities to build immunity.</li> <li>Receive cases and referrals from the surrounding communities for COVID-19 patients who need hospitalization.</li> </ul>	<ul style="list-style-type: none"> <li>Good Corporate Governance and Social Responsibility Practice.</li> <li>Have working groups, guidelines and systems on Energy Efficiency, Environment and Safety Management.</li> </ul>	<ul style="list-style-type: none"> <li>Visit the communities, attend communities' meetings and participate in communities' activities to build a good relationship, listen to their comments and suggestions, including to explore their needs and satisfactions.</li> <li>Regularly check, examine and monitor Environmental Management Policy and System, as well as assess the negative environmental impacts from hospital operation to the communities.</li> <li>Organize Emergency Response Plan and Emergency Response Rehearsals with the surrounding communities on a regular basis.</li> <li>Organize activities or training to provide health knowledge or organize health check-up activities corresponding to the situation (free of charge) to enhance the quality of life, reduces the mortality rate or the severity of the disease on an annual basis, such as self-care during the COVID-19, basic CPR Training, Mother Class training, etc.</li> <li>Encourage employees to volunteer, support and organize activities that are beneficial to society and the environment, such as Love Earth project, Beach Cleaning project, Reforestation project, etc.</li> <li>Organize and promote career activities for handicapped and underprivileged people in the community (free of charge), such as providing a space or booth for selling products in the hospital area.</li> <li>Provide assistance, support, share and promote the communities through various activities, such as providing masks and survival bags to the surrounding communities, providing influenza vaccination, organizing Walk &amp; Run Rally to raise funds for the purchase of medical equipment, organizing "Pan-Suk (Sharing Happiness)" cabinet project, donating masks and necessities to monks in the area, organizing annual Buddhist's activities such as Buddhist Lent Candle Offering, and Thod Kathin ceremony, etc.</li> <li>Conduct the business with full responsibility in accordance with Good Corporate Governance principles and Sustainability Development guidelines.</li> <li>Improve and develop the potential of all staff on an annual basis for the benefits of society and environment.</li> </ul>



## 7. Competitor

Engagement Channels	Expectations	Responses
<ul style="list-style-type: none"> <li>Attend meetings with private hospital clubs and associations to discuss opinions and exchange ideas and opportunities for collaboration. (all year round)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct business and compete with transparency, fairness, without distorting facts and without business bullying or slandering</li> <li>Comply with the framework of good and honest competition and the related laws.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly attend meetings with private hospital associations and clubs to exchange opinions or suggestions in order to improve the quality of medical services or update new medical technology.</li> <li>Treat competitors honestly and fairly according to the framework of good competition rules and within the framework of the related law.</li> <li>Regularly conduct Competitor Satisfaction Survey, both formal and informal formats.</li> </ul>

## Materiality Assessment

The Company recognizes the importance of key sustainability issues related to its business operations, both internal and external, that may affect the Company's value creation throughout the business value chain, including key issues related to all stakeholders' expectations and needs, as well as healthcare industry trends and situations in Thailand and Global levels. These material issues are considered as important factors affecting the business direction and strategy of the Company to strive for sustainability development that creates value for society and the environment, along with conducting its business with integrity and ethics under the principles of Good Corporate Governance.

The Company has established a process for assessing key sustainability issues in accordance with the framework of 56-1 One Report from the Securities and Exchange Commission Board (SEC) and other related guidelines. There are four steps of materiality assessment as follows:

### Step 1. Identification of Material Issues and Scope of the Reporting

In 2022, the Company has reviewed key sustainability issues and engaged relevant stakeholders both internally and externally through interviews, assessments, and feedback on important company issues covering economic, social, and environmental dimensions. The Company has also established clearer scopes and boundaries

for reporting and assessing risks to ensure better coverage and clarity.

### Step 2. Prioritization of Material Issues

The Company assesses each material issues from step 1, considering both the short-term and long-term impacts, important business trends, the surveys from internal and external stakeholders such as shareholders, investors, customers, employees and local community members to understand their expectations, interests and impact. The Company prioritizes material issues and determines the scope of disclosure based on the impacts on business and all stakeholder groups.

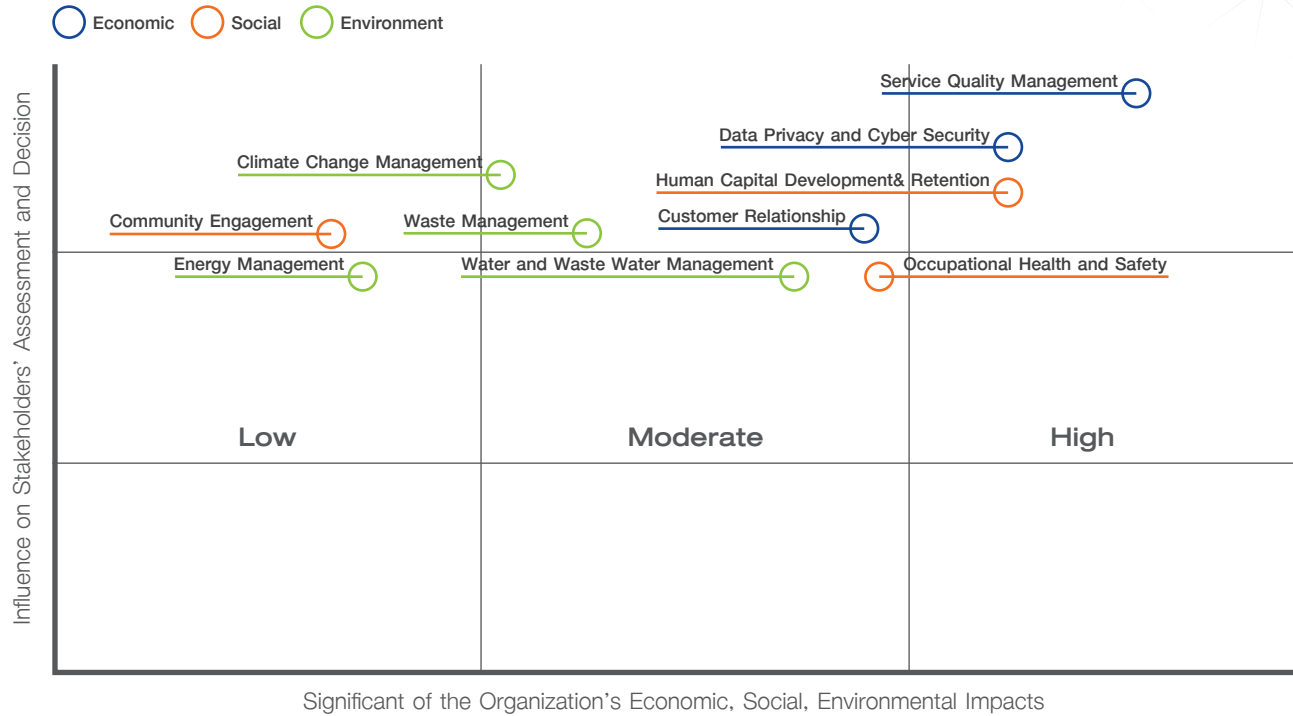
### Step 3. Validation of Material Issues

The Company reviews, examines and prioritizes the material issues for consideration to the Strategic Planning Director, who is responsible for the Company's sustainability development, present to the Corporate Governance Committee (CG) to review and certify key performance indicators and submit the report to the Board of Directors for acknowledgment.

### Step 4. Continuous Improvement and Accuracy (Development)

The Company focuses on continuous development of sustainability reports and open to suggestions and opinions from all stakeholders through various channels to improve the sustainability report and regularly review the sustainability policy to achieve the objectives and goals.

## CHG Materiality Matrix 2022



Dimension	Material Topics	Scope of impact on Stakeholders						
		Internal	External					
		Employee	Customer and Patient	Supplier	Shareholder and Investor	Creditor	Community and Society	Competitor
<b>Economy</b> 	1. Data Privacy and Cyber Security	○	○	○	○	○	○	○
	2. Service Quality Management	○	○	○	○	○	○	
	3. Customer Relationship	○	○		○		○	
<b>Society</b> 	4. Human Capital Development & Retention	○	○	○	○	○	○	
	5. Occupational Health and Safety	○	○		○		○	
	6. Community Engagement	○			○		○	
<b>Environment</b> 	7. Waste Management	○	○		○		○	
	8. Water and Waste Water Management	○	○		○		○	
	9. Energy Management	○	○		○		○	
	10. Climate Change Management	○	○		○		○	

## Sustainability Management in Governance Dimension

### Good Corporate Governance

Maintain 4 CGR Score “Excellence” and disclose the Company’s Corporate Governance in accordance with the standard of Corporate Governance at regional level - ASEAN.

### Anti-Corruption

Support and recommend at least one business partner to participate in self-assessment until they are certified as a member of Thai Private Sector Collective Coalition Against Corruption (CAC).

### Value Chain Management and Sustainable Procurement

100% of the Company’s major suppliers have acknowledged and signed the acknowledgment of the Business Partner Code of Conduct.

## Sustainability Management in Economic Dimension

### Corporate Governance

The Board of Directors, the Management Board, and departments within the organization play crucial roles in promoting good corporate governance, allowing the Company to generate sustainable value for both itself and society. This requires the establishment of efficient structures and systems for corporate governance, monitoring, and performance evaluation to ensure that all parties will follow the same principles of good corporate governance based on the following five key principles:

- **Integrity** is a management with honesty, integrity, and reliability
- **Fairness** is treating stakeholders of the organization fairly and equitably.
- **Transparency** is conducting operations with transparency by disclosing information openly to stakeholders who can verify it.

- **Responsibility** is fulfilling one's responsibilities with intellect and ability to the fullest extent possible, striving to successfully complete tasks and improve performance.
- **Accountability** is taking responsibility and accountability for the outcomes of actions resulting from one's own decisions, orders, assignments, and judgments in accordance with one's responsibilities, and being able to identify and explain those decisions.

The Company’s business operations and activities are inevitably related to various stakeholders. Therefore, the Company shall understand the needs and expectations of each stakeholder group, which may differ from one another. The Company shall establish systems and processes that promote cooperation between the Company and its stakeholders, particularly those who are negatively impacted. This will enable the Company to efficiently understand and respond to the expectations of these stakeholders, which will lead to the creation of long-term wealth and financial stability for the business. To achieve this, the Company must adhere to 5 key principles of good corporate governance mentioned above.

### Business Ethics and Anti-Corruption

To demonstrate the Company's commitment to conducting business and achieving its objectives, the Company has established a code of ethics for employees to adhere to as a guideline and framework for the Company's operations. The Company considers ethics, morality, and integrity to be of paramount importance, and upholds the principles of good governance in conducting its business. The Company has published its full code of business ethics on its website.

The Company is aware of the importance of combating corruption, which refers to the act or omission of performing duties, or abusing authority without authorization, violating the law, ethics, regulations, or Company’s policies in pursuit of undeserved benefits in various forms. Therefore, the

Board of directors, the management, and employees shall not engage in or support such actions under any circumstances and must strictly comply with anti-corruption measures, including establishing and cooperating in internal audit processes to prevent and address corruption or corporate fraud that may occur within the organization. The Company has developed guidelines to prevent and combat corruption and has published its full policy on the Company's website.

### **Risk and Crisis Management**

Continuous and sustainable business operations are processes that are integrated into normal work and tailored to suit all units within the organization. This is considered a risk management culture. The Company recognizes the importance of risk management, which is a key component of a good corporate governance system. The Company believes that risk management is an important mechanism and tool for managing work that will help achieve its objectives and goals as well as help mitigate unforeseen obstacles or circumstances that may arise in terms of profitability, operations, and trust from investors and other stakeholders. The Board of Directors has therefore established a risk management policy for the Company and its subsidiaries. The Company has published the full policy on its website.

### **Identification of Key Business Issues**

The Board of directors places importance on various issues related to the organization and stakeholders, including those related to Sustainability Development (ESG). These issues have an impact on business operations and the creation of value for stakeholders of the organization, both in the present and in the future.

Climate Change is a good illustration. The long-term changes in temperature, weather patterns, and climate conditions, is a top priority issue for the world and for businesses. It can potentially cause business disruption due to physical impacts such as

flooding, drought, resource scarcity, and changes in consumer behavior and trade barriers. Additionally, laws, regulations, and policies established by governments to comply with agreements from the United Nations Framework Convention on Climate Change (UNFCCC) and the 26<sup>th</sup> Conference of the Parties (COP26) can significantly affect the cost of production and limit the long-term growth opportunities for the Company. As such, it is critical for the Company to address the climate change issues and develop strategies to mitigate its impacts.

The Company has developed a strategy for efficient resource management, energy conservation, and the use of renewable energy sources while considering the potential for reducing greenhouse gas emissions. The Company also plan to expand the scope of their operations to cover the reduction of GHG emissions occurring unintentionally, as well as monitor and analyze the progress. In addition, the Company has established policies, goals, and KPIs related to climate change to track its performance, meet the expectations of stakeholders in the long term, and create value to support sustainable business operations.

### **Customer Relationship Management**

The Company follows up treatment outcomes through scheduled appointments with physicians to monitor symptoms, and regularly asks for feedback on the treatment and satisfaction levels. The Company actively listen to comments and suggestions related to its products and services to continuously improve the quality of its products and services.

The Company has implemented a systematic evaluation of customer satisfaction with a target of achieving a satisfaction level of over 80%. The target is communicated to employees throughout the organization as a guide for working together. The Company has utilized feedback from customer comments, suggestions, and satisfaction evaluations to develop and improve its products, services, and



operations to meet customer needs and increase efficiency. In the event of complaints about service, the Company will take immediate corrective action to prevent similar complaints from occurring in the future.

In addition, due to changes in consumer behavior following the New Normal lifestyle and the demand for convenient, fast, and efficient healthcare services, the Company has established a plan to develop products and services that continuously respond to the changing needs of customers. This is to create opportunities to expand the customer base and promote long-term business growth. Additionally, the Company supports the participation of employees at all levels in providing feedback on products and services, as well as in upgrading the quality of services.

In 2022, the Customer Satisfaction rating was at 88%, meeting the set target. The Company received the customers' comment on insufficient parking space, the Company then promptly took action to address the issue. This resulted in increased customer satisfaction and positive feedback for the improvement made.

### **Tax Management (GRI 207 Tax 2019)**

The Company places great importance on complying with tax regulations, laws, and rules. The Company adheres to the Thai Financial Reporting Standards (TFRS) and other accounting standards and practices. The Company has established tax policies and practices to demonstrate its commitment to the proper and transparent payment of taxes as follows:

- Supervise, monitor, and carry out the payment of Corporate Income Tax and comply with tax laws, guidelines, and related standards accurately, completely, and transparently, and being audited by independent auditors and revenue officers (as specified by the Revenue Department), along with presenting current income tax expenses and accurate provisions for tax liabilities.

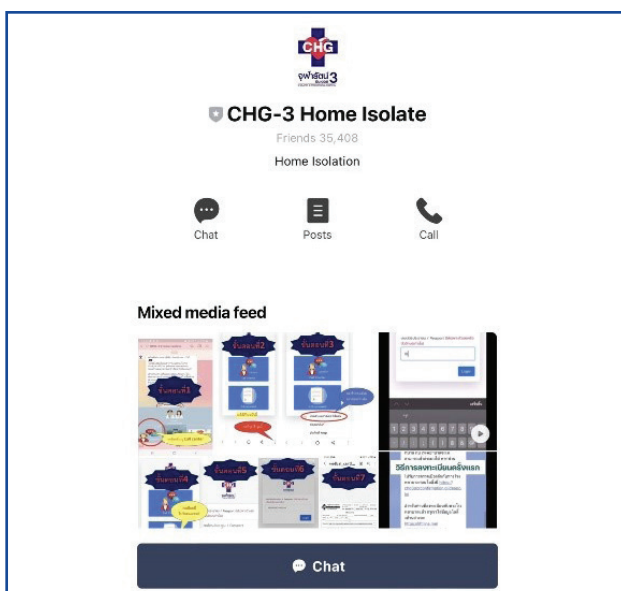
- Evaluate tax risks based on the type of income and including the risks associated with withholding tax payments, where the Revenue Department assesses the income tax of some types differently from the Company's approach.
- Ensure the proper use of tax benefits under the law, such as obtaining tax exemptions or tax privileges from the Board of Investment (BOI).
- Implement tax structures in a correct manner, without creating tax evasion opportunities.
- Monitor changes in government tax policies on an ongoing basis to assess the impact on the Company, such as the policy to reduce corporate income tax rates from 23% to 20% to increase the country's competitiveness and attract foreign investment.
- Continuously monitor changes in accounting standards and practices to assess their impact on the Company.
- Disclose the actual amount of tax paid (in baht) or the actual tax rate paid (in percentage) in compliance with the law, as well as disclose the impact of accounting profits and income tax expenses and other related items in the annual report (56-1 One Report).

### **Innovation in Business for Society and the Environment.**

Given the current consumer behavior that emphasizes convenience, speed, and responsibility towards society and the environment, the Company places great importance on innovating and developing new technologies, processes, and practices to create products and services that meet the needs and lifestyles of consumers both now and in the future. The Company fosters a culture of innovation and creativity within the organization, at both the organizational and operational levels, driving sustainable business growth by supporting and promoting learning and skill development among all employees. These efforts will help create value for society and the environment.

## The COVID-19 Home Isolation Care Project through CHG-3 Home Isolate

In 2022, with the situation of the COVID-19 pandemic starting to ease, the government adjusted its policies for taking care of COVID-19 patients with mild symptoms, transitioning from the Hospital model to Home Isolation during March to July 2022. Chularat 3 International Hospital developed new approaches and practices for caring for COVID-19 patients in Home Isolation, utilizing Line Official: CHG-3 Home Isolate technology, which is convenient, fast, and easy to use, combined with patient management techniques, such as daily monitoring and assessment of symptoms, reporting of body temperature, blood oxygen levels, and heart rate, as well as real-time question and answer consultations through the Call Center menu, management of food, and education on self-care. As a result, Chularat 3 International Hospital was able to take care for more than 30,000 COVID-19 patients in Home Isolation, which is considered an innovative and highly efficient service that has low management costs and helps to ensure comprehensive and widespread care for COVID-19 patients in Home Isolation. Chularat 3 International Hospital continues to use Line Official: CHG-3 Home Isolate as another channel for presenting medical news and providing knowledge on post-infection health care up to the present time.



In addition, during the COVID-19 pandemic, the Group has also developed various innovations such as touchless hand sanitizer dispensers and partitions to prevent contact with airborne droplets during communication.

### Dissemination of Medical Knowledge Innovation

For the dissemination of innovative medical knowledge of the Company as a healthcare operator, the Company promotes and improves the quality of life of people in society by disseminating the knowledge and experience of Dr. Wichit Siritattamrong, a specialist in hand and microsurgery and a team of experienced orthopedics. Located in industrial estate areas or factory area, the Company has more patients in the areas than any other areas. Aiming to create different types of treatment methods for the patients to receive the best medical treatment, the Company has granted home physicians and clinical specialists to attend the training program and field trips in the Orthopedic and Joint Center at Chularat 3 International Hospital to increase and develop this knowledge and expertise without any obligations. Trained physicians and doctors do not have to work with the Chularat Hospital Group. The Company has an intention that all trained doctors and specialists would move to several service areas other than Samut Prakan province to support and prevent Thai people all

over the country from disability or loss of organs caused by various accidents enabling them to have better quality life and get back to work normally, resulting in a decrease in social problem arising from the disability. The Company has been running this project for over 10 years and has trained 68 resident physicians and clinical specialists from state and private hospitals throughout the country. This is the Company's pride to help Thai people access good healthcare and recover from disabilities.

In the year 2022, the Company provided knowledge to a total of 17 doctors from Siriraj Hospital, Phramongkutklao Hospital, Police General Hospital, Chulalongkorn Hospital, Lerdsin Hospital, Chonburi Hospital, Nakornping Hospital, Thammasat University, and Songkhla Nakarin University.

### Environmental Innovation Project

The Company recognizes the importance of environmental care, the efficient use of resources, and the need to reduce negative impacts from climate change. As a result, the Company has established policies and practices focused on innovation for environmental conservation to develop new products, services, and processes that use resources efficiently. By instilling an environmental consciousness and awareness of negative impacts resulting from climate change in all levels of its employee through continuous communication channels, employees are encouraged to participate in generating creative ideas, or proposing new approaches or processes for conserving resources, using resources efficiently.

Throughout the years, the Company has launched various environmental campaigns that originated from creative ideas and project proposals from its employees. The Company has established the working groups to create activities that promote environmental care and conservation together with all employees, to raise awareness and encourage action. The Company has continued to sustain these environmental projects up to the present, such as

- Encourage maintenance employees to participate in energy-saving training and apply the knowledge in each branch of the Company.
- Encourage all employees to be aware of electricity and water conservation through signage and annual activities.
- Purchase energy and water saving equipment and devices, such as LED bulbs and sensor faucets.
- Continuously implement waste separation projects from Company operations.
- Reduce the use of plastic bag and straw, starting by discontinuing the use of medical plastic bags for patients with chronic disease by providing the fabric bag free of charge and requesting them to reuse on their next visit..
- Reduce plastic water bottle usage in hospitals by encouraging employees to bring their own drinking glass, and provide the discounts for their drinks at the hospital's coffee shop if they bring their own glass. In January 2023, the "Bring a cloth bag, say goodbye to plastic bags" project was announced to encourage employees to 100% stop using plastic bags and use cloth bags instead.
- Encourage all branch of the Group to care for and promote the environment care through various activities beyond its normal business operations. Examples include forest planting, beach cleaning to restore the environment and reduce the impact of marine waste on the lives of marine creatures, and collaborating with government agencies to plant trees to increase forest areas.

For the year 2022, the Company has initiated a Paperless project for documents used in employee training within the organization, from previously being in paper format, including pre and post-training assessments, training materials, and employee satisfaction evaluation forms. These documents have been changed to digital file formats such as Google Forms and PDF files. This project not only helps the Company save up to 213,306 sheets of paper per year, or about Baht 34,235 in paper

cost, but also saves up to Baht 42,661 per year in document copying costs, resulting in a total cost savings of Baht 76,896. It also helps the Company contribute to reducing negative environmental impact and enables quick evaluation of training tests and employee satisfaction, leading to improved and efficient training plans in the future.

Furthermore, the Company has redesigned its customer satisfaction survey documents or the experience of using services for both OPD and IPD to be in the form of a QR code since June 2022. This has helped to reduce the amount of paper used by 16,672 sheets, saving approximately Baht 2,625 in paper costs and approximately Baht 6,668 in document copying costs. In total, cost savings amount to approximately Baht 9,293. This has also enabled the Company to promptly implement improvements based on customer feedback.

### **Customer Privacy and Information Security (GRI 418 Customer Privacy 2016)**

The Company has implemented information technology systems and computer network systems to facilitate its employee to perform their duties. To ensure the appropriate and efficient use of these systems, as well as to prevent any potential issues, the Company has developed a policy for managing information security. This policy serves as a guideline and standard for employees and individuals who are involved in the company's operations or have a responsibility to work with information. The Company has established a policy for managing information security that applies to all users of the Company's information and information systems, without exception. The Company has published the full policy on its website.

### **Service Quality Management and Responsibility towards Consumers**

Being a healthcare service provider, The Company's primary missions therefore are to provide and deliver the standardized healthcare services

to patients by adhering to the safety of patients (International Patient Safety), as well as to provide the continuous care (Care). Therefore, the Company has focused on the quality services to patients as follows.

### **Quality Service and Treatment Accreditation**

The Company is committed to complying with relevant healthcare regulations and standards at both national and international levels. This is to ensure that patient care processes are systematic and efficient, with targets set, monitoring and supervision in place, and continuous evaluation of the quality of treatment and service. The goal is to continually improve and develop these processes.

In addition, the Company is committed to continuously improving its quality management system for service delivery to meet the needs of its customers and comply with relevant quality certification standards. It also ensures ongoing supervision, monitoring, and tracking of changes or improvements to standards, in order to make timely adjustments that align with current requirements. This includes continuously renewing its certification according to relevant standards.

- Certification from JCI (The Joint Commission International), USA, a globally recognized quality award
- Hospital Accreditation - HA certification from Hospital Accreditation Institute
- Laboratory Accreditation (LA) and accreditation for Quality Management System from the Medical Technology Council (MTC)
- Health Facility Act B.E. 2541 (1998), Inpatient Hospital Services standard, Public Health standards and any related regulations and guidelines
- Food Sanitation Standards Certification from the Department of Health
- Certification for the management of fire prevention and fire suppression in the workplace from the Department of Labor Protection and Welfare



- Outstanding Automatic Claim System Award from Road Accident Victims Protection Co., Ltd in cooperation with the Office of Insurance Commission (OIC) and Thai General Insurance Association (TGIA).

### **Talented Medical Personnel Recruitment**

The Company has an efficient medical personnel recruitment process to acquire the well experienced personnel and experts with knowledge in the field, including the work history verification process to ensure that the patients are confident with the safe medical treatment services.

### **Procurement of Quality Medicine and Medical Supplies**

The Company has appointed a working group responsible for procuring the good quality medicines and medical supplies used in hospitals. The working group, consisting of doctors, nurses, pharmacists, technicians and those involved in the use of medicines and medical supplies, will look for and examine medicines and medical supplies to ensure the quality, safety, and appropriateness, including tracking the medicines and medical supplies recalls that may pose a risk to patients or service recipients before reaching the patients or service recipient.

### **Procurement of high-quality Medical Equipment**

The Company has set up a medical equipment department, responsible for sourcing, selecting and acquiring quality medical devices and equipment, as well as maintaining and servicing all medical equipment to ensure that they are fully functional and efficient for use at all time. The Company also has a system for checking the recall of medical equipment to prevent any potential risks or hazards to patients.

### **Medical Personnel Training and Development Program**

The Company supports and organizes the training programs for medical personnel in various fields,

tailored to the specific needs of each individual, with an objective to enhance their knowledge, understanding, and skills in order to ensure high-quality, safe, and standardized patient care.

### **Information and Knowledge Provision for Informed Decision-Making**

The Company has a clear approach to providing essential information and knowledge to assist patients in making informed decisions about their treatment options. The Company ensures that patients always have options and review their understanding of the information provided after every interaction.

### **Marketing and Labeling (GRI 417 Marketing and Labeling 2016)**

The Company emphasizes responsible, ethical, accurate, transparent, and non-deceptive marketing practices to provide patients and service recipients with complete and accurate information about products, services, medicines, and medical supplies that meet their needs. The Company has established marketing, sales, and labeling practices in accordance with announcements by the Department of Health Service Support, the Drug Act, the Central Committee on Prices of Goods and Services, JCI, HA standards, and other relevant requirements to ensure accurate, transparent, and auditable operations. The Company determines the marketing and pharmacy departments to responsible for overseeing, monitoring, and evaluating these practices to improve their effectiveness, including employee training on marketing communication and labeling. The Company has established channels for reporting and complaints by stakeholders if any marketing or labeling practices are found to be non-compliant.

In 2022, there were no cases or complaints regarding unfair marketing practices or inaccurate labeling.



### 3.3 Sustainability Management in Environmental Dimension

#### 3.3.1 Environmental Policy (Green Hospital & Zero Waste)

The Company has committed and strived to be a caring and environmental friendly organization by promoting environmental care culture and raising awareness among its executives and employees at all levels, in compliance with environmental laws, rules and regulations related to the business operations of the Company and its subsidiaries (The Company has disclosed the full environmental policy on the Company's website), with an objective to become a green hospital and reduce the amount of all types of waste (Green Hospital & Zero Waste) through trainings and knowledge sharing, environmental activities, putting posters to promote environmental care at various points in the hospital as well as communicating the Company's environmental performance through various channels. The overall environmental policies of the Company are to reduce the negative impacts on the environment and efficient use of energy and natural resources in accordance with the Circular Economy principle, taking into account all relevant stakeholder groups, such as reducing the amount of waste and reusing some types of waste (3Rs – Reduce, Reuse, Recycle), reducing energy use (Energy-Saving), reducing Carbon Dioxide Emissions (CO<sub>2</sub> Emission), using water wisely, treating wastewater prior to releasing it into public water sources, increasing green areas in the hospital, including campaigning for employees and the community to recognized the importance of using resources efficiently with maximum benefits, encouraging them to join force in creating the Shared Values to help reduce negative impacts on the environment, Global Warming and Climate Change as well as to increase the positive environmental impacts to deliver a sustainable Green World and good quality of life for our future generations.

In addition to its commitment to being an organization focusing on environmental management, efficient use of resource with maximum benefit, reducing negative environmental impacts and climate change along with creating value-added for the organization, the Company has also committed to the systematic environmental management in accordance with the practices and guidelines, requirements, laws and relevant standards such as HA Standard (The Healthcare Accreditation Institute), JCI Standard (Joint Commission International) which covers the risk management related to environment and the use of resources in business operations, such as emergency response measures, preparation and provision of backup power sources (power generator) and backup water sources, Facility Management and Safety (Building and premises), Work Safety, Waste Management (Separation and disposal of each type of waste), preventive maintenance and maintenance of machinery, materials and equipment in utilities, buildings and premises as well as other systems that support medical services within the hospital to ensure its function and availability 24 hours a day.

The Company has appointed **Occupational Safety, Health and Environment Committee** to be responsible for environmental and safety planning, to supervise and monitor the operation of the hospital's safety and environment in accordance with the rules, regulations, regulations and standards as mentioned above. The Company has also appointed **the working groups** to initiate activities to raise environmental care and conservation awareness and action with all employees.



### Duties and responsibilities of Occupational Safety, Health and Environment Committee

- Set guidelines and assign the working groups to operate in accordance with the policies, guidelines, practices, requirements and the related standards.
- Manage Risk Assessment, Risk Analysis, Risk Mitigation measures, Utility System and Management, Waste Management, Energy Management, Facility Management and Safety, Environment Management, and Preparation of Emergency Response to meet the relevant standards and requirements.
- Assign the maintenance department to prepare a plan for maintenance and inspection of all utilities within the hospitals as required by law.
- Assign the maintenance department to prepare a plan for clean water system and the electrical system to be available at all times, including in the event of contamination or failure of normal sources.
- Authorize the Head of the Environment and Safety Department, who is legally qualified to control water quality, to monitor the quality of tap water on a regular basis.
- Assign the Environment and Safety Department to be responsible for Risk Assessment, Risk Analysis, Risk Mitigation measures and monitor the performance of Hazardous Wastes and Materials Management in the hospitals to ensure the development and meet the international standards.

- Assign the Environment and Safety Department to arrange FMS Round (Facility Management and Safety) according to the specified frequency based on risk levels.
- Assign the Environment and Safety Department to be responsible for an inventory list, handling, storage and the use of hazardous materials and waste, as well as responsible for establishing a hazardous materials and wastes control system.
- Organize the trainings and PCI & FMS Festival Week events every year to enhance the knowledge and understanding of the employees or all stakeholders within the hospitals and the contracted companies in hospitals on the practices and guidelines for the use of hazardous materials and waste to ensure an accurate and appropriate practices, and review the annual training plan on a yearly basis and/or on special cases.
- Organize a meeting of the working group to monitor the performance on a monthly basis, prepare a summary of the performance results to the management on a quarterly basis, and prepare Performance Evaluation of the Occupational Health, Safety and Environment Committee to the Executive Committee at least once a year.

During the month of April every year, the Company has organized “Green Hospital” workshops and exhibitions at Chularat 3 International Hospital to educate the employees and the public and raise their awareness on the impact of Global Warming and Climate Change, see the importance of environmental care and conservation, and well understand that these environmental issues are not someone’s or some organization’s responsibility, however these are our responsibility and we all have to put efforts and work together by starting with the campaigns to change behavior in matters that are close and easy to follow, such as littering the garbage correctly based on waste types, using electricity and water wisely, planting trees in free space in the hospital area to reduce energy consumption, reduce greenhouse gas emissions and purify air around the hospital, which gives a positive impact in the surrounding community. The Company has appointed several working groups to be responsible for the following.



### Green Hospital Project

<b>G</b>	<b>Garbage</b>	Waste Management	Environmental Management Committee
<b>R</b>	<b>Restroom</b>	Healthy, Accessibility and Safety of restroom (HAS Standard)	Housekeeping Department
<b>E</b>	<b>Energy</b>	Energy Management	Maintenance Department
<b>E</b>	<b>Environment</b>	Environmental Management	Environment and Safety Department
<b>N</b>	<b>Nutrition</b>	Food Sanitation and Drinking Water Management	Nutrition Department, Environment and Safety Department

Thanks to our commitment to promote the environmental care culture, energy conservation awareness, efficient use of resources and Energy Saving campaigns, the Company has also determined the guidelines and knowledge on such matters as a key part of the Company's annual PCI & FMS Festival & Safety Week event and appointed the **Occupational Health, Safety Environment Committee and the working groups** to be responsible for this event, and set a target of employee participation rate at 100%. In 2022, the Company organized this event in August. The participation rate of all employees is 100% in line with the set goal.

In 2022, the Company has reviewed and revised its sustainability management in environmental dimension, both qualitative and quantitative, as well as short term and long term to be able to clearly compare its environmental performance and in line with the environmental indicators of the Stock Exchange of Thailand (SET ESG Metrics 2022 – Healthcare), the United Nation Sustainable Development Goals, and with reference to the reporting standards of the Global Reporting Initiative (GRI Standard 2021). The Company has also added the disclosure of Climate Change Management, covering climate change risk assessment to its business operations, climate change risk management, the determination of qualitative and quantitative goals for the reduction of GHG emissions in the short and long terms to in order to support the Thailand's GHG reduction goal of 20-25% (Thailand's Nationality Contribution Roadmap on Mitigation 2021- 2030 ), including a plan to have a verifier on its GHG emissions in the future.

## Guidelines for Occupational Health, Safety and Environment Management in the workplace

### Safety Program

**Work Safety** refers to the condition of being safe from various accidents that may cause harm to the body, life, or property while performing work. This means that the working conditions should be correct and free from accidents during work.

**Work-related Accidents** refer to unforeseen events that occur and have an impact on work, causing damage to property or personal injury.

- Plan and execute measures to ensure a physically safe environment (noise, heat, and light) for patients, family members, staff, and visitors. Oversee and monitor operations to ensure that they meet the specified indicators.
- Examine and prepare plans reduce risks and implement plans. Develop budget plans for improving or replacing systems, facility and key components.
- Conduct an annual check of the facility to ensure compliance with laws and regulations. Develop plans for demolition, construction, or facility improvements.
- Evaluate safety risks, prioritize risks, and develop risk mitigation measures.
- Schedule regular inspections of facilities and safety (FMS Round) based on the risk level of the departments.
- Ensure environmental conditions in the workplace are measured, including heat, light, noise, dust, and air pollutants.
- Monitor employee health to assess potential risks related to work and implement health screening programs on an annual or departmental basis, such as hearing and vision tests, heat-related illnesses, improper lifting, and unsafe work practices, etc.

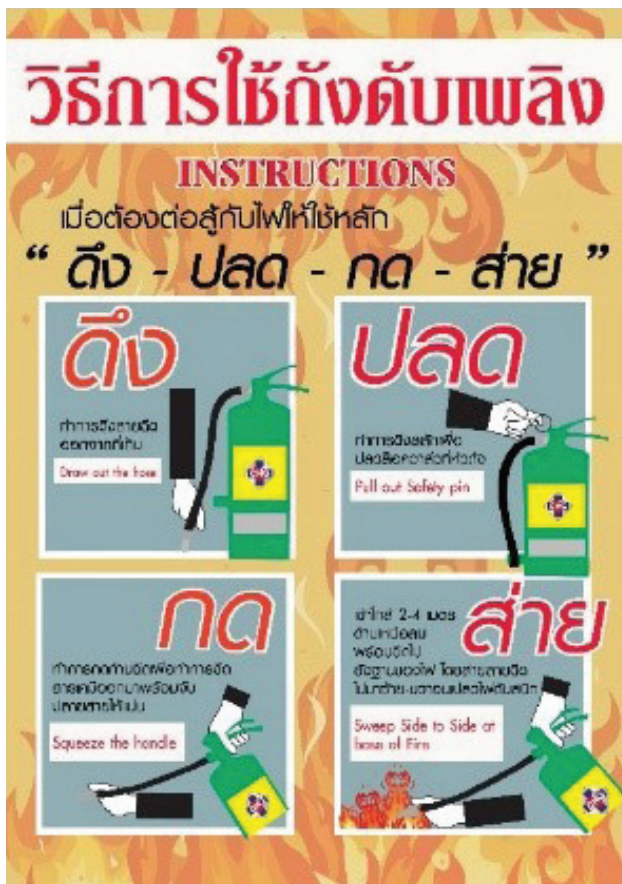


- Establish policies for investigating workplace accidents in collaboration with SQE and PCI to analyze the causes of work-related accidents and develop measures to reduce risk.

### Fire Safety Program

- Plan and manage fire safety program
- Define a risk assessment process for fire safety, analyze and prioritize risks
- Set risk mitigation measures and an annual improvement plan. Ensure prevention and suppression systems of the Company are up-to-date.

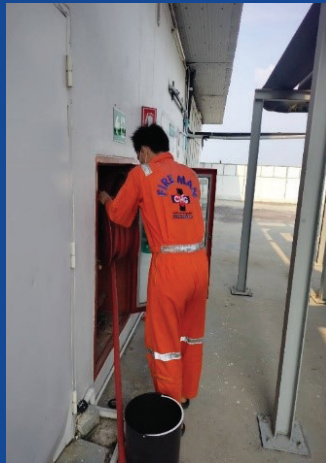
- Comply with laws and regulations related to fire safety.
- Develop a program for prevention, early detection, fire suppression, mitigation, and safe evacuation to respond to emergencies caused by fire or other disasters.
- Ensure all personnel and contractual businesses participate in fire safety testing (fire drills) at least once a year, in order to demonstrate the methods for safely evacuating patients from the fire place.



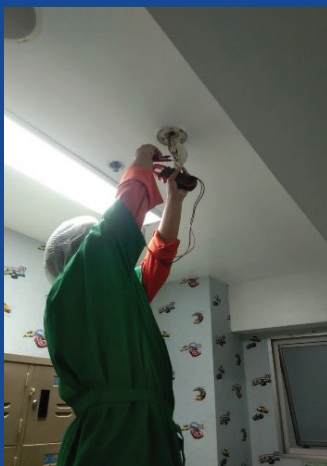
- Develop a plan for regular inspection and testing of fire detection and suppression equipment, including regular maintenance and recording of test results, such as testing emergency lighting

and exit signs, smoke barrier doors, sprinkler systems, fire alarms, testing fire hoses, and water supplies, inspecting hazardous areas, and checking gaps above ceilings, etc.





Fire hose and water supply Testing



Fire Alarm System Testing (Smoke Detector, Heat Detector and Manual Station)













Emergency Light and Fire Exit Sign Testing

- Conduct regular Facility Management and Safety (FMS round) to survey the building, premises, and security of the organization. The frequency of the surveys will be determined based on the risk level of the specific unit.
- Develop a plan for fire safety and limit smoking for staff and patients to designated areas outside of patient care areas, and implement it.

### 3.3.2 Environmental Management Performance 2022

The Company has set the goals of each environmental aspects for the year 2022. The Company's environmental management performance in 2022 are as follows:

Environmental Management	2022 Target	2022 Performance
<b>1. Waste Management</b> GRI 306 Waste 2020  	<ul style="list-style-type: none"> <li>Wastes from business operations increase from 2021 by no more than 5%</li> <li>Waste Intensity should be no more than 10.5 kilograms per inpatient day and no more than 0.00025 kilograms per revenue (1MB)</li> <li>0 Dispute on Waste management from community, society and any related governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>Waste from business operations increased by 0.1% from 2021 due to the increased number of customers.</li> <li>Waste Intensity was 10.38 kilograms per inpatient day and 0.00019 kilograms per revenue (1MB)</li> <li>0 Dispute on Waste management from community, society and any related governing bodies</li> </ul>
<b>2. Water and Waste Water Management</b> GRI 303 Water and Effluents 2018   	<ul style="list-style-type: none"> <li>Water consumption increases from 2021 by no more than 5%</li> <li>Water Intensity should be no more than 1 cbm per inpatient day and no more than 0.000025 cbm per revenue (1MB)</li> <li>0 Dispute on Water and Wastewater management from community, society and any related governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>Water consumption from business operations decreased by 11% from 2021 due to water-saving measure.</li> <li>Water Intensity was 0.97 cbm per inpatient day and 0.000017 cbm per revenue (1MB)</li> <li>0 Dispute on Water and Wastewater management from community, society and any related governing bodies</li> </ul>
<b>3. Energy Management</b> GRI 302 Energy 2016   	<ul style="list-style-type: none"> <li>Electricity consumption increases from 2021 by no more than 5%</li> <li>Electricity Intensity should be no more than 100 kWh per inpatient day and no more than 0.003 kWh per revenue (1MB)</li> <li>0 Dispute on Energy management from community, society and any related governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>Electricity consumption from business operations increased by 6% from 2021 due to the increased number of customers.</li> <li>Electricity Intensity was 97.06 kWh per inpatient day and 0.0017 kWh per revenue (1MB)</li> <li>0 Dispute on Energy management from community, society and any related governing bodies</li> </ul>
<b>4. Climate Change Management</b> GRI 305 Emissions 2016  	<ul style="list-style-type: none"> <li>Prepare GHG emission data covering all 3 scopes to be used as a base year for climate change management</li> <li>0 Dispute on Climate Change management from community, society and any related governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>Total GHG Emission (Scope 1,2,3) was 5,210,748 kgCO<sub>2</sub>e</li> <li>GHG Emission Intensity was 71.59 kgCO<sub>2</sub>e per inpatient day and 0.0013 kgCO<sub>2</sub>e per revenue (1MB)</li> <li>0 Dispute on Climate Change management from community, society and any related governing bodies</li> </ul>

**Remark :** Environmental Performance Reporting cover the performance from January 1, 2022 to December 31, 2022 within the scope of the head office.

## Details of Environmental Management

### 1. Waste Management (GRI 306 Waste 2020)



#### Waste Management Policy

With the commitment to reduce the environmental impact caused by waste from hospital operation, the Company has determined and set a systematic waste management within the hospital in accordance with the environmental management standards : HA standard (The Healthcare Accreditation Institute), JCI standard (Joint Commission International), Ministerial Regulation on Infectious Waste Disposal B.E.2545 (2002), Ministerial Regulation on Infectious Waste Disposal (No.2) B.E.2564 (2021), Ministerial Regulation on Waste Management B.E. 2560 (2017) and assigned the Environmental Management Committee to be responsible for waste management in the hospitals

Disposal of infectious waste by incineration with a temperature of 1,200 degrees causes carbon dioxide in the atmosphere and disposal of hazardous waste by landfill also causes methane gas. Both carbon dioxide and methane leads to global warming and climate change. The Company is aware of this issue, therefore has established a policy to control the amount of waste in order to reduce the amount of waste for disposal and the reduction of all kinds of energy consumption with an objective to reduce the amount of carbon dioxide and methane (Carbon

Footprint). The Company has continuously provided the trainings to educate all employees in the group and organized various projects and campaigns to raise their awareness of this important issue and change their behavior to reduce negative impacts on the environment and global warming, such as tree planting campaign to increase green area in hospital area and the community, campaign to reduce the use of plastic bags, all kinds of foam boxes and single-use plastic, changing from chemical cleaners to bio-based solutions as well as campaign to use two-sided paper and reduce photocopying by using information systems which will help reduce the amount of toner, paper and storage space, including reduce electricity consumption. The Company has set a policy to replace fluorescent tubes to LED tubes to reduce energy consumption and heat, add a switch to turn on and off the light in the office, adjust the air conditioner temperature to a constant level, reduce the use of elevators by encouraging the employee to use stair, turn off the computer screen when not in use, unplug all kinds of electrical appliances after use, including carpool campaign to reduce energy consumption, etc.

The Company has guidelines for disposal of each type of waste as follows:

Waste Type	Example	Disposal Method
General Waste	Food wastes, foam boxes, tissues, sanitary napkins, food boxes, plastic bags	Landfill (waiting to decompose)
Recycle Waste	Beverage cans, paper boxes, plastic bottles, paper, glass bottles	Recycle and reuse
Infectious Waste	Vials of live vaccines, needles of all kinds, blood bags, cotton swabs, blood-stained gauze, pus and secretions	Incinerate or sterilize and dispose.
Hazardous Waste	Light bulbs, batteries, expired drugs, chemical waste, aerosol cans, copy paper, chemical pen	Use the right and safe disposal method for each hazardous waste.

#### Infectious Waste Management (HCA-E1)

The Company has policies and guidelines for the management of infectious and sharp waste, covering the supervision, sorting, storing, transporting and destroying in a systematic and safe way to

prevent harms to the health of patients, personnel, stakeholders and surrounding communities as well as contamination in the environment, which may affect the quality of life of the community and society both in the short and long term.



Occupational Health and Safety Committee (FMS) has established processes for the identification, selection, movement, storage, use and disposal of hazardous materials and waste, starting from the waste creation to the disposal,

which is closely supervised and monitored to ensure the safety and in compliance with laws. The committee would inspect and assess the contractor once a year.



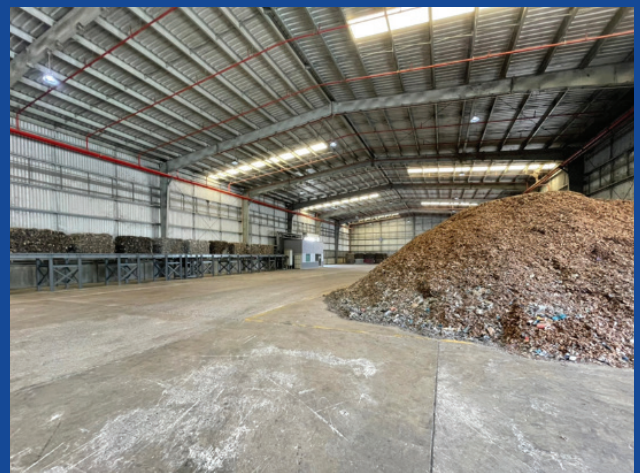
Infectious Waste Incinerator



Incinerator system control room



The process of transporting the company's infectious waste to the infectious waste disposal facility.



The Building for storing the residue after infectious waste incineration is complete, which has a standard system according to the laws

## Food Waste Management (HCA-E2)

The Company has a policy and guidelines regarding the effective management of food waste from its business operations and activities with an intention to reduce the negative impact on the environment, reduce disposal expenses and create the added value to the Company. In 2022, the Company used food waste from patients as fish food for fish ponds in the community and put food waste from its employees into the food waste disposal machine to turn them into fertilizers for the plants in the hospital area.

## Objective

With its commitment on waste management, the Company has reviewed and determined the quantitative and qualitative goals, both in short and long term, for reducing all waste types from its operations in order that the Company can closely monitor and manage its performance more efficiently.

## Short-term and Long-term Goals of Waste Management

Short-term Goals (2022)	Long-term Goals (2022-2026)
<ul style="list-style-type: none"> <li>Waste from business operations increase by no more than 5% from 2021</li> <li>Waste Intensity should be no more than 10.5 kilograms per inpatient day and no more than 0.00025 kilograms per revenue (1MB)</li> <li>0 Dispute on Waste management from community, society and any related governing bodies.</li> </ul>	<ul style="list-style-type: none"> <li>Waste Intensity should be no more than 10.5 kilograms per inpatient bed and no more than 0.00025 kilograms per revenue (1MB) every year</li> <li>0 Dispute on Waste management from community, society and any related governing bodies</li> </ul>

The Company focuses on employees' participation and their behavioral change in reducing the amount of waste from operations by organizing activities and projects to educate its employee on waste management, including encouraging employees to invent innovations or practices or guidelines to help reduce waste.

- Ensure that employees are aware of the negative impact of waste on the environment, see the importance of Environmental Conservation (possess a sense of environmental responsibility) and change their behavior in littering waste correctly based on waste types both in the hospital and at home to help reduce the amount of waste, waste disposal expenses and the negative impact on the environment.

- Ensure that employees are aware of the importance of littering waste correctly based on waste type for the purpose of an appropriated disposal or reuse. (Accuracy rate of littering by waste type of the employees > 90%)
- Continue to use innovation or new technology or new equipment or new knowledge to help reduce, recycle and reuse waste. Encourage employees to express their opinions or suggest the projects or activities or innovation or technology related to waste management.
- Continue the waste separation project throughout the group.
- Organize activities and events to educate the community and society on waste management on an annual basis.



- No complaints from communities and societies on the hospitals' waste management as well as being a good role model for society and communities in waste management.

### Management Approach

The Company has applied the principles of Circular Economy and the 4Rs guidelines (Right, Reduce, Reuse, Recycle) to manage waste within the hospital with an objective to become a Green Hospital & Zero Waste, focusing on employees' participation throughout the Company.

Right = Littering of waste based on waste type

Reduce = Waste Reduction

Reuse = Reuse of some types of waste

Recycle = Recycling some types of waste or selling to the buyer

However, the COVID-19 situation during the past 2 years has affected Thais' lives and their relationship various aspects and changed their life styles. Thai people have to live more at home, including working from home as well as switching to use food delivery and online services. As a result,

this has led to a rapid increase in the amount of various types of waste, especially the single-use plastics that are difficult to decompose. Therefore, in order to manage waste with maximum coverage and efficiency, the Company therefore organized a campaign for employees to use the 7Rs principle in all activities of life, both at home and at work with the goal of reducing the use of natural resources used to produce various packaging materials, optimal use of resources before they become waste and reduce the amount of solid waste in the household.

### Performance on Waste Management

In 2022, the Company had a total waste of 755,151 kilograms, increased by 0.1% yoy, most of which were general waste of 514,671 kilograms (68% of total waste) and followed by infectious waste 163,204 kilograms, (22% of total waste). Waste Intensity were 10.38 kg per inpatient day and 0.00019 kg per revenue (1 MB).

#### Complaint

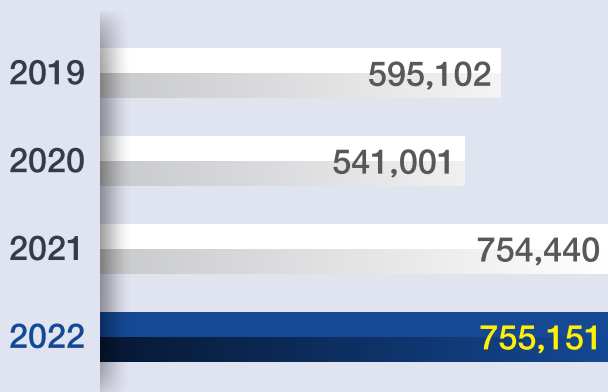
The Company does not have complaints regarding its waste management from the communities, society or any related government agencies.

### Performance on Waste Management

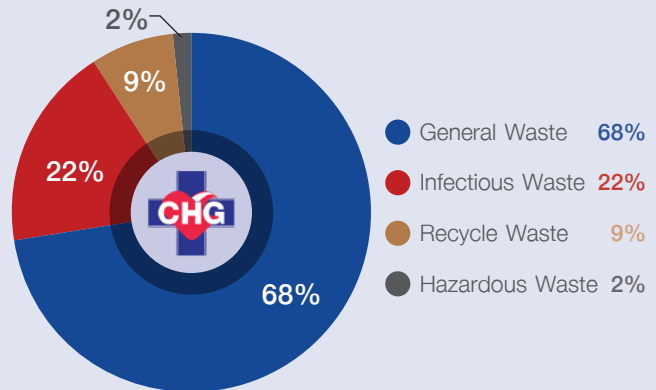
Performance	Unit	2019	2020	2021	2022
General Waste	Kilogram	464,552	419,782	485,725	514,671
Infectious Waste	Kilogram	66,104	69,704	197,917	163,204
Recycle Waste	Kilogram	55,437	43,149	60,792	65,332
Hazardous Waste	Kilogram	9,009	8,366	10,006	11,944
<b>Total Waste</b>	<b>Kilogram</b>	<b>595,102</b>	<b>541,001</b>	<b>754,440</b>	<b>755,151</b>
Waste Intensity per Inpatient Day	Kilogram per inpatient day	9.19	9.41	10.00	10.38
Waste Intensity per Revenue (1 MB)	Kilogram per revenue	0.00028	0.00024	0.00015	0.00019

## Waste Management Performance in 2022

Total Waste (kg)



Waste Type (%)



0.1%

Total Waste  
Increase (yoy)

10.38

kg per  
inpatient day

0.00019

kg per revenue  
(1 MB)

0

Dispute on Waste  
Management

## Waste Separation Project



## Project Objective

The Company has committed to continue reducing the amount of waste from hospital operations and reduce the environmental impact. Therefore, the Company has continued its "Waste Separation Project" by applying Circular Economy and 4Rs principles (Right, Reduce, Reuse, Recycle) to continue raising employee awareness

and actions to separate waste and recycle some types of waste in all activities and point out the benefits of waste separation (Save the environment, Reduce waste, Save the budget for waste disposal, Have revenue from waste sales) throughout the year and assigned **Waste Management Committee** to be responsible for the project.



### Project Management Approach

- Provide rubbish bins or trash cans for each waste type (infectious waste, recyclable waste, general waste, food waste) at various points throughout the hospitals.
- Prepare signs and posters to educate employee regarding each waste type, waste segregation, and the benefits of segregating waste at various points, such as trash bin location and in the rest rooms.
- Prepare and post posters showing the amount of each waste type, disposal costs and income from sales of recycle waste on a monthly basis at the employee's clocking points.
- Reduce the use of plastic bags by encouraging all employee to use fabric bag, reducing the plastic medicine bags to the patients.

- Reduce the use of plastic bottles and plastic drinking straws in the hospitals by encouraging all employees to bring their own drinking glass, providing a discount at the hospital's coffee shop if the employees brings their personal glass, not providing plastic bottled water in internal meetings, etc.
- Reduce the use of foam boxes by encouraging all employees to bring their own food containers.

### Project Achievement

In 2022, the employees' accuracy rate in littering waste according to each waste type was 99% (Target >90%), reflecting that the employees have continuously supported the project and put their efforts to reduce waste and environmental impact.

## 2. Water and Wastewater Management (GRI 303 Water and Effluents 2018)



### Water and Wastewater Management Policy

Water is considered as a limited natural resource and is also an important resource for hospital operation, the Company therefore values the importance of efficient use of water (Water Efficiency). The Company has established the policies and objectives on systematic water management within the hospitals in accordance with Environmental Management standards, HA standard (The Healthcare Accreditation Institute), JCI standard (Joint Commission International), Notification of Ministry of Natural Resources and Environment on the determination of sewerage standards from certain types and sizes of buildings and other related laws. The Company has appointed the Occupational Health, Safety and Environment Committee and the Maintenance Department to be responsible for the implementation, monitoring, auditing and evaluation according to the determined water management and wastewater treatment plan.

Hospitals in the group have wastewater treatment system to improve the quality of wastewater to meet the standard of the Department of Health, Ministry of Public Health prior to releasing to the public sources. The quality of treated wastewater is regularly examined which the measured values of various parameters are within the specified standards. The Company has assigned the maintenance department to prepare a clean water system plan, regularly check the availability and maintenance plan of various equipment of the water

system and prepare the key backup equipment of the wastewater treatment system to ensure the availability for use at all time (proactive hedging).

Every year, the Company has passed an annual audit by the Provincial Public Health Office and an annual inspection by the Social Security Office and met all conditions and requirements to be hospitals under Social Security Office. The Company has continuously developed and improved the wastewater treatment system to ensure that the quality of treated wastewater and safety standards are met before releasing to the public. Some treated wastewater will be used for watering plants and cleaning the hospitals' parking lots.

In response to any emergencies or in the event that the water source is contaminated or the main water supply system is disrupted (Failure of main source), the Company has prepared sufficient reserve water tanks within the hospitals and prepared external water sources (backup water supply) within 30 minutes, along with a quarterly drill according to the emergency response plan.

### Objective

With its commitment on efficient use of water and wastewater management, the Company has reviewed and determined the quantitative and qualitative goals, both in short and long term, for efficient use of water for its operations in order that the Company can closely monitor and manage its performance more efficiently.

### Short-term and Long-term Goals of Water and Wastewater Management

Short-term Goals (2022)	Long-term Goals (2022-2026)
<ul style="list-style-type: none"> <li>Water consumption from business operations increased from 2021 by no more than 5%</li> <li>Water Intensity should be no more than 1 cbm per inpatient day and no more than 0.000025 cbm per revenue (1MB)</li> <li>0 Dispute on Water and wastewater management from community, society and any related governing bodies.</li> </ul>	<ul style="list-style-type: none"> <li>Water Intensity should be no more than 1 cbm per inpatient bed and no more than 0.000025 cbm per revenue (1 MB) every year</li> <li>0 Dispute on Water management from community, society and any related governing bodies</li> </ul>

The Company focuses on employees' participation and their behavioral change in reducing water consumption and encouraging efficient use of water by organizing activities and projects to educate its employee on water management, including encouraging employees to invent innovations or practices or guidelines to help reduce water consumption.

- Ensure that employees are aware of the importance of efficient use of water, possess a sense of using water for consumption in the most efficient ways, and change their behavior to use water wisely both in hospitals and at home to help reduce water consumption, wastewater and the negative impact on the environment.
- Continue to use innovation or new technology or new equipment or knowledge to help reduce water consumption as well as encouraging employees to express opinions or suggest the projects or activities or innovations or technology related to water and wastewater management
- Continue organizing water-saving projects and activities in hospital, with an annual follow-up and assessment.

### Management Approach

The Company has adopted the 3Rs principles to optimize water consumption in a valuable and

sustainable manner by reducing water consumption (Reduce) and partially reusing treated wastewater (Reuse & Recycle). The Company has established water management system, brought water-saving technologies or equipment in the water management process and examined the availability of various devices and equipment for water management and wastewater treatment systems on a regular basis. The Company has also promoted and encouraged the employees and the customers to participate in efficient water consumptions (Use water wisely) through various communication channels.

### Performance on Water Management

In 2022, the Company had total water consumption of 70,379 cbm, decreased by 11.28% yoy, driven by water-saving measures and guidelines. Water Intensity was 0.97 cbm per inpatient day and 0.000017 cbm per revenue (1MB), demonstrating the Company's water management efficiency. Total wastewater was at 44,443 cbm, whereas 35,554 cbm (80%) was treated before releasing to the public.

#### Complaint

The Company does not have complaints regarding its water and wastewater management from the communities, society or any related government agencies.

### Performance on Water and Wastewater Management

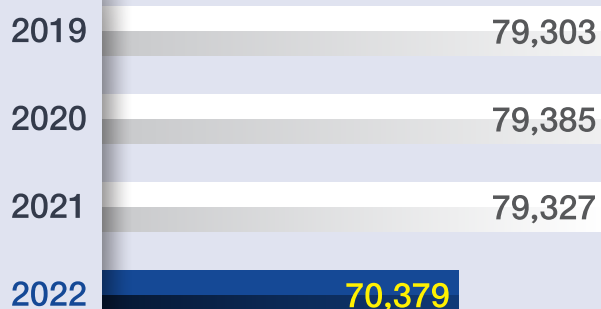
Performance	Unit	2019	2020	2021	2022
Total Water Consumption	cbm	79,303	79,385	79,327	70,379
Water Intensity per inpatient day	cbm per inpatient day	1.22	1.38	1.05	0.97
Water Intensity per revenue (1 MB)	cbm per revenue	0.000037	0.000036	0.000016	0.000017
Total Wastewater	cbm	44,425	44,959	44,441	44,443
Treated Wastewater	cbm	35,540	35,967	35,553	35,554
% Treated Wastewater	percentage	0.80	0.80	0.80	0.80

**Remarks :** 80 percent of the amount of wastewater in the hospital will receive treatment according to the requirements before releasing to the public.



## Water and Wastewater Management Performance in 2022

### Total Water Consumption (cbm)



# 11.28%

Total Water  
Consumption  
Decrease (yoy)

# 0.97

cbm per inpatient  
day

# 0.000017

cbm per revenue  
(1 MB)

# 0

Dispute on Water  
and Wastewater  
management

## Save Water Project

### Project Objective

The Company has committed and strived to reduce water consumption from its hospital operations and promote the efficient use of water to reduce the impact on the environment. Therefore, the Company has initiated a project to replace the normal faucets with motion sensor faucets throughout the hospitals in the group. The Company has assigned maintenance department to be responsible for the project.

### Project Management Approach

In the past few years, the Company has switched to water-saving sensor faucets in the restrooms and various points within the hospital, along with organizing the campaigns promoting the efficient use of water among its employee by providing stickers and posters to the employee and attaching them at various points throughout the hospital.

For the year 2022, the Company has continued to carry on this project by assigning the maintenance department to switch to more motion sensor faucets in inpatient rooms and at various points within the hospital, including regularly examining the efficiency of the motion sensor faucets, maintenance process, preparing any



Motion sensor faucets - to use water wisely, reduce water consumption and reduce the exposure (touchless)

relevant back-up equipment as well as to immediately repair or replace in case of damage found.

### Project Achievement

The Company has switched to use motion sensor faucets in the inpatient rooms and various points throughout the hospital, regularly examined the efficiency of motion sensor faucets, prepared any related parts or component, including to repair or replace them in case of damage. As a result, the Company could still manage water usage efficiently and leads to a reduction in total water consumption and water intensity per inpatient day.

### 3. Energy Management – Electricity (GRI 302 Energy 2016)



#### Energy Management Policy - Electricity

The Company recognizes the importance of Energy Efficiency. In order to reduce the impacts of global warming and climate change from direct and indirect energy consumption of the hospitals, the Company has established the policies and objectives on systematic energy management - Electricity in accordance with Environmental Management standards, HA standard (The Healthcare Accreditation Institute), JCI standard (Joint Commission International), Energy Conservation Promotion Act of the designated buildings B.E. 2535 (1992), amended B.E. 2552 (2009), and other related laws and regulations.

The Company has appointed the Maintenance Department to regularly check the availability of electrical equipment and tools, prepare the key backup equipment of the electrical system to ensure its availability for use at all times, prepare a maintenance plan for the related tools and equipment in accordance with the specified standards and the manufacturer's recommendations, as well as to regularly conduct risk assessment and review the past incidences.

In response to any emergencies or in the event of a failure of electrical power sources, the Company has prepared in-house backup power generators for use in key departments (Cath Lab, ICU, CCU, NICU, operating room, delivery room, recovery room, emergency room, patient room, Lab, X-Ray, drug warehouse), Air conditioning systems and lighting systems throughout the hospitals within the specified time. The Company also has a memorandum of understanding (MOU) with external agencies to provide the backup power generators, along with a quarterly drill according to the emergency response plan.

To demonstrate the Company's will and determination in Energy Conservation and Energy Efficiency, the Company has set up an energy conservation policy as a guideline for energy management and promoted Energy Efficiency as follows:

- Implement and develop an appropriate energy management system by determining energy conservation a part of the Company's operations and comply with laws and other related requirements.
- Continuously improve the efficiency of the Company's energy consumption, appropriate for business, technology used and good practices and guidelines.
- Determine energy conservation plans and objectives and communicate to all employees throughout the hospitals to ensure their understanding and appropriate action.
- The Company regards energy conservation as the duty and responsibility of its executives and employees at all levels, to cooperate in the implementation of the prescribed measures, monitor, inspect and report to the Energy Management Working Group.
- Provide necessary support, including human resources, budget, working time, training and participation in presenting ideas to improve energy management.
- Energy Management executives and working groups review and improve energy policies, goals and plans every year.

To ensure an efficiency of the Company's Energy Management and the continuous development, the Company has appointed **Energy Management Working Group** which consists of representatives from various departments to coordinate the work on energy conservation to meet the set policies and objectives. The Company has also appointed an

### Internal Energy Management Audit Committee

with stipulated duties and responsibilities to inspect and evaluate the methods of energy management within the hospitals in accordance with the Ministerial Regulations prescribing standards, rules and methods for energy management in designated factories and designated buildings, B.E. 2552 (2009).

### Duties and responsibilities of the Energy Management Working Group

- Operate and manage energy management in accordance with the Company's energy conservation policy.
- Coordinate with all relevant departments and request for cooperation in implementing energy conservation policies and energy management methods as well as organize trainings or activities on energy conservation suitable for the employees in each department.

- Supervise and monitor the Company's energy management methods and implementation by collecting data on energy consumption from relevant departments as well as checking the energy management results of each department.
- Report energy management performance and recommendations on energy management policies and method to the management for acknowledgement.
- Regularly review energy conservation and energy management policies.

### Objective

With its commitment on energy management, the Company has reviewed and determined the quantitative and qualitative goals, both in short and long term, for efficient use of energy for its operations in order that the Company can closely monitor and manage its performance more efficiently.

### Short-term and Long-term Goals of Energy Management

Short-term Goals (2022)	Long-term Goals (2022-2026)
<ul style="list-style-type: none"> <li>• Electricity consumption from business operations increased from 2021 by no more than 5%</li> <li>• Electricity Intensity should be no more than 100 kWh per inpatient day and no more than 0.003 kWh per revenue (1 MB)</li> <li>• 0 Dispute on Energy management from community, society and any related governing bodies.</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity Intensity should be no more than 100 kWh per inpatient day and no more than 0.003 kWh per revenue (1MB) every year</li> <li>• 0 Dispute on Energy management from community, society and any related governing bodies.</li> </ul>

The Company focuses on employees' participation and their behavioral change in reducing energy consumption - electricity and encouraging efficient use of electricity by organizing activities and projects to educate its employee on energy saving and energy management, including encouraging employees to invent innovations or practices or guidelines to help reduce energy consumption-electricity.

- Ensure that employees are aware of the importance of efficient use of electricity and change their behavior both in hospitals and at home to help reduce electricity consumption and the negative impact on the environment
- Ensure that employees are aware of the importance of energy conservation.

- Continue to use innovation or new technology or new equipment or knowledge to help reduce energy consumption - Electricity as well as encouraging employees to express opinions or suggest the projects or activities or innovations or technology related to energy conservation.
- Continue to organize energy-saving projects and activities in hospital, with an annual follow-up and assessment.
- No complaints from communities and relevant government agencies on the hospitals' energy management.

### Management Approach

In order to increase the efficiency of electricity consumption and the project for efficient use of electricity, the Company has regularly examined and maintained the tools and equipments related to electricity, including switching to use electricity-saving devices such as replacing 36W T8 fluorescent tubes with 18W LED tubes as well as installing VSD system to increase AHU fan speed instead of adjusting the rotation with a pulley. In addition, the Company has continued its projects and campaigns for energy conservation and creates environmental awareness among employees every year.

For the year 2022, the Company continued the implementation of the energy conservation policy from the previous year by replacing more fluorescent

tubes with LED tubes, improving the efficiency of the old air conditioner to be an inverter system, including creating energy-saving awareness and actions among employees through energy-saving activities and trainings.

### Performance on Electricity Management

In 2022, the Company had a total electricity consumption of 7,063,957 kilowatt-hours, increased by 5.9% yoy due to the increased number of general patients, whereas electricity intensity was 97.06 kilowatt-hours, similar to that of 2019 and 0.0017 kilowatt-hours per revenue (1 MB) in line with the set goals.

### Complaint

The Company does not have complaints regarding its energy management-electricity from the communities, society or any related government agencies. In Addition, the Company has been waived in submitting a report on the use of electricity in 2022 from using electricity lower than the threshold required by law - Energy conservation of the designated buildings from the Department of Alternative Energy Development and Efficiency, Ministry of Energy (Compliance with the Energy Conservation Promotion Act B.E. 2535 (1992), amended B.E. 2550 (2007)) and has also been waived for 2023.

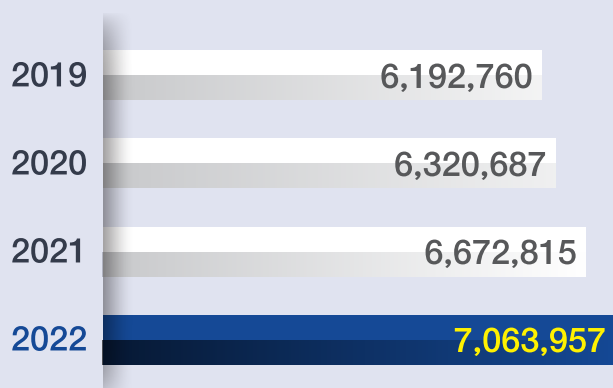
### Performance on Energy Management

Performance	Unit	2019	2020	2021	2022
Electricity Consumption	kWh	6,192,760	6,320,687	6,672,815	7,063,957
Electricity Intensity per Inpatient Day	kWh per inpatient day	95.63	109.94	88.45	97.06
Electricity Intensity per Revenue (1 MB)	kWh per revenue	0.0029	0.0028	0.0014	0.0017
Gasoline Consumption for Company Vehicle	litre	NA	NA	NA	88,016

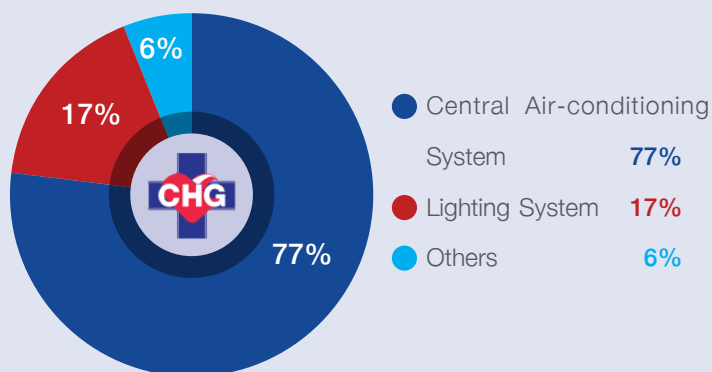
**Remarks :** The Company started collecting data on fuel consumption (gasoline and diesel) for the company's vehicles in 2022

## Energy Management Performance in 2022

## Total Electricity Consumption (kWh)



## Electricity Consumption (%)



5.9%

Total Electricity  
Consumption  
Increase (yoy)

97.06

kWh per inpatient  
day

0.0017

kWh per revenue  
(1 MB)

0

Dispute on  
Electricity  
Management

## Energy Saving Project

## Project Objective

The Company has committed and strived to reduce electricity consumption from hospital business and promote the efficient use of electricity to reduce the impact on the environment. Therefore, the Company has continued implementing “Energy-Saving” campaign throughout the hospitals through an annual PCI & FMS Festival Week activities, energy-saving stickers, a campaign to use stairs instead of elevators as well as to provide knowledge on energy conservation through various communication channels, such as employee notice board, e-mails, public address system, etc. The Company has assigned **maintenance department** to be responsible for the project. The Company has set a goal by having 100% employee participation rate in the annual PCI FMS Training and Safety Week and Energy Saving Campaign.







Energy-Saving Stickers to create employees' awareness



Energy-Saving posters and sign boards - Reduce energy consumption by using the stairs instead of using the elevator and adjusting the air conditioner temperature at 25 degrees

### Project Management Approach

- Disseminate knowledge regarding the easy, simple and immediate ways the employee can help save energy and reduce energy consumption through various communication channels within the Company such as posters, e-mails, public address system, employee notice boards.
- Distribute energy-saving campaign stickers to employees at all levels and put these stickers in various points of the hospital, such as passenger elevators.
- Encourage the employees and customers to use stairs instead of elevators to reduce energy consumption by placing posters and stickers in the elevators and stair areas.

### Project Achievement

All employees are more aware of the importance of energy saving - electricity to help reduce the impact on the environment by applying the knowledge and practices from internal communication through various channels and implement accordingly.

## 4. Climate Change Management (GRI 305 Emissions 2016)



### Climate Change Policy

Climate Change encompasses not only extreme weather events but also rising seas, increased carbon dioxide in the atmosphere, and temperature rise. Moreover, it has caused changes in the ecosystems in the environment, such as causing changes in insects, an increase in allergens, severe drought, water shortages, rising seas, flooding, melting polar ice cap, loss of biodiversity, and so on. As a final point, this effect has both direct and

indirect consequences for human health. Diseases of the respiratory system that are transmitted by insects Food and water-borne diseases are mediated, as is evacuation in the event of a catastrophic event, which will also have an impact on mental health. This includes the impact on damaged or destroyed health care facilities, as well as physical, social, and mental health, which ultimately raises public health costs.

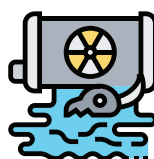
### Impact of Climate Change



Air Pollution



Animal or insect  
borne diseases



Food and water  
borne diseases



Food  
security



Mental health and  
stress-related  
diseases



Floods



Severe Climate



Wildfires

The Company recognizes the significance of global warming and climate change, which are severe and have an impact on Thailand's economy, society, and environment. In Thailand, there is an urgent need to solve the problem, which requires collaboration from both private and public sectors drive concretely and achieve the goals. To collaborate with the government in order to achieve the goal of reducing Thailand's greenhouse gas emissions by 20 to 25 percent from the baseline scenario by 2030, as outlined in Thailand's Nationally Determined Contribution Roadmap on Mitigation 2021-2030, the Company has established goals and policies for dealing with climate change systematically and in accordance with climate change management standards, The Healthcare Accreditation Institute (HA), Joint Commission International (JCI), SET ESG Metrics 2565 - Healthcare, United Nation Sustainable Development Goals, Global Reporting Initiative (GRI Standard 2021), United Nations Framework Convention on Climate Change and the Paris Agreement, including other relevant regulations and laws.

The Company prioritizes and recognizes climate change adaptation in critical areas such as water and electricity management, food waste management, food security and the management of health impacts from climate change. on business operations in various areas. The Company has appointed the Occupational Health, Safety and Environment Committee and sub-working groups, as well as developing guidelines for climate change

risk management, Climate Change Mitigation, Climate Resilience and Climate Change Adaptation, including define guidelines and measures to prepare employees and stakeholders for the health impacts of climate change, design a climate early warning system, predict health impacts from climate change, create a warning system that can reach people in all risk groups including children, the disabled, the elderly, outdoor workers, and stakeholders, including timely coordinate cooperation between the public, private, and public sectors, plan to increase the capacity of the service system in disease prevention and control especially diseases transmitted by mosquitoes as vectors, as well as heat-related diseases, which are expected to be more severe. In addition to create knowledge for its employees and people in the area to be able to adapt in the event of future disasters such as floods, as well as raise awareness of shared social responsibility through projects or training activities to educate continuously, energy Saving plan, applying innovation and technology to business operations including reviewing and improving policies, goals and action plans for managing climate change every year.

### Climate Change Risk Assessment

The Company determines to conduct a climate change risk analysis and assessment, which may affect business operations in various aspects, as well as risk management guidelines and measures to mitigate the negative effects of climate change on business operations.

#### Strategy

(Medium-long term impact to the Company)

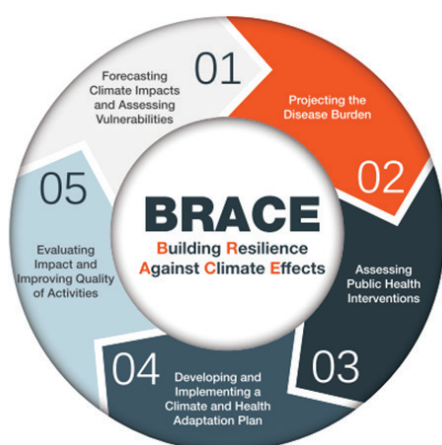
Climate change has caused the Company to be unable to operate its business in the traditional way, affecting strategy and business direction. For example, the emergence of new diseases or changes in consumer behavior as a result of climate change may lead to a change in medical treatment patterns that differ from the original, including business strategies.

<b>Performance</b> (short-term impact to the Company)	Drought, flood, air pollution, an increase in allergens, mediated by food and water, and animal or insect-borne diseases have an impact on the Company's business operations and employee performance with diseases caused by climate change, such as sickness from extreme weather conditions, diseases transmitted by insects (Dengue), contagious water-borne disease (diarrhea, food poisoning, dysentery), heat illness (Heat Stroke) and respiratory disease.
<b>Finance</b> (short-term impact to the Company)	Climate change affects the revenues and costs of the Company's business operations both directly and indirectly. This may result in a decrease in the Company's revenue or increasing costs such as demand for environmentally friendly technology, products and services tax mechanism related to greenhouse gas emissions.
<b>Regulation</b> (short-term impact to the Company)	Changes in government policies and regulations in response to climate change, international laws and agreements that hold businesses accountable for greenhouse gas emissions through taxation mechanisms, and evaluation of business performance based on the concept of sustainability (ESG) or sustainability indices by the Stock Exchange of Thailand (SET), Thai funds, and foreign funds. As a result, the Company must adapt to and comply with any related rules, regulations, conditions, and guidelines on Responsible Investment.

## Guidelines on Climate Change Management

The Company has adopted the BRACE framework to develop strategies and measures to prepare for the health impacts on employees and stakeholders, covering 5 steps as follows.

<b>Step 1</b>	Examine the health impacts and risks associated with climate change, as well as the extent of the health impact on relevant stakeholders in the areas where the Company and its subsidiaries operates.
<b>Step 2</b>	Determine the health problems or disease burdens caused by climate change.
<b>Step 3</b>	Identify appropriate health approaches or measures for the health effects of concern and preparing a budget plan for preparation or necessary adjustments.
<b>Step 4</b>	Develop health and climate adaptation plans, including reviewing the plans, dissemination, monitoring, and implementation.
<b>Step 5</b>	Determine the impact and develop the improvement plan.



**Source :** The Building Resilience Against Climate Effects (BRACE) framework, Climate and Health Program July 2020, The Centers for Disease Control and Prevention, National Center for Environmental Health, The United States (<https://www.cdc.gov/climateandhealth/effects/default.html>)

### Framework for managing risks and reducing impacts from Climate Change

Climate Change Mitigation	Climate Resilience	Climate Change Adaptation
Review Plans and guidelines for reducing greenhouse gas emissions from business activities, such as considering alternative energy use, energy savings in hospitals' buildings by applying innovation and technology to business operations and adding green area in its premise.	Determine plans and measures to prepare for dealing with climate-related events or crises, such as training plans to improve its employees' understanding of climate change and its effects. Analysis and evaluation of climate-related risks, opportunities, and impacts under various assumptions (Climate Scenarios Analysis). Determine measures to support, correct, and remedy any issues that might occur, as well as conduct a regular infrastructure audit for public utilities (water system, electricity system, internet system) to ensure business continuity.	Define and review plans, guidelines, and measures to respond to climate change, reduce risks, and reduce impact severity, such as strengthening the resilience of various infrastructures, flood prevention planning, emergency water and electricity backup plan, disaster Management Plan to reduce food waste and energy consumption.

### Objective

To be able to clearly compare its performance on climate change management, the Company reviewed and set quantitative targets for reducing greenhouse gas emissions from its business operations/activities in the short and long term.

Short-term Goals (2022)	Long-term Goals (2022–2026)
<ul style="list-style-type: none"> <li>Prepare GHG emission data covering all 3 scopes to be used as a base year for its GHG emission management</li> <li>0 Complaints on GHG management from local or related agencies</li> </ul>	<ul style="list-style-type: none"> <li>Continue to disclose GHG emissions covering all 3 scopes and expand the scope to cover all business activities, to be used as guideline for GHG management, including setting a goal for the reduction of GHG emissions.</li> <li>0 Complaints on GHG management from community, society and related government agencies</li> <li>Plan to have an external certified verifier for its GHG emission information.</li> </ul>



The Company's goal is to encourage employees to recognize the importance of resourcefulness, change lifestyles, and contribute to reducing greenhouse gas emissions in order to create tangible change by organizing activities and projects to educate about climate change, risks and negative effects, and guidelines for climate change adaptation including encouraging its employees to invent innovations or practices to help reduce greenhouse gas emissions as follows:

- Employees understand the importance of reducing greenhouse gas emissions in their daily lives, both at home and at work
- Continuously introduce and apply innovation, technology, equipment and knowledge to help reduce greenhouse gas emissions; and encourage employees to submit their ideas, projects, activities, innovations, or technology related to reducing greenhouse gas emissions.
- Organize activities and projects related to greenhouse gas emission reduction along with monitoring and evaluation every year.
- No complaints about climate change management from local or related agencies.

### Management Approach

In 2022, the Company organizes training sessions for employees across the organization, including customers, about climate change and preparedness for dealing with negative impacts to improve understanding and awareness. Encourage participation in reducing greenhouse gas emissions from everyday activities at home and at work to reduce global warming and its negative consequences. Activities and related projects are included. To raise awareness and change lifestyles in daily life, activities both at home and at work are being organized through various communication channels such as public relations boards, e-mail, online audio, and posters by assigning Environment and Safety Department to monitor, supervise and manage the projects.

The Company is committed to becoming a paperless organization and has set a concrete goal of changing the format of documents and examinations for internal training from paper-based to digital file format (100%). For example, Pre-test and Post-test for training (Google Form), training documents (pdf file), training satisfaction assessment (Google Form), including the adjustment of documents related to providing services and satisfaction surveys for customers/patients in the form of a QR Code, which helps the Company reduce the use of paper and save money on related costs. Furthermore, it contributes to the reduction of greenhouse gas emissions.

For the year 2023, the Company intends to continue organizing trainings for all employees, including customers, on the negative effects of climate change and how to prepare for such impacts, as well as to continue related projects to raise employee awareness of the importance of reducing greenhouse gas emissions. Furthermore, planning to collect concrete data on greenhouse gas emissions, including the plan for future verifiability of greenhouse gas emissions by the external verifier (by 2026).

The Company has participated in the Stock Exchange of Thailand (SET)'s "Care the Bear" project under the concept of "Change the Climate Change" in collaboration with partners from the private sector, the public sector, and social enterprises to drive the reduction of global warming and support the reduction of greenhouse gas emissions through the organization's events and activities, either online or onsite, such as holding a shareholders' E-meeting (e-AGM), Analyst Meeting, Press Conference, Training, Seminar, ceremony awards, CSR events and etc. By adopting the 6 Cares principle to design for evaluation, measurement, and creating new behaviors for the organization sustainably and data collection and measurement will begin in 2023. The

Company's participation in Care the Bear will not only help achieving goal of engaging employees in reducing greenhouse gas emissions, but also helping to reduce greenhouse gas emissions. The project

also responds to the United Nations Sustainable Development Goals (SDGs), Goal 13: Tackling Climate Change. and Goal 17: Cooperation for Sustainable Development.



1. Promote the use of public transportation or group travel.
2. Reduce the use of paper and plastic in documents and packaging.
3. Avoid using packaging foam or foam for decoration.
4. Reduce electrical device energy consumption or switch to energy-saving devices.
5. Use and Design recyclable decorative materials.
6. Reduce food waste at events

## Performance on Climate Change Management

In 2022, the Company had total greenhouse gas emissions of 5,210,748 kgCO<sub>2</sub>e, with greenhouse gas emissions intensity 71.59 kgCO<sub>2</sub>e per Inpatient Day and 0.0013 kgCO<sub>2</sub>e per revenue.

## Complaints

The Company has no complaints about climate change management from local or related agencies.

## Performance on Climate Change Management

Performance		Unit	2019	2020	2021	2022
<b>GHG Emission Scope 1</b>	1. Stationary Combustion - Use of Diesel oil fuel for building	kgCO <sub>2</sub> e	3,790.92	3,790.92	3,790.92	3,790.92
	2. Mobile Combustion - Use of Diesel oil for vehicles	kgCO <sub>2</sub> e	NA	NA	NA	205,407.18
	3. Mobile Combustion - Use of Gasoline for vehicles	kgCO <sub>2</sub> e	NA	NA	NA	31,973.13
	4. Refrigerants - R32	kgCO <sub>2</sub> e	NA	NA	NA	NA
<b>Total GHG Emission - Scope 1</b>		<b>kgCO<sub>2</sub>e</b>	<b>3,790.92</b>	<b>3,790.92</b>	<b>3,790.92</b>	<b>241,171.22</b>
<b>GHG Emission Scope 2</b>	1. Electricity Consumption	kgCO <sub>2</sub> e	3,706,986.14	3,783,563.24	3,994,347.06	4,228,484.66
<b>Total GHG Emission - Scope 2</b>		<b>kgCO<sub>2</sub>e</b>	<b>3,706,986.14</b>	<b>3,783,563.24</b>	<b>3,994,347.06</b>	<b>4,228,484.66</b>

Performance		Unit	2019	2020	2021	2022
GHG Emission Scope 3	1. Water Consumption	kgCO <sub>2</sub> e	63,030.02	63,095.20	63,049.10	55,937.23
	2. Waste Disposal	kgCO <sub>2</sub> e	603,918	545,730	631,792	682,299
	3. Wastewater Treatment	kgCO <sub>2</sub> e	1,567	1,353	2,141	2,856
Total GHG Emission - Scope 3		kgCO <sub>2</sub> e	668,515	610,178	696,982	741,092
Total GHG Emission - Scope 1, 2, 3		kgCO <sub>2</sub> e	4,379,292	4,397,532	4,695,120	5,210,748
GHG Emission Intensity per Inpatient Day		kgCO <sub>2</sub> e per Inpatient Day	67.63	76.49	62.24	71.59
GHG Emission Intensity per Revenue (1 MB)		kgCO <sub>2</sub> e per revenue	0.0020	0.0020	0.0010	0.0013

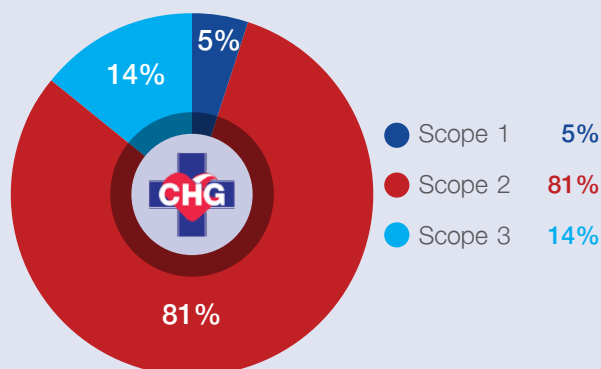
## Remark :

1. The Company used diesel oil at the same amount for building works to test the power generator and fire pump on a monthly basis.
2. The Company did not collect the diesel and gasoline consumption (litre) for hospital vehicles (vans and pick-up trucks) in 2019, 2020, 2021. However, the Company just started collecting such data in 2022.
3. The Company will start collecting data on the quantity of refrigerant - R32 in 2023.

## GHG Emission Management Performance in 2022

Total GHG Emission (kgCO<sub>2</sub>e)

GHG Emission – Scope 1, 2, 3 (%)



5,210,748

kgCO<sub>2</sub>e Total GHG  
Emissions

71.59

kgCO<sub>2</sub>e GHG  
Emissions Intensity  
per Inpatient Day

0.0013

kgCO<sub>2</sub>e GHG  
Emissions Intensity  
per Revenue  
(1 MB)

0

Complaints on  
Climate Change  
Management

## Together, we can protect the world project

### Project Objective

The Company is committed to reducing greenhouse gas emissions at both the organizational and employee levels. The Company's goal is to encourage employees to understand and recognize the importance of contributing to global warming reduction and mitigating its negative effects. As a result, a project is being organized to educate and campaign to change the way of life at home and at work in order to help reduce the amount of greenhouse gas emissions through various communication channels such as organizing public relations boards, e-mails, voice calls, and posters by assigning Environment and Safety Department is responsible for the project.

### Project Management Approach

- Provide information about the negative impacts of climate change on physical health, mental health, the environment, well-being, and lifestyle through internal communication channels such as posters, e-mails, online audio, and employee public relations boards.
- Encourage its employees to reducing the negative impacts of climate change and preventing global warming by adjusting lifestyle behaviors and following guidelines that are simple to implement both at work and at home:

<b>Energy saving at home</b>	Reduce heating and cooling levels, use LED light bulbs, energy-saving appliances, and air-dry clothes instead of using a dryer.
<b>Change the energy source in the house</b>	Consider changing to renewable energy sources such as wind, solar power or install solar panels on the roof of the house
<b>Choose environmentally friendly product</b>	Support environmentally friendly products and services. Buy locally produced seasonal food or buy products and services from companies that use resources responsibly and are committed to reducing greenhouse gas emissions and waste.
<b>Walk, bike, or use public transport</b>	Walk or bike instead of driving. Use public transportation such as train or bus and ride with others when possible
<b>Chose the transportation method</b>	Reduce the number of flights, which may necessitate changing the meeting format to online, or take the train instead.
<b>Transform to electric vehicles</b>	Electric vehicles reduce air pollution and emit significantly less greenhouse gases than gas or diesel vehicles.
<b>Consume more vegetables</b>	Consuming more fruits, vegetables, whole grains, legumes, and seeds while eating less meat and dairy products. Plant-based food production transmits fewer GHG emissions and requires less energy, land, and water.
<b>No food waste</b>	Methane is emitted by food waste. As a result, it is best to consume all of the food that you purchased.
<b>Reduce, reuse, repair, and recycle.</b>	The production of various products generates carbon emissions throughout the supply chain, from sourcing raw materials to manufacturing and transporting goods to market. As a result, to reduce carbon dioxide emissions, the employees should buy less or buy secondhand, reuse, repair if possible, and recycle.
<b>Be the spokesperson</b>	Encourage others, including relatives, family members, friends, colleagues and neighbors to help make change happen.

### Project Achievement

Employees recognize the importance of climate change and global warming including risks and negative impacts have better understanding about the issues. Employees cooperate to reduce the impact of climate change by using resources efficiently and cost-effectively and apply the knowledge gained to life both at work and at home.

## 3.4 Sustainability Management in Social Dimension

### Sustainability Management in Social Dimension

Chularat Hospital Group emphasizes sustainable growth associated with the good quality of life of the community exhausting the core competence of being a healthcare provider to strengthen the community through health education to prevent disease and reduce the treatment of preventable diseases. In addition to reducing costs for households, including a reduction in the use of the national budget. Being a service provider, all employees are responsible for establishing trust and impression on all stakeholders. The Company accordingly prioritizes the quality of living and working environment of its employees since it considers that the well-being of employees reflects through their positive opinion, excellent customer service and driving the Company to sustainable growth.

### 3.4.1 Human Rights Policy and Fair Treatment of Labor

(GRI 405 Diversity and Equal Opportunity 2016, GRI 405 Non-Discrimination 2016)

Human Rights and fair work standards are important to the Business. This implies that everyone has equal fundamental rights and freedoms without discrimination, as well as respect for diversity and equality within and across the organization under activities in the value chain covering all groups of stakeholders. There is no discrimination of age, nationality, race, color, gender, religion, ethnicity, social status, disability, including equal access to medical care. Beside the safety of the patient is important, honor and respect the individuality of employees at all levels.

To provide human rights policies and practices and fair labor treatment at the Company determined to be acknowledged by all. The Company therefore pays attention to communicate through various communication channels such as new employee orientation, training, social media, public relations boards, emails, letters, meetings, activities, opinion surveys and etc.

<b>Internal communication</b>	Introduce policies and advise all stakeholders about practices, negative impacts, punitive actions, remedial action and complaints.
<b>External communication</b>	Demonstrate the Company's human rights policy and actions to significant business partners for their recognition in order to promote awareness and emphasize. In the event that an infringement incidence is discovered, the Company requests assistance in order to take remedial action. The Company encourages its direct and indirect partners to adhere to human rights standards in their company operations.



All the while, in 2022, the Company implemented the United Nations Guiding Principles on Business and Human Rights (UNGP), which consists of five components, as a guideline for assessing human rights risks, risk management and management of human rights impacts that may arise from business activities, both directly and indirectly, as detailed below.

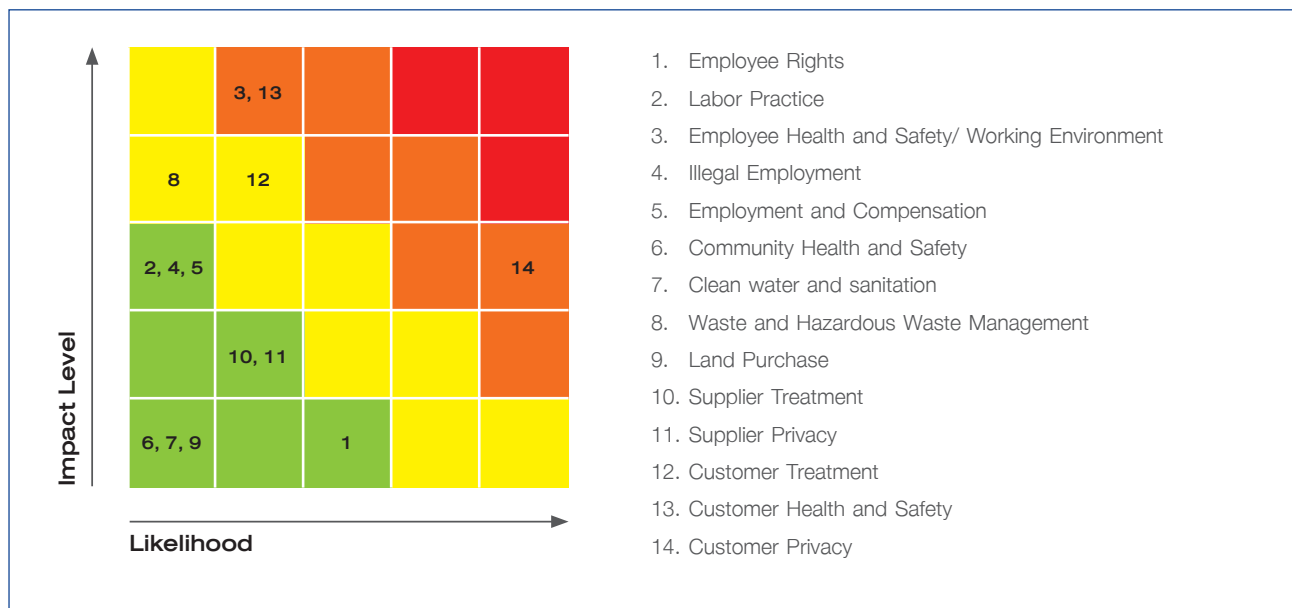
### A Statement of Policy Articulating the Company's Commitment to Respect Human Rights

The Company emphasizes compliance with human rights principles, equality, and labor standards for employees at all levels of the organization. The Company is committed to comply with human rights principles, labor standards, Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and Global Reporting Initiative (GRI) which cover the prohibition of human trafficking, forced labor, child labor, freedom of association, and other human rights problems. Policies on human rights and labor fairness can be found in the Investor Relations section of the Company's website. [www.chularat.com](http://www.chularat.com)

### Assessment of Actual and Potential Human Rights Impacts of Company Activities and Relationships

The Company has developed human rights risk assessment procedures in order to identify actual or potential risks associated with the company's business activities. Company connections with direct and indirect partners acquired and may be influenced both directly and indirectly along the supply chain, as well as relationships with internal and external stakeholders including forced labor, women, children, and local communities that may be involved in business activities. In 2022, the Company has carefully analyzed the impact of the operations that has occurred or is expected to occur while the impact of direct and indirect suppliers' operations is currently being assessed.

In 2022, the Company has prioritized human rights risks, the impact issues and the possibilities as the following chart:



## Incorporating into Company Procedures and Addressing Impacts

The Company identifies and prioritizes issues based on their severity and probability. Three (3) concerns have been identified as high risk: privacy of customer data, the well-being and safety of customer and the occupational Health and Safety of Employees.

Risk	Related Issues	Prevention and Solution
Employee Health and Safety/Working Environment	<ul style="list-style-type: none"> <li>• Breaking the Company's safety rules by workers may cause the risk of workplace accidents.</li> <li>• Insufficient accident prevention and workplace safety equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing all employees with safety and infection control training at hospitals, as well as developing a safety environment within the Company</li> <li>• Provide sufficient accident-prevention equipment in order to decrease accidents</li> </ul>
Customer Health and Safety	<ul style="list-style-type: none"> <li>• The complicated work procedures can lead to mistakes that affect the health and safety of customers, such as dispensing the wrong medicine.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring the service standards and safety of the company by department of safety environment and management team.</li> </ul>
Customer Privacy	<ul style="list-style-type: none"> <li>• The lack of knowledge and understanding of PDPA leads to a violation of the privacy of the customers</li> </ul>	<ul style="list-style-type: none"> <li>• Providing all employees with the Personal Data Protection Act (PDPA) training and for better understanding the right to access the customers' personal information, including examining after the training session.</li> </ul>

The Company has developed preventative action and minimized damage by providing relevant employees and stakeholders with guidance and training including routinely monitoring, improving, and auditing work processes.

### • Tracking and Reporting Performance

The Company has examined and monitored on its performance on human rights as well as provided continuous training to its employees in order to improve their understanding and prevent negative impacts from the Company's business activities throughout the value chain, and the results have been reported in all groups of stakeholders for acknowledgement.

### • Remediation and Remedy

In the case of a complaint, human rights violations, or unfair labor practices, the Company undertake a fair investigation and execute remediation and remedy actions in a timely manner.

### Measures for partners

Attempt to have partners collaborate to take corrective action. In the case of partners ignore or do not take appropriate action, the Company will consider terminating the business relationship.

<b>Measures for employees</b>	Official warning, work suspension, suspension of yearly bonus payments, termination consideration and salary adjustment suspension
<b>Remedial measures</b>	Compensation (both monetary and non-monetary), apology, restoration, restitution, commitment, punishment, and warning

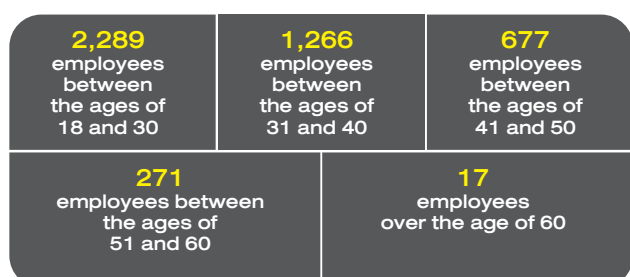
Furthermore, the Company has provided for the establishment “Employee Welfare Committee” to work as a negotiator and participate in discussions with the Company concerning employee welfare, benefits, and revisions in regulations that may affect employees (Refer to Section 96 of the Labor Protection Act, B.E. 2541).

### 3.4.2 Performance on Social Dimension

#### Performance on Human Rights and Fair Labor Practices

In 2022, the Company had no accusations or disputes of human rights violations. Furthermore, the Company has no complaints or human rights issues with significant suppliers in the value chain, which includes supplier non-discrimination against labor, safety workplace, employee compensation, non-forced and child labor, violations of privacy, and contravention of community rights as well as there have been no complaints or occurrences involving unfair labor practices.

#### Overview of Human Resource Management in 2022



- **19 hours** Average training hours per person per year
- **52.38%** Provident Fund members
- **20.31%** Turnover Rate
- **0** Labor disputes
- **0** Complaints from Community and Society
- **88%** Employee Satisfaction
- **1.03%** work-related accident rate
- **0** Number of Fatalities as a result of work-related injury

#### Full Time Employees

Detail	2021	2022
Male	613	678
Female	3,258	3,842
<b>Total</b>	<b>3,871</b>	<b>4,520</b>

#### Employee Training and Development

The Company acknowledges the significance of employee development because the Company believes that the fundamental basis in the Company's sustainable growth is employees with expertise and capacity for work. Therefore, the Company has established a policy on personnel training and development in various forms as follows:

- **Orientation**

During orientation, new staff will be instructed on topics such as human rights, patient rights, employee rights and regulations, anti-corruption corporate culture, patient care standards, workplace safety and etc. consequently all workers obtain the essential knowledge before beginning work in order to perform to standards and be comfortable working in the corporate culture.

### • On The Job Training: OJT

The training for all employees to enhance skills and abilities from actual operations in the actual workplace. The Company will provide a mentor for teaching work to build good relationships among colleagues as well as acquire the ability to work simultaneously, and also determine integrating work rotation for each department function so that each employee has a diverse set of skills. It also allows supervisors to identify unique abilities in order to further develop specific areas in the future.

### • Special Purpose Program

The Company has developed special training programs on various topics from both internal and external to ensure that employees acquire specialized knowledge from professionals in each area according to requirement and appropriateness, such as firefighting training and fire evacuation, training for particular knowledge for specialized profession, special training programs for supervisors or executives, etc.

### • Off-The-Job-Training

Annually, the Company has arranged off-the-Job-training to enhancing the good relationships between employees. This Organization Development or OD program allow employees broaden their perspectives and grow point of view through various activities while also gaining knowledge from the lectures by expertise speakers.

In 2022, the Company has scheduled a variety of training classes for all staff both internal and external for employee development training. The average number of training hours per individual per year is 19 hours. In addition, each branch obtains 8 hours of fire evacuation training (100%).

## Employee Retention

### • Compensation and Welfare

The Company has established compensation standards for executives and staff that are aligned with their productivity and the Company's

performance. The Company recognizes that fair and appropriate compensation is essential to motivating people to work and comply with the law. Standardization and competitiveness throughout industry, particularly in accordance with the 3Ps criteria.

1. **Position:** Compensation management determined by job titles and responsibilities in comparison to the labor market in the same industry
2. **Personal:** Compensation management determined by employee competency based on knowledge and capabilities that deliver benefits to the Company's operation.
3. **Performance:** Compensation management determined by performance that will be considered in special compensation such as an annual bonus or incentive money.

In addition to compensation, the Company has established various welfare to create incentives for employees, including medical welfare for themselves and their families, accommodation welfare, parking, travel expenses, food expenses, telephone expenses, uniforms, health check-ups, special interest rate on housing loans and etc.







- **Occupational Health and Safety (GRI 403 Occupational Health and Safety 2018)**



The Company recognized the importance on the happiness of employees in work. Since the Company considers that working happily will result in better performance and bring a good working atmosphere smooth and effective coordination. The Company therefore provides a suitable working environment according to occupational health principles and the working environment is regularly inspected by the Department of Occupational Health and Safety. After the crisis of the COVID-19 virus, the Company has increased the care of the working environment in terms of infection prevention by adding alcohol service points to disinfect and install a new technology air purification system that can kill bacteria and dust to reduce the risk of infection from emerging respiratory diseases.

In 2022, the Company assigned **Occupational Health & Safety Department and Human Resource Department** to survey the negative impact of the Company's operations on the community and society in terms of economy and environment now and in the future. According to the survey, people in the service area to find solutions and improvements to mitigate the impact along with the remedial measures.

In addition to surveying the impact of the Company's operations, the Company has assigned Occupational Health and Safety Department responsible for managing the health and safety of employees in the work environment, risk assessment, risk reduction measures, training, solutions, guidelines to reduce or prevent safety impacts in the work environment of employees and contractors, present the annual safety management report to the executives.

Moreover, the Company has a policy and guidelines for infection control in hospitals, including customer, patients and relative, employees, contract companies and stores that operate in hospitals. The hospital has an infection control and investigation as well as guidelines for control and prevention including support and encourage all personnel to have recognized the importance and share responsibility for infection prevention and control through training and activities. Encourage all personnel to receive appropriate hygiene and immunization. Establish a quality assurance system for cleaning, disinfecting and sterilizing medical devices that must be used with patients. There is an information system to regularly track infection data in hospitals. Properly provide efficient and sufficient equipment and tools for infection prevention in hospitals.

The Company provide a healthy environment for both staff and patients, coordinate with government during the pandemic as well as assigns infection prevention and control committee for monitoring.



The Company continually complies with safety regulations and follows up with new laws. New safety laws, governmental directions, and guidelines for employees, organizations, or individuals were issued in 2022 along with the placement of safety officers in workplaces is required. The Company adheres to the law admirably. The Company has set goals for the management and implementation of occupational safety, health and working environment as follows:

0 Rate of Fatalities as a result of work-related injury	0 Rate of High-consequence work-related injury
0 Loss Time Injury Frequency Rate - LTIFR	0 Rate of Fatalities as a result of work-related illness

For the performance in 2022, the Company had an occupational fatality as 0, a severe work-related injury rate as a result of 0, a loss time injury frequency rate (LTIFR) is 0 and the Occupational fatality from illness rate is 0 which achieved the goals. For minor work-related accidents, the rate remained at 0.1%, most of which were caused by needles. The Company investigated the incident and took corrective action to prevent the risks in the future.

**Note :** The Company has no incidents of injury or fatality attributable to the Company's use of contractors for tasks in the hospital area. Because before building, the corporation evaluates the risks. (Pre-construction Risk Assessment -PCRA) and have weekly meetings with the contractors along with supervision and monitoring of safety activities.

## PCI & FMS Training and Safety Week 2022

The Company is committed to enhancing the well-being and safety of employees in the working environment and strengthening the safety culture in the organization. In addition to regularly training about safety, occupational health and good working environment, the Company organizes PCI & FMS Training and Safety Week activities every year for the understanding of facility management and safety including infection control in hospitals for doctors and employees. This activity is considered as a channel for communication and sharing knowledge and encourage employees to realize the importance of building management, safety and infection control in hospitals. The activity will take the arrangement of several knowledge booths where participants may discover about a variety of topics that are related to hospital operations. Together with participation in activities at each booth until they are finished, the employees will gain information, news, and methods to avoid and reduce dangers from the workplace. After attending the event, the exam is administered online with rewards to assist improve the environment and promote the stress-free activities by setting a goal to participate in activities of doctors and employees throughout the organization 100% and pass the test > 90% (score criteria for passing the test 90 %). The Company assigned Environment and Safety Department and related working groups to responsible for the project.

## Knowledge Topics for PCI & FMS Training and Safety Week 2022

Hand Hygiene	Safety First (Occupational Disease and Work-related Disease, Occupational Injury)
Sterilization	Utility Systems
Infection Prevention and Control	Waste Management
Bundle Care	Hazardous Materials Management
Antibiotics and Antibiotic Resistance	Medical Technology
Security System	Emergency and Disaster Management
Fire Safety	Personal Data Protection Act B.E. 2562 - PDPA



## Performance

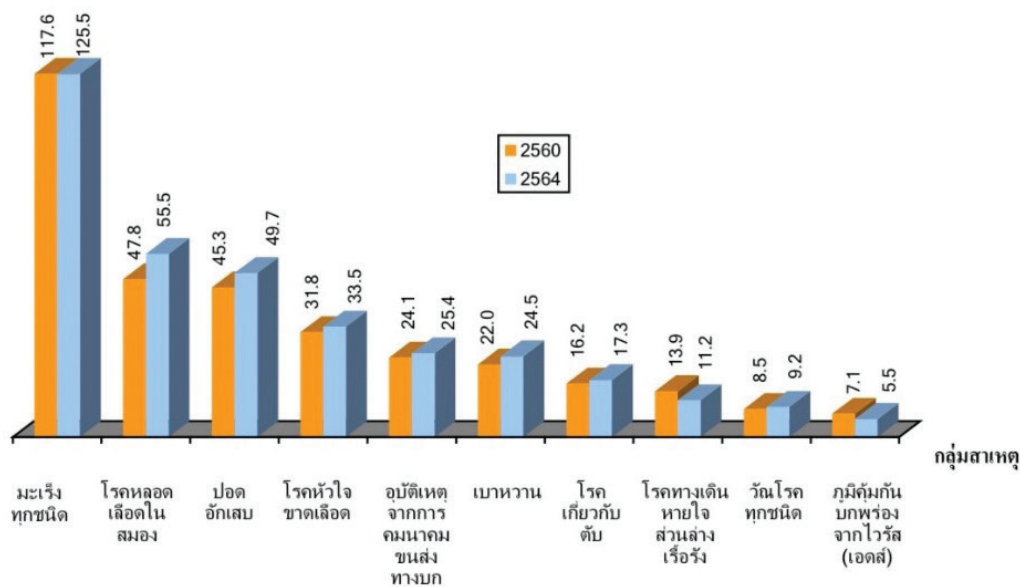
Doctors and staff have a good understanding of facility management and safety including infection control in hospitals as well. With a 100% organization-wide attendance rate, all doctors and employees who participated in the event passed a cognitive test (Criteria for passing the test 90%).

## Community Engagement and Healthcare Accessibility

Since the Company is a healthcare service provider, the contribution for the development of communities and society through its competency by replenishing medical care when the government sector is unable to continually provide services with a comprehensive heart center and stroke center 24 hours a day.

ภาพ 2.3 ก : อัตราตาย จำแนกตามสาเหตุที่สำคัญ ต่อประชากร 100,000 คน ประเทศไทย พ.ศ. 2560 และ พ.ศ. 2564

Figure 2.3 A : Mortality Rates by Leading Cause of Death per 100,000 Population Thailand, 2017 and 2021



ที่มา: กองยุทธศาสตร์และแผนงาน กระทรวงสาธารณสุข

Source: Strategy and Planning Division, Ministry of Public Health

### • Heart Center

According to statistics from the Division of Strategy and Planning, Ministry of Public Health, it was found that Ischemic heart disease is the 4th leading cause of death in Thailand and according to research studies around the world, it is found that Genetics and individual lifestyles contribute to heart disease. Including all 4 non-communicable diseases: diabetes, high blood pressure Hyperlipidemia and obesity are important accelerators of heart disease. Because these diseases affect blood vessels in

different ways, it is already known that the heart's main function is to pump blood to different parts of the body, working 24 hours a day. If an organ lacks blood to nourish, the heart will work harder which possibly causing a heart attack to the point of death and can be found in all ages.

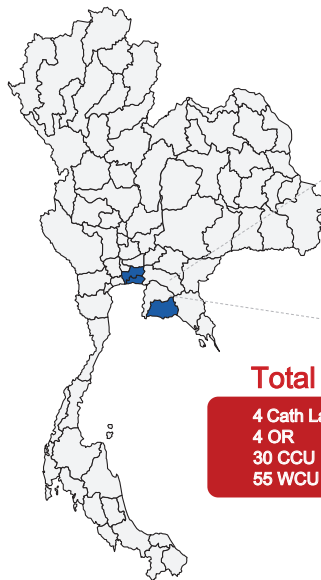
Recognizing the danger and severity of the aforementioned diseases, the Company has established a 24-hour heart treatment center in 2015 which is a referral center covering all rights (NHSO & SSO rights) to increase access to treatment for



the general public. Knowledge of heart disease is provided and basic life support training for various target groups so that people have understanding of the disease and saving the patient's life in time

before being sent to the hospital. At present, the Company has expanded the potential of operating a heart treatment center in 3 public hospitals to increase patient access to treatment.

## 4 Heart Centers



### Eastern Region

#### Total

4 Cath Lab  
4 OR  
30 CCU  
55 WCU

#### Chularat 3 International Hospital



- Open in 2013
- 2 Cath Lab
- 1 OR
- 12 CCU
- 16 WCU

#### Sirindhorn Hospital



- Open in 2021
- 1 Cath Lab
- 1 OR
- 6 CCU
- 15 WCU

#### Rayong Hospital



- Open in January 2022
- 1 Cath Lab
- 1 OR
- 5 CCU
- 12 WCU

#### Samut Prakan Hospital



- Open in October 2021
- 1 Cath Lab
- 1 OR
- 7 CCU
- 12 WCU

### Number of Case for Cardiac Cathethrization and Surgery services at CH3 and 3 Public Hospitals



In addition, the Company has continued the heart disease treatment program to reduce the risk of death with heart disease screening free of charge. This volunteering project started in July 2022 to improve the quality of life of people in the community and society by freeing from disease. The

goal is to screen 200 patients per month. By the end of 2022, there are a total of 753 people who have been screened, representing 62.75%, which has not yet reached the goal. And the number of screeners in this group found that there were 284 abnormalities, representing 37.72%. The doctors

have given advice and treated these patients who are at risk, which is proactive health promotion to prevent death from ischemic heart disease.

From this project, not only prevent the illness from heart disease but also reduce the mortality rate, the Company also learned that demographic data on heart disease showed that at present, heart disease patients are found in younger people than before, on average, at 50 years old, which is important information for implementing health education programs to prevent disease properly.

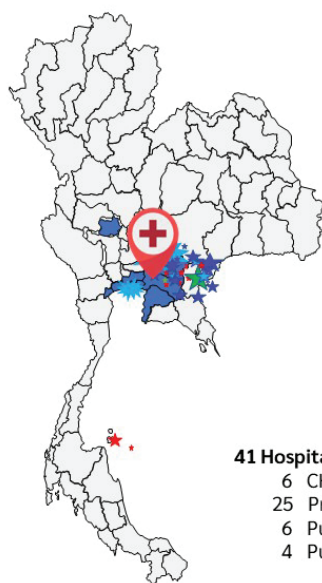
### • Stroke Center

Another cause of death that is number 2 among Thai people according to statistics from the Strategy and Planning Division of the Ministry of Public Health is cerebrovascular disease or stroke. This disease is considered one of the diseases that greatly affect the daily life of both the patient and the caregiver. Because most of the patients who were not treated in time may be followed by paralysis make everyday life changes which in some patients may severely affect the quality of life of family

members. Therefore, the Company has developed the stroke treatment center to treat acute cerebral artery occlusion with Mechanical Thrombectomy (MT) and receive referrals in case of emergency (UCEP) with services from a medical team, nursing team and multidisciplinary team specializing in stroke 24 hours a day.

At present, the stroke center accepts referrals from more than 50 public and private hospitals in the eastern area and surrounding areas, covering the area of Samut Prakan and other provinces within a radius of 300 kilometers so that stroke patients receive timely treatment to reduce the rate of morbidity and death, helping this group of patients to live a normal life and have a better quality of life. In addition to being a part that helps fulfill the care of stroke patients for public and private hospitals by providing knowledge to the originating hospital both the attending physician and the emergency nurse in the assessment, preliminary care before referral. So that patients receive proper care, reduce complications with the same standard of services.

### List of hospitals referring out MT to CH3



#### CHG Group

- (Ruampat Chachoengsao)
1. Chularat 1
  2. Chularat 5
  3. Chularat 11
  4. Chularat 304
  5. Chularat Rayong
  6. Chularat 9

#### 9 Private Hospitals in Samut Prakan

1. Bangna 2
2. Bangna 5
3. Samrong General
4. Princ. Suvarnabhumi
5. Ruamchai Pracharak
6. Muangsamut Puchao
7. Muangsamut Paknam
8. Paolo Prapadaeng
9. Paolo Samut Prakan

- 41 Hospitals refer out MT cases to CH3**
- 6 CHG Group
  - 25 Private Hospital
  - 6 Public Hospital – Provincial level
  - 4 Public Hospital in Bangkok

#### 16 Private Hospitals

1. Bangkok Samui
2. Bangkok Muangraj
3. Camillion
4. Ladprao
5. Seriruk
6. Thonburi
7. Pattaya Memorial
8. Aikchol 1
9. Rajburana
10. Aikchol 2
11. Patrangsit
12. Nawamin 1
13. Paolo Kaset
14. Nawamin 9
15. Paolo Chokechai 4
16. Ruamphaet Chainat

#### Public Hospital Area Health 13

- Bangkok**
- Sirindhorn
  - Nopparat
  - Ratchaphiphat
  - Lat Krabang

#### Public Hospital Area Health 6

Prachinburi, Chachoengsao, Samut Prakan, Chonburi, Rayong, Sa Kaeo, Chantaburi, Trat

##### 1. Chao Praya Aphai Phubet (Provincial)

- Kabinburi

##### 2. Samut Prakan (Provincial)

- Bangbo
- Bangplee

##### 3. Choburi Hospital (Provincial)

- Ban Bueng
- Phanat Nikhom
- Panthong
- Ko Sichang
- Burapha University
- Somdet Na Si Racha

##### 4. Buddhasothorn (Provincial)

#### Public Hospital Area Health 5

Samutsakon, Petchaburi, Ratchaburi, Samut Songkhram, Supan Buri, Prachuap Khiri Khan, Kanchanaburi, Nakhon Pathom

##### 1. Samutsakon (Provincial)

- Krathum Baen
- Ban Phaeo

##### 2. Prachomklao Petchaburi (Provincial)



In 2022, the Stroke Center at Chularat 3 International Hospital takes care of more than 600 acute stroke patients or about 50 cases per month. With a mechanical thrombectomy (MT) about 300 cases, covering all government scheme, such as 72-hour emergency (UCEP under National Health Security Office - NHSO), 76 Social Security scheme (25%) and other Scheme.

Operating a stroke center is one of the Company's prides which helped patients return to normal life without being a burden to take care of the family from the patient's symptoms on the first day of admission till the end of treatment, it can be said that it is a miracle that fills the hearts of the Company and its people working in public health.

- **Low Birth Weight Center (NICU)**

NICU Center was established thirty (30) years ago and originated from the devoid of medical facilities for low birth weight babies in Samut Prakan province where industrial plants are located and the medical services were few and difficult to reach, and medical technology was not as advanced as it is now. In order to solve the issue and be able to develop powerfully and totally return to live with his/her parents, Chularat 3 International Hospital initiated the nursing of low birth weight babies

by seeking for a specialized doctors and skilled nurses dedicated 24 hours a day to care for babies born with abnormalities, free of charge under the government and Company's support.

Currently, the Low Birth Weight Center of the Chularat 3 International Hospital has the expertise and potential to be a center to reserve beds for the Health Service Area 6, helping low birth weight babies grow into adults. In 2022, the Center for Low Birth Weight Cared for 17 newborns weighing less than 1,500 grams with a 100% survival rate.

- **Community Engagement Activities**

Not only providing health services, the Company has also been a part of community and social development in the following activities:

- Health

In the recent years, the COVID-19 viral epidemic has had an impact on many people's health, daily lives, and loss of family members. As a vaccine was developed to reduce the severity of the illness, improving the situation and reducing losses, the Company is now assisting in developing immunity by providing free Moderna vaccination to people in remote areas.







The Company has provided trainings on how to care for patients independently at home. Consequently, family caregiver can provide the patient with the necessary care.



In 2023, the situation with the spread of the COVID-19 virus returned to normal. The Company intends to organize health and community development activities at least once a month (12 times per year).



## Education

The Company understands the value of education and acknowledges that it is a key factor in driving the nation's economic and social development. The Company has therefore participated in giving scholarships to local schools.



In 2023, the Company aims to organize activities that contribute to community and social development in terms of education at least every other month or 6 times a year.

## Environment

The Company has collaborated with local to increase green space by participating in forest planting activities in various projects.



In 2023, the Company intends to organize environmental activities that contribute to the development of communities and society at least twice a year.



## Public Interest

The Company has contributed to society by making public donations that have been used to assist victims and alleviate the suffering of local residents.



In 2023, the Company intends to organize activities in the public interest that contribute to the development of communities and society at least twice a year.

## Sustainability Performance in 2022



### Economic and Corporate Governance Dimension

- Revenue Baht 10,408 million (Decrease by 13.3%)
- Net Profit Baht 2,778 million (Decrease by 33.9%)
- 63% Dividend Payout Ratio
- 4 stars CG Score (7 consecutive year)
- 100% Meeting attendance of committee member
- 0 Complaints on Corporate Governance
- 90% customer satisfaction



### Social Dimension

- 0 Labor Disputes
- 0 Complaints from Community and Society
- 0 Loss Time Injury Frequency Rate (LTIFR)
- 0 Rate of Fatalities as a result of work-related injury
- 0 Rate of Fatalities as a result of work-related illness
- Number of employees 4,520 persons, male 678 , female 3,842
- 20.31% Turnover Rate
- 88% Employee Satisfaction



### Environment Dimension

- 0 Environmental Complaints
- Total Waste generated 755,151 kg
- Waste Intensity 10.38 kg per Inpatient Day.
- Waste Intensity 0.00019 kg per Revenue (1MB)
- Total Water Consumption 70,379 cbm
- Water Intensity 0.97 cbm per Inpatient Day.
- Water Intensity 0.000017 cbm per Revenue (1MB)
- Total Electricity Consumption 7,063,957 kWh
- Electricity Intensity 97.06 kWh per Inpatient Day .
- Electricity Intensity 0.0017 kWh per Revenue (1MB)
- Total GHG Emissions (Scope 1,2,3) 5,210,748 kgCO<sub>2</sub>eq
- GHG Emissions Intensity 71.59 kgCO<sub>2</sub>eq per Inpatient Day.
- GHG Emissions Intensity 0.0013 kgCO<sub>2</sub>eq per Revenue (1 MB)



## 4 Management Discussion and Analysis

### Overview of Operating Result

The Company operates a medical service business for patients. The income from hospital operation of the Company is divided into 2 categories, which are income from general patients and income from governmental welfare schemes. Main source of income is from general patients covering 59.1%, 36.0%, and 51.1% of total income from hospital operations in 2020, 2021, and 2022 respectively.

The hospital income from operation increased from Baht 5,432.84 million in 2020 to Baht 11,742.17 million and Baht 10,103.11 million in 2021 and 2022 respectively, or increased by 116.13% and decreased by 13.96% respectively, due to the improving COVID-19 situation in Thailand, as a result decreased revenue from government for medical treatments provided to the COVID-19 patients.

However, owing to the Company's competitive location, located in the major industrial estates with lots of industrial factories, dense population, and steady urban growth, combined with our reputation on medical treatment quality and fair pricing policy, the Company experienced the constant revenue growth and increasing number of patients. The key factors behind steady growth of the Company's income are as follows:

- **Increased General Patients:** The Company has a policy to increase our potential for medical service by recruiting more experienced doctors, nurses and specialists, including expand our capability on treating diseases with high complexity to attract general patients to choose the Company's treatment and services. As a result, number of general out-patient (OPD) have increased from 940,921 times in 2020 to 1,187,433 times in

2022 (average annual growth rate at 12.34%) while new service records of general in-patient (IPD) increased from 184 beds daily in 2020 to 2022 beds daily in 2022 (average annual growth rate at 4.90%)

- **Higher Average Income per case for general patient service:** With diversified medical service improvement and the Company's complicated medical services with high service charge for each treatment, an average income from each treatment to general patients was higher. Moreover, with the COVID-19 situation in Thailand, the Company's average income from out-patient (OPD) increased from Baht 1,794 to Baht 2,332 for each treatment while average income from in-patient (IPD) increased from Baht 22,688 to Baht 32,430 for each treatment.
- **Increased number of insured person under SSO:** The Company provides a standard quality service to every group of patients, enabling the Company to gain high reputation from patients in Social Security scheme. The number of registered person under Social Security scheme gradually increased from 442,910 persons in 2020 to 504,737 persons in 2022 (average annual growth rate at 6.75%)
- **Increased medical service payment from SSO:** During 2020 - 2022, Social Security Office increased the reimbursement rate for basic payment (Capitation) and adjusted the global budget for statistics - High complexity diseases (IPD) and Chronic diseases (OPD). Thanks to the Company's competency, the Company has higher than average number of patients with chronic diseases (OPD) compared to other

hospitals under Social Security program from all over the country, resulting in an additional income based on increased statistics for the services provided.

From aforementioned factors, the Company made a steady profit. In 2020, 2021, and 2022, the Company had net profit of Baht 876.62 million, Baht 4,204.07 million, and Baht 2,778.45 million, or an average increased 78.03% per annum, and could maintain net profit margin better than an industry average at 16.1%, 35.0%, and 26.7% respectively. Amidst the COVID-19 pandemic, the Company could manage to control costs very efficiently as well as 2 new hospitals (Chularat 304 International and Ruampat Chacheongsao) could manage to have

satisfactory operating result (profit) as planned. With a policy to improve the capability and competency on complicated diseases and good quality services, the Company expects to maintain the similar profit margin.

## Operating Result Analysis

### Income from Hospital Operations

The Company classified an income from hospital operations (“main income”) into 2 main groups based on patient’s types, which are an income from general patients and an income from governmental welfare schemes as shown in details in the table below:

Income from Hospital Operations	Fiscal year, ending on 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Income from general patients</b>						
Income from outpatients (OPD)	1,688.37	31.1	2,458.24	20.9	2,769.35	27.4
Income from inpatients (IPD)	1,519.86	28.0	1,764.13	15.0	2,390.78	23.7
<b>Total income from general patients</b>	<b>3,208.23</b>	<b>59.1</b>	<b>4,222.37</b>	<b>36.0</b>	<b>5,160.13</b>	<b>51.1</b>
<b>Income from governmental welfare schemes</b>						
Social Security scheme	1,811.20	33.3	1,928.10	16.4	2,148.62	21.3
Other governmental schemes	413.41	7.6	5,591.69	47.6	2,794.36	27.7
<b>Total income from governmental welfare schemes</b>	<b>2,224.61</b>	<b>40.9</b>	<b>7,519.80</b>	<b>64.0</b>	<b>4,942.98</b>	<b>48.9</b>
<b>Total income from hospital operations</b>	<b>5,432.84</b>	<b>100.0</b>	<b>11,742.17</b>	<b>100.0</b>	<b>10,103.11</b>	<b>100.0</b>

From the table, the Company’s income during 2020, 2021, and 2022 were of Baht 5,432.84 million, Baht 11,742.17 million, and Baht 10,103.11 million respectively with an average annual growth rate at 36.37%. This significant growth is mainly due to the policy for promoting a potential in medical treatment service by increasing the number of doctors and nurses, including expansion of the

capability on treating specialized diseases that need medical specialists and diseases with high complexity, resulting in more general patients to choose the Company’s treatment and the increased number of insured persons under Social Security scheme. An average increase of income from general patients was 26.82% per annum, while that from governmental welfare program increased 49.06%

per annum. However, the Company has a policy to increase the proportion of an income from general patients because they yield more initial profit than those from governmental welfare schemes. Income from general patients in 2022 was 51.1% of total income from hospital operations mainly due to the improving COVID-19 situation in Thailand and the return to normalcy, resulting in the return of general patients both Thais and international patients. However, the Company still focuses on increasing the proportion of revenue from general patients.

### **(1) Income from general patients**

Income from general patients can be separated into income from out-patient department (OPD) and from in-patient department (IPD). In 2020, 2021, and 2022 the Company had income from general patients of Baht 3,208.23 million, Baht 4,222.37 million, and Baht 5,160.13 million respectively, or average increase by 26.82% per annum. Income from out-patient (OPD) increased from Baht 1,688.37 million in 2020 to Baht 2,769.35 million in 2022 or average increase by 28.08% per annum while income from in-patient (IPD) increased from Baht 1,519.86 million in 2020 to Baht 2,390.78 million in 2022 or average increase by 25.42 % per annum.

Main reason for a significant increased income from general patients during 2020 – 2022 was because visiting number of out-patient (OPD) increased significantly from 940,921 times in 2020 to 1,077,176 times in 2021 and 1,187,433 times in 2022 respectively, or average increased by 12.34% per annum while the rate of new clients of in-patient (IPD) decreased from 184 beds daily in 2020 to 156 beds daily in 2021 and increased to 202 beds daily in 2022 respectively, or average increased by 4.90% per annum. Increasing number of services provided was from an increased competency on medical service as well as diversity of services, e.g. Cancer Center, Gastrointestinal Center, Heart Center. The enhancement of medical service potential helps the Company to provide a complex

medical services, resulting in an increased average of revenue per times from general patients. In addition, the Company also added the medical service innovations in order to continuously improve the quality services, including the COVID-19 related services - screening services, medical treatment, government vaccines and alternative vaccines. An average income from the out-patient (OPD) increased from Baht 1,794 per visit to Baht 2,332 per visit, while an average income from the in-patient (IPD) increase from Baht 22,688 per visit to Baht 32,430 per visit.

### **(2) Income from government welfare schemes**

Income from government welfare schemes in 2020, 2021, and 2022 were of Baht 2,224.61 million, Baht 7,519.80 million, and Baht 4,942.98 million respectively. Income from government welfare programs consist of two main groups, which are income from Social Security program and income from other governmental program.

Income from government welfare program are mostly from Social Security program covering over 81.41%, 25.64%, and 43.48% of the Company's income from governmental welfare programs in 2020, 2021, and 2022 respectively. Key Factors for this income are (1) Number of registered insured persons (2) Government Policy for the basic payments and additional medical service fees, and (3) Hospital service potential/capability. Number of registered insured persons of the Company were steadily increased from 442,910 people in 2020 to 457,064 persons in 2021, and 504,737 persons in 2022 respectively or average increase by 6.75% per annum, while an income per head per year increased from Baht 4,089 person/year in 2020 to Baht 4,218 person/year in 2021, and Baht 4,257 person/year in 2022 mainly due to an increased reimbursement rate for basic payment (Capitation) and additional medical service fees. The average number of registered insured persons of the Company during 2020 – 2022 are as below:

Year	Number of insured persons (average)	Income from Social Security scheme (Million Baht)
2020	442.910	1,811.20
2021	457.064	1,928.10
2022	504.737	2,148.62

In 2022, the Company has an average number of insured persons by 504,737 persons. After Chularat 304 International Hospital started providing the medical services to Social Security member by the beginning of 2021, the Company can increase the number of quota at a maximum of 562,400 persons. In addition, after an expansion in the future, the Company can also request for an additional quota. However, the management of the Company has no policy to expand the SSO patients and most of the programs in the future are mainly for general patients.

#### Category of income from Social Security Office (SSO):

- **Fixed Income from Social Security Office:** Social Security Office established a fixed medical service for hospitals participated in Social Security program based on registered insured persons. There are two types of fixed income as follows.

(1) *Basic income (Capitation):* In 2012, capitation payment rate was Baht 1,446 person/year, increased to Baht 1,460 person/year in 2014 and increased to Baht 1,500 person/year effective since 1 July 2017. Effective from 1 January 2020, this basic payment increased to Baht 1,640 persons/year, with monthly payment to the Company. Therefore, income from capitation will depends on number of insured persons and subject to change in each month.

(2) *Additional income from by Hospital Accreditation (HA):* During 2010 - June 2012, Social Security Office determined to pay additional service charge to hospitals with HA Step 2 and Step 3 at the rate of Baht 80 person/year. However, effective from July 2013, hospitals with HA Step 2 would receive an additional service payment at the rate of Baht 40 person/year while hospitals with HA Step 3 would receive additional service payment at the rate of Baht 80 person/year. As at 28 December 2012, Chularat 3 International hospital was accredited with HA Step 3, in July 2013 Chularat 11 International hospital received HA Step 3 while Chularat 9 Airport hospital was granted with HA Step 2. In January 2018, Social Security Office changed this policy to provide Baht 60 person/year for Customer Complaint and Baht 60 person/year for Discharge Type services. Nevertheless, Social Security Office cancelled such policy effective by 1 January 2020.

- **Additional Social Security income based on statistics (work-related payment):** Social Security Office provided an additional payment base on various statistics, such as complexity of diseases and service frequency of insured persons. The payment rate to each hospital differs depends on each hospital statistics compared to other hospitals' statistics under SSO program all over the country. The income in this category could be divided into two types as follows:

(1) *Additional income from in-patient treatment (IPD) with high expense diseases (High Cost Care):* Effective in 2012, this income is for in-patient (IPD) admitted to the hospitals with high expense diseases. Social Security Office (SSO) used a calculation approach by Diagnosis Related Groups (DRGs) for comparison on an expense of each category of diseases and determine a unit for comparison



called an Adjusted Relative Weight (Adj.RW). Note that Relative Weight is a measure of the average cost of caring for individual patients. The group of diseases with high expense according to this criteria should have an Adj. RW more than or equal to 2 (Adj.RW  $\geq$  2) with the payment not more than Baht 15,000 per Adj.RW.<sup>1/</sup>

(2) *Additional income from service frequency of patients with risky condition:* This income depends on the number of services used by insured person, categorized into 2 groups of services. First, out-patient (OPD) with 26 chronic diseases assigned by Social Security Office (60 percent of weight given), such as diabetes, hypertension, stroke, and chronic renal failure (CRF), etc. Second, in-patient (IPD) who have diseases with Adj.RW  $<$  2 (40 percent of weight given). In 2011, Social Security Office assigned the value for additional payment rate according to risky condition Baht 469 person/year. In 2012, the additional payment rate according to risky condition decreased to Baht 432 person/year due to the separation of criteria for risky condition diseases and paid as income as in (1)<sup>2/</sup>. Since 2013 to 2016, the additional payment rate according to risky condition was still equals to that of 2012, which is Baht 432 person/year. However, the ratio of out-patient (OPD) with 26 chronic diseases was increased from 60 percent to 90 percent of weight given and in-patient (IPD) with diseases/conditions with Adj.RW  $<$  2 decreased from 40 percent to 10 percent of weight given. Effective from

1 July 2017, the additional payment rate increased from Baht 432 person/year to Baht 447 person/year. In 2018, Social Security Office reduced the ratio of an Adj.RW  $<$  2 from 10% to 0% and increased the ratio for chronic diseases from 90% to 100%. Effective from 1 January 2020, Social Security Office announced a global budget increase to Baht 453 person/year.

- **Income from treatment by specialist doctor:**

Some type of treatment by specialist doctor, the Company could request the service fee at actual under terms and service rate appointed by Social Security Office. If there were many patients using this specialized service, the Company would have an additional income. This service type includes hemodialysis, chemotherapy for cancer patients, open heart surgery, artificial organ implants for disease treatment, and brain surgery etc.

The Company's income Social Security program would increase or decrease due to (1) Increasing number of registered insured persons with the Company (2) Social Security Office considered increasing the reimbursement rate for basic payment (Capitation) and the improved payment for in-patients (IPD) with high expense diseases enabling the insured person to receive an appropriated quality service and (3) the Company's continuous development of service standard. The Company had an opportunity to continuously provide the services to insured persons with risky condition (Chronic disease/ OPD), which is higher than an average statistical number compared to other hospitals under Social

**Note :**

<sup>1/</sup> In 2012, the government declaration on budget to support aforementioned service not more than Baht 4,460 million, in which case, if hospitals joined up with social security program from all over the country treated a lot of patients with conditions that have Adj.RW more or equals to 2, the result may be addition payment rate to Adj. RW to be less than Baht 15,000 per person/year.

<sup>2/</sup> Decreasing of additional payment in cases for risk condition on 26 chronic diseases, and the cancel of payment criteria based on frequency of service in 2012 has been matched with an income from service to in-patient with high expense disease calculated from DRGs in case Adj.RW is more than or equal to 2.

Security program from all over the country, enabling the Company to earn an additional income based on statistics.

Income from other government welfare scheme is medical treatment income from National Health Security Office (NHSO), which the Company is not a primary service provider under NHSO (The 30 Baht Health Care Scheme). The Company provided the treatment to some illness with medical service charge under terms and service rate appointed by NHSO. The service types include hemodialysis, low birth weight neonates nursing (NICU), treatments for patients suffered from emergency illness (UCEP) or accidents with 3 funds, and treatment of patients with strokes. In 2013, heart disease treatment was added. Income from National Health Security Office (NHSO) was 18.61%, 74.36%, and 56.53% of the total income from governmental welfare schemes in 2020, 2021, and 2022, respectively. However, the proportion of revenue from the NHSO in 2022 dropped due to the decreased COVID-19 related revenue - screening service, alternative quarantine, medical treatment in special

wards (Hospital) and vaccination, including the amendment and cancellation of the government policy on the medical treatment payment for the COVID-19 patients.

### Cost of Hospital Operations

Cost of hospital operations ("cost") composed of medical personnel and nurse compensation, medicine, medical supplies, medical consumables, depreciation expenses, and other costs. During 2020, 2021, and 2022, the Company's operations cost were of Baht 3,684.54 million, Baht 3,882.49 million, and Baht 5,907.99 million, respectively, accounted for 67.5%, 49.0%, and 56.8% of the total income, respectively.

The Company's average cost-to-income increased in 2022 due to the improving COVID-19 situation and the return to normalcy. In 2022, the Company's revenue from general patients increased yoy. The Company has continued to have effective cost management in order to maintain its cost at an appropriated level.

Major costs are doctor fees, medicine, medical supplies, and medical consumables.

### Gross Profit

	Fiscal year, ending on 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Income from hospital operations	5,432.84	100.0	11,742.17	100.0	10,103.11	100.0
Cost of hospital operations	(3,684.54)	(67.8)	(5,882.49)	(50.1)	(5,907.99)	(58.5)
Gross profit	1,748.30	32.2	5,859.68	49.9	4,195.12	41.5

The Company has gross profit during 2020, 2021, and 2022 of Baht 1,748.30 million, Baht 5,859.68 million, and Baht 4,195.12 million respectively with gross profit margin at 32.2%, 49.9%, and 41.5%, respectively. The Company's gross profit margin decreased mainly due to a decrease in COVID-19 related revenue.

### Other Income

The Company has other income not related to hospital operations. These include rental fees, public utility fees, interest income, income from nurse assistant training, management fee for hospital management services provided to public hospitals and other income. In 2020, 2021, and 2022, the Company's other income was less than 3.0% of total income.

## Administrative Expenses

During 2020, 2021, and 2022, the Company has administrative expenses of Baht 673.20 million, Baht 821.27 million, and Baht 934.88 million, respectively. The increase of administrative expenses was mostly from the increasing employee compensation, increasing number of employees to support the Company growth as well as other administrative expenses resulting from a rising number of patients.

The proportion of administrative expenses compared to total revenues was 12.3%, 6.8% and 9% in 2020, 2021, and 2022, respectively. The similar rate of administrative expenses showed the effectiveness of the Company's management.

The administrative expenses consist of employees and executive's compensation, depreciation, and utilities expenses. Major expenses are those related to employee and executives, which account for more than 50 percent of total administrative expenses.

## Profit from Hospital Operations

During 2020, 2021, and 2022, the profit from hospital operations were of Baht 1,103.96 million, Baht 5,295.70 million, and Baht 3,564.81 million, respectively, or 20.2%, 44.1%, and 34.3%, respectively.

## Financial Cost

Financial cost consists of interest expense from bank loan and leasing. The Company has financial cost for Baht 35.64 million, Baht 21.38 million, and Baht 16.28 million in 2020, 2021, and 2022 respectively. The Company used short-term loans occasionally for liquidity purpose and long-term loans for the construction of new projects and service area expansions.

## Corporate Income Tax

Corporate Income Tax in 2020, 2021, and 2022 were of Baht 218.73 million, Baht 1,008.93 million, and Baht 703.37 million, respectively. However, with the Government's policy to promote the competitiveness of Thailand, stimulate the country's economy and attract foreign investments, Corporate Income Tax decreased from 23% to 20% in 2013 onwards.

## Net Profit (Loss)

The Company's net profit has steadily increased. In 2020, 2021, and 2022, the Company has the net profit of Baht 876.62 million, Baht 4,204.07 million, and Baht 2,778.45 million respectively, which was the results of (1) Increasing number of General patient (2) Increasing number of insured persons under SSO scheme (3) Increasing competency to treat and cure the complicated diseases at several Excellence Centers (4) Increasing statistics of service provided to SSO patients with risky condition (26 chronic diseases) and more than an average from other hospitals under SSO scheme (5) The Company's effective cost management. The revenue decrease in 2022 is mainly due to the decreasing COVID-19 related services such as screening services, medical treatment provided to the COVID-19 patients, government vaccines and alternative vaccines, resulting in the Company's net profit margin increased to 16.1%, 35.0%, and 26.7% during 2020, 2021, and 2022, respectively. With the Company's cost management efficiency, the Company could manage to maintain high level of net profit margin. The Company's cost of hospital operations was 67.5%, 49.0%, and 56.8% of the total revenue, while the administrative expense to total revenues was 12.3%, 6.8%, and 9.0% in 2020, 2021, and 2022, respectively.

## Financial Status Analysis

### Assets

The Company's assets can be classified into 2 categories, which are Current Assets (Cash and cash equivalents, trade and other receivables, accrued social security income, medicine and medical supplies and inventories), and Non-Current Assets (Investment in subsidiaries, other long-term investment, investment properties, and property, plant and equipment). Total assets as at December 31, 2020, 2021, and 2022 was of Baht 6,200.78 million, Baht 10,549.69 million, and Baht 10,279.98 million, respectively, with the ratio of current assets between 28.4% to 55.9% during that period.

As at December 31, 2020, 2021, and 2022, the Company's Current Assets were of Baht 1,763.21 million, Baht 5,897.18 million, and Baht 5,058.47 million, respectively. The increasing of Current Assets was mostly from accrued medical treatment income.

As at December 31, 2020, 2021, and 2022, the Company has Non-Current Assets amounting to Baht 4,437.57 million, Baht 4,652.50 million, and Baht 5,221.52 million, respectively. Changes in

property, plant and equipment from 2020 to 2022 were from hospital expansion plan to support the Company growth. In 2022, the Company invested in associated companies, increased by Baht 141.76 million.

### Account Receivable

The Company has trade receivables at December 31, 2020, 2021, and 2022, for Baht 481.21 million, Baht 616.28 million, and Baht 756.83 million, respectively. The constant increase of trade receivables was a result from the Company's business expansion. The proportion of trade receivables not over three months was 64.8% - 74.0% of total trade receivables. A decrease in debt collection period showed the Company's effective management in the collection of receivables, resulting from the strict policies on collection of receivables as well as from computer program development for account receivable control and management.

In case of write-off, accounting department will send the case to legal department to proceed according to the Company's policy. If debt could not be collected, they will be written-off with an approval from management.

Trade receivables at December 31, 2020, 2021, and 2022 are as follows.

Outstanding Account Receivables	At December 31					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Age of outstanding debts						
Up to 3 months	342.55	74.0	427.82	72.2	477.75	64.8
3 - 6 months	48.67	10.5	106.39	18.0	128.78	17.5
6 - 12 months	34.85	7.5	43.55	7.4	84.07	11.4
Over 12 months	48.15	10.4	35.23	5.9	67.04	9.1
Total account receivable	474.21	102.4	613.00	103.5	757.64	102.8
Less: Allowance for doubtful accounts	(11.32)	(2.4)	(20.61)	(3.5)	(20.60)	(2.8)
<b>Total trade accounts receivable-net</b>	<b>462.89</b>	<b>100.0</b>	<b>592.39</b>	<b>100.0</b>	<b>737.05</b>	<b>100.0</b>



## Other receivables

Other receivables are receivables not related with the hospital operations. As at December 31, 2020, 2021, and 2022, the Company had other receivables of Baht 18.32 million, Baht 23.89 million, and Baht 19.79 million, respectively.

## Accrued Medical Treatment Income

Accrued medical treatment incomes from Social Security Office (SSO) and National Health Security Office (NHSO) can be categorized into 3 groups as follows.

(1) Accrued Social Security income according to medical service statistics, such as, (1.1) accrued medical treatment income based on medical service rates, which was cancelled in 2012, (1.2) accrued medical treatment income based on statistics for in-patient (IPD) with high expense diseases (Adj.RW > 2, High Cost Care) effective since 2012, and (1.3) accrued medical treatment income based on statistics for patients with risky condition (OPD-26 Chronic Diseases). The

Social Security Office will collect patient statistic data from all hospitals under SSO program for the calculation of additional service payment to each hospital, which the Company used an appropriated assumption in estimating expected income each time.

- (2) Other accrued Social Security income (per special medical services) are from medical services by specialist doctor such as blood dialysis using artificial kidney unit (hemodialysis), chemotherapy for patients with cancer, equipment used for open heart surgery, artificial organ implant, etc. After treatment, the Company will send medical service report to Social Security Office as an evidence for bill payment.
- (3) Accrued National Health Security Office (NHSO) income are medical services by specialist doctor such as hemodialysis and a referral center for Heart Diseases.

Accrued medical treatment income as at December 31, 2020, 2021, and 2022 are as follows.

Accrued Medical Treatment Income	At December 31					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Social Security Office</u></b>						
Accrued medical treatment income provided to patients with severe diseases	197.46	39.4	167.46	9.2	347.95	17.3
Accrued medical treatment income of chronic diseases	98.60	19.7	180.28	9.9	461.12	22.9
Accrued social security income - others	99.99	19.9	134.24	7.4	105.55	5.3
<b>Total accrued social security income</b>	<b>396.05</b>	<b>79.0</b>	<b>481.98</b>	<b>26.5</b>	<b>914.63</b>	<b>45.5</b>
<b><u>National Health Security Office</u></b>						
Accrued NHSO income	107.90	21.5	1,339.17	73.6	1,095.92	54.5
Total accrued medical treatment income	503.95	100.5	1,821.15	100.0	2,010.55	100.0
Less: Allowance for doubtful accounts	(2.52)	-0.5	(0.62)	0.0	(0.62)	0.0
<b>Total accrued medical income - net</b>	<b>501.43</b>	<b>100.0</b>	<b>1,820.52</b>	<b>100.0</b>	<b>2,009.92</b>	<b>100.0</b>

Accrued Social Security income in 2020 decreased due to the change in payment criteria of accrued medical treatment income of chronic diseases (OPD) and from the improved data management and payment process of medical treatment income for patients with severe diseases (IPD). However, there was an increase in medical treatment income for patients with severe diseases (IPD) from rising number of patients, resulting in revenue growth from Social Security program. Accrued Social security income in 2021 increased mainly due to the rising number of insured person and an additional income from the actual medical treatment income of chronic disease (OPD) for the last payment of Y2020 higher than the accrued amount as well as an increase from an adjustment to accrued amount of this medical treatment income for the year 2021. Accrued Social security income in 2022 increased mainly due to the rising number of insured person and an additional income from the actual medical treatment income of chronic disease (OPD) for the last payment of Y2021 higher than the accrued amount as well as an increase from

an adjustment to accrued amount of this medical treatment income for the year 2022.

. Accrued NHSO income in 2021 increased by 1,141 percent, compared to 2020 due to a significant increase of the COVID-19 related services: screening services, medical treatment provided to the COVID-19 patients in hospitals, field hospital and Hospital. Accrued NHSO in 2022 decreased from 2021 due to the decreased COVID-19 related revenue and NHSO's payment on medical treatment for the COVID-19 patients as a result of the improving COVID-19 situation in Thailand.

### Medicine, medical supplies and inventorial consumables

As at December 31, 2020, 2021, and 2022, the Company has medicine, medical supplies, and inventorial consumables ("inventory") of Baht 179.16 million, Baht 295.10 million, and Baht 265.01 million, respectively. The average inventory period was 17-15-17 days during 2020-2022. Inventory level and the average inventory period of the Company is at a constant rate due to the effective inventory management system.

Inventories are shown in the table below,

Inventories	At December 31					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Medicine	110.46	61.7	173.29	58.7	152.92	57.7
Medical supplies	32.42	18.1	58.45	19.8	60.88	23.0
Medical instruments	0.14	0.1	0.32	0.1	0.07	0.0
Other supplies	36.15	20.2	63.45	21.5	51.66	19.5
Less - Reduce cost to net realizable value	-	-	(0.41)	(0.1)	(0.52)	(0.2)
<b>Total</b>	<b>179.16</b>	<b>100.0</b>	<b>295.10</b>	<b>100.0</b>	<b>265.01</b>	<b>100.0</b>

The Company has no provision for deteriorated inventories from expiration because the Company has an effective inventory management system, including assigning the officers to inspect the medicines and medical supplies in the warehouse and patient wards on a monthly basis. Moreover, with the Company's good relationship with medicine distributor, medicines near expiry date could be returned for exchange to the new lot.

### **Property, Plant and Equipment, net**

As at December 31, 2020, 2021, and 2022, the Company has property, plant and equipment amounting to Baht 4,091.33 million, Baht 4,286.30 million, and Baht 4,673.81 million, respectively. The Company has continued to invest in property, plant and equipment to enhance the service capability and support the future growth. Cash for investment was Baht 256.11 million, Baht 445.75 million, and Baht 710.75 million, respectively. Main category of non-current asset that the Company invested in was medical tools and equipment, new buildings and service area expansion.

### **Intangible assets**

Intangible assets are computer software. As at December 31, 2020, 2021, and 2022, the Company has intangible assets amounting to Baht 35.43 million, Baht 34.46 million, and Baht 56.16 million, respectively. The Company continuously invested in computer software to support the business growth. In 2022, the Company has invested in HIS (Hospital Information Systems) for all branches of the Group to enhance its services and the connectivity to external information systems more efficiently.

### **Liability**

The Company's liability divided into 2 categories, which are Current Liability (e.g. trade account payable, short-term loans from financial institutions, and current portion of long-term loans from financial

institutions) and Non-Current Liability (e.g. long-term loans from financial institutions and provision for long-term employee benefits). Total liability as of December 31, 2020, 2021, and 2022, were Baht 2,007.60million, Baht 2,708.72 million, and Baht 2,416.09 million, respectively. The proportion of current liability during that period was between 71.19% to 81.53% of total liability.

Trade and other payables are the highest proportion in liability without interest. As at December 31, 2020, 2021, and 2022, the Company has ratio of trade and other payables to total liability of 28.39%, 31.14%, and 35.21%, respectively. Major trade payables consist of medicine, medical supplies, and consumables which the Company purchased to provide the medical treatment services, whereas other payable consists of accrued doctor fees, accrued expense, and other payables of construction and building expansion.

### **Loan from financial institutions**

Loans from financial institutions consist of short term loans and long term loans.

Short term loans consist of promissory note. The Company used short term loans occasionally for operational liquidity. As at December 31, 2020, 2021, and 2022, the Company had outstanding short term loans at amount of Baht 570.0 million, Baht 34.0 million, and Baht 400.0 million, respectively.

Long term loans were used for the purpose of the building construction according to service area expansion plan. As at December 31, 2020, 2021, and 2022, the Company had outstanding long term loans at amount of Baht 543.53 million, Baht 410.55 million, and Baht 399.10 million, respectively.

### **Commitments and contingent liabilities**

As at December 31, 2022, the Company has total commitments of Baht 355 million, divided into capital expenditure of Baht 307 million and operating lease

of Baht 48 million. Capital expenditure consisted of construction of building for service area expansion and acquisition of tools and equipment. The Company had capital commitment amounting to Baht 237 million in respect of the uncalled portion of investment in the subsidiaries.

## Shareholders' equity

As at December 31, 2020, 2021, and 2022, the Company has total shareholders' equity amounting to Baht 4,024.47 million, Baht 7,568.94 million, and Baht 7,523.16 million, respectively. The steady growth on shareholders' equity was because the Company could continue to manage and maintain the revenue growth and net profit margin.

## Liquidity

### Cash flows

Details on source of cash flows are shown in the table below.

Million Baht	As at December 31		
	2019	2020	2021
Net cash from (used in) operating activities	1,297.59	4,005.48	2,629.44
Net cash from (used in) investing activities	(266.52)	(447.13)	(958.34)
Net cash from (used in) financing activities	(951.08)	(1,316.22)	(2,460.02)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>80.00</b>	<b>2,242.13</b>	<b>(788.93)</b>
Cash and cash equivalents at beginning of year	467.55	547.54	2,789.67
<b>Cash and cash equivalents at end of year</b>	<b>547.54</b>	<b>2,789.67</b>	<b>2,000.74</b>

During 2020 to 2022, the Company has an increase in net cash from operating activities amounting to Baht 1,297.59 million, Baht 4,005.48 million and Baht 2,629.44 million, respectively. Cash flows from operating activities was increased in line with an increase of operating profit and good debt collection.

## Financial Structure

The Company has a strong financial structure with key ratios as at December 31, 2020, 2021, and 2022 as follows:

- Debt to equity ratio was 0.50, 0.36, and 0.32 respectively.
- Interest-bearing debt-to-equity ratio was 0.28, 0.06, and 0.11, respectively.
- Interest coverage was 31.05, 247.78, and 219.38 respectively.

Compared to other hospitals listed on the Stock Exchange of Thailand (SET), the Company's debt to equity ratio is still at an industry average, showing the Company's conservative financial policy, as a result the Company's increasing potential to borrow additional loans from financial institutions for future expansion plan.

### Current ratio

During 2020, 2021, and 2022, the Company has current ratio of 1.23, 2.67 and 2.81, respectively, while the quick ratio was 0.72, 1.54, and 1.53, respectively. Considering all liquidity ratios, it is found that the Company's liquidity is very high, showing the Company's capability to pay short-term obligations.



## Cash cycle

During 2020, 2021, and 2022, the Company has an average cash cycle of 27 days, 24 days, and 59 days, respectively. These cash cycles show that the Company has to prepare cash for business operations by an average of 30-60 days. The Company managed the liquidity by using internal cash flows and occasionally used short-term loans from financial institutions.

## Return on Equity Analysis

The Company's Return on Equity (ROE) ratio in 2020, 2021, and 2022, was at 22.06%, 73.62%, and 37.77%, respectively. These steady increasing ratios are mainly due to the Company's effective cost management. Net Profit Margins were at 16.04%, 35.03%, and 26.68% in 2020, 2021, and 2022 respectively, increased due to the Company's effective cost management policy.

## Main factors and influences that could affect an operation or financial status in the future

### Industry and population in service area

All 9 hospitals in the Group are located in important industrial estates of Samut Prakan, Chachoengsao, Chonburi, Prachinburi, and Rayong provinces where there are a lot of employees. Moreover, there were more immigrants continuously moving to these areas along with the industry growth. As the result, the Company gain the benefit from patient growth, both in social security program and general patients.

### ASEAN Economic Community (AEC)

Healthcare business of Thailand gained the benefits from roadmap on setting up AEC in 2015. Thanks to high standard of treatments and services, including professional personnel and low medical treatment cost compared other countries with the same quality of service, it is expected

that there will be more international patients coming to Thailand. With the Company's policy to continuously develop the specialized treatments through its Excellence Centers, including the fact that Chularat 3 International Hospital and Chularat 9 Airport Hospital are located within 10 kilometers radius from Suvarnabhumi International Airport, it is expected that the Company will have more international patients from AEC in the future. Chularat 3 International hospital is internationally accredited by Joint Commission International (JCI), which could create international patients' confidence in the quality service standard of the Company.

### Ratio of income from general patients

The ratio of income from general patients was 59.1%, 36.0%, and 51.1% in the year 2020, 2021, and 2022, respectively. During 2020 to 2022, income from general patients increased from Baht 3,208.23 million to Baht 5,160.13 million, or increased on average of 26.82% per annum. The visiting number of general out-patient (OPD) increased from 940,921 times/year in 2020 to 1,077,176 times/year in 2021 and 1,187,433 times/year in 2022, respectively or increased on average of 12.34% per annum. The admission number of general in-patient (IPD) decreased from 184 beds/day to 156 beds/day and 202 beds/day, respectively, in 2020, 2021, and 2022 or increased on average of 4.90% per annum.

In the future, the Company has a policy to increase number of general patients by enhancing its potential to offer and focus on specialized medical services (Tertiary Care), expanding and renovating the service areas, adding the medical instruments and equipment with the latest technology and increasing a variety of Excellence Centers such as Neurology and Stroke Center, Brain and Spine Surgery, In Vitro Fertilization (IVF), and Heart Center. Moreover, the Company will also use proactive marketing strategy to penetrate general clients, such as giving a discount to patients having health insurance plan with insurance companies who are

the contractors with the Company. Income from general patients generates higher profit margin than those from government welfare programs, thus promoting income ratio from general patients as well as contributing positively to the profit trend of the Company in the future. Due to the COVID-19 pandemic, many people required the screening services as well as the medical treatments for the COVID-19 patients in hospitals, field hospital and hospitelts, resulting in the deviated proportion of revenue from general patients from normal situation. However, the Company still continues to focus on increasing the proportion of revenue from general patients.

## Changes in the Government Policy

Income from the government welfare schemes of the Company during 2020 – 2022 was 40.9%, 64.0% and 48.9% of total income from hospital operations. Income from Social Security program was 33.3%, 16.4%, and 21.3% of total income from hospital operations. Therefore, changes in social welfare policy of the government may significantly affect the Company's operating result in the future.

Furthermore, the government announced a policy to decrease the Corporate Income Tax to 20% since 2013 to enhance the competitiveness of Thailand, promote the country's economy and attract foreign investments. As a results, this would contribute positively to the Company's business operations, financial status, and liquidity in the future.

## Changes in Medical Services Rate of Social Security Office

In 2012, the Social Security Office considered increasing medical services rate for the hospitals providing medical treatments and services for severe diseases with high expense (IPD-High Cost Care). The major changes are as follows.

- Increasing the basic payment rate (Capitation):* The capitation payment rate continuously increased from Baht 1,306 person/year in 2008 to Baht 1,404 person/year in 2009, to Baht 1,446 person/year in 2012, to Baht 1,460 person/year in 2014, and to Baht 1,500 person/year since 1 July 2017. Effective from 1 January 2020, Social Security Office announced to increase to Baht 1,640 person/year with a consideration for increasing this payment every 3 years.
- Changes in additional capitation payment rate based on quality of hospital:* Since July 2012, the hospital with HA Step 2 will receive an additional payment of Baht 40 patient/year and the hospital with HA Step 3 or JCI will receive Baht 80 patient/year. On 31 December 2014, Chularat 3 International hospital was accredited with HA Step 3 and JCI standards, Chularat 11 International hospital was granted with HA Step 3 and Chularat 9 Airport hospital was accredited with HA Step 2 standard. In 2017, Social Security Office cancelled this payment criteria and switched to pay base on Customer Complaint and Discharge Type with a purpose to have the insured person participating in the payment assessment. However, in 2020 Social Security Office announced to cancel such payment.
- Medical Service rate in case of in-patient (IPD) with high expense diseases:* This new additional payment started in 2012 for the cases of in-patient (IPD) with high expense disease and patient must be admitted to the hospital. Social Security Office used the calculation approach related to Diagnosis Related Groups (DRGs) for making a comparison expense of each category of disease and determine unit of comparison called Adjusted Relative Weight (Adj.RW). If any patients suffered from a disease with Adj. RW more than or equal to 2 ( $\text{Adj.RW} \geq 2$ ), the Company will receive additional service fee from Social Security Office with the limit of not more than Baht 15,000 per Adj.RW.

- *Changes in medical service rate according to number of services provided to patients with risky condition (26 Chronic Diseases):* The Global budget of medical service rate for risky conditions changed from Baht 432 patient/year to Baht 447 patient/year since 1 July 2017. Effective from 1 January 2020, the global budget increased to Baht 453 patient/year.

Conclusion, the Company gained the benefits from changes in payment rate mentioned above, with an increasing income from Baht 4,089 patient/year in 2020 to Baht 4,257 patient/year in 2022. The government will determine the medical service rate for each category of social security program, which are subject to change based on appropriateness and cost of treatments.

## Effect from New and Revised Accounting Standard

Aiming to align Thai Financial Statement standard with the corresponding International Financial Statement standard, the Federation of Accounting Professions announced a revised accounting standards and new accounting standards. Part of the standards effective now and will be effective are as follows;

### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements

During 2020-2022, the Company received the medical treatment income from the Social Security Office, account for more than 30% of total revenue. The guidelines and conditions for such medical treatment income are stipulated in the Medical Service Contract between the hospitals in the group and the Social Security Office with details as follows.

<b>Contract</b>	:	Agreement for providing medical services under the Social Security Act B.E. 2533
<b>Contractor</b>	:	Social Security Office (“the Office”)
<b>Contractee</b>	:	Chularat 3 International Hospital, Chularat 9 Airport Hospital, Chularat 11 International Hospital, Chularat Rayong Hospital and Chularat 304 International Hospital (“the Hospitals”)
<b>Contract Date</b>	:	2 December 2021
<b>Contract Period</b>	:	1 year (1 January - 31 December, 2022)
<b>Agreement</b>	:	The Office agrees to hire the Hospitals and the Hospitals agree to provide medical treatment services to the insured person
<b>Hospitals’ responsibility</b>	:	<p>Provide medical treatment services to the insured person in the same manner as the Hospitals’ own patients</p> <ul style="list-style-type: none"><li>• Provide the medical treatment to the insured person until the end of treatment with unlimited number of times and expenses, with no charge for medical services to the insured person, except for the additional service charges with consent from insured person</li><li>• Submit the document, evidence, statistics and report regarding the medical treatment services provided to the insured person, including financial information and operating results to the Office.</li></ul>
<b>Office’s responsibility</b>	:	<p>Arrange the payment of the medical service charges to the Hospitals for the medical services provided to the insured person</p> <p>(For more details, please refer to section 2 - Management Discussion and Analysis)</p>



## 5

## General Information and other important information

### 5.1 General Information

Company Name	: Chularat Hospital Public Company Limited
Company Registration Number	: 0107547000656
Type of Business	: Private Hospital
Authorized Share Capital	: Baht 1,100,000,000
Issued and Paid-up Capital	: 11,000,000,000 shares with par value of Baht 0.10 each
Listed Date	: 16 May 2013
Accounting Period	: 1 January - 31 December
Website	: www.chularat.com
E-mail address	: chularat3@chularat.com
Head Office	: Chularat 3 International Hospital 88/8-9 Moo 11, Theparak Road K.M. 14.5, Bangpla, Bangplee, Samutprakarn 10540
Telephone	: 02 033 2900 - 99
Fax	: 02 769 2967

### References

1. Auditor : EY Office Company Limited  
33<sup>rd</sup> Floor, Lake Ratchada Office Complex  
193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110  
Tel : (662) 264 0777  
Fax : (662) 264 0789-90
2. Securities Registrar : Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand - Building C, Mail Room  
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400  
Tel : (662) 009 9726-50  
Fax : (662) 009 9001
3. Financial Advisor : Thanachart Securities Public Company Limited  
14<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> Floor, MBK Tower  
444 Phayathai Road, Wangmai, Pathumwan, Bangkok 10330  
Tel : (662) 217 8900  
Fax : (662) 217 8643

### 5.2 Other Important Information

The Company has limited the shareholding of the Company's share by foreigners to not exceed 25% of the total issued shares.

### 5.3 Legal Dispute

The Company and Subsidiaries do not have any pending legal disputes that may affect the Company's or its subsidiaries' assets of more than 5% of shareholders' equity as of December 31, 2022

### 5.4 Secondary Market

The Company does not have its securities listed on the stock exchanges of other countries.

## Section 2



## Corporate Governance

## 6 Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policy and Guidelines

The Company's policy is to follow the Code of Best Practice to reinforce transparency and be beneficial to the business operations of the Company, resulting in confidence of shareholders, investors, stakeholders and all concerned parties. The Company recognizes its role, duties and responsibilities in practicing good corporate governance and believes that corporate governance shall determine the structure and relationship among shareholders, the Board of Directors, the management and all stakeholder groups with the aim to increase the competitiveness and business value for the shareholders in the long run as well as to consider the benefits of other stakeholders which in turn will ensure the Company's continuous and sustainable growth.

The Board of Directors has determined "Good Corporate Governance Policy" as guidelines for all directors, executives and employees of the Company. The Board of Directors has appointed the Corporate Governance Committee to supervise and oversee matters relating to corporate governance as well as to monitor, review and revise the existing corporate governance policy to ensure that it is up-to-date and consistent with the current situation. The Corporate Governance Committee shall also ensure that the policy is in line with good corporate governance as determined by the regulatory bodies. The Committee shall propose such policy to the Board for review and approval at least once a year.

The Board of Directors has constantly emphasized good corporate governance through integration of policies and business directions as well as sufficient

internal control and auditing. The Board has assigned the Audit Committee to draft the internal audit plan to ensure that the Company has complied with all policies. Moreover, the Board has supervised the management to act efficiently under the established policies to ascertain that the Company's operations are transparent, ethical and abide by the governing laws and regulations.

The Board of Directors has appointed the "Corporate Sustainability Committee" consists of at least one (1) member of the Board of Directors to help oversee sustainable business operations (ESG) at the Board of Directors' Meeting No. 1/2023 on February 23, 2023. The Company has disclosed the list of Committees, Chairman, Secretary, including a charter or role and responsibility on the Company's Website.

#### 6.1.1 Policies and Guidelines of the Board of Director

The Company has determined the policies and guidelines of the Board of Directors in which they must strictly adhere to in order to ensure efficient business operations of the Company while emphasizing on excellence management and good corporate governance. The Company can achieve its key objectives and goals as established under relevant laws, regulations and business ethics which in turn shall promote the Company's competitiveness and good operating results by taking into consideration long-term impact, benefits for the society, responsibility toward shareholders and stakeholders while being able to adapt to the changing environment/situation.

## Roles and Duties of the Board of Directors

The Board of Directors shall assume its duties in supervising and determining key objectives and goals of the Company, including important strategies and policies within the context of its duties and responsibilities as specified in the Board of Directors' Charter as well as perform other important roles and duties in various areas as stipulated in the Company's Corporate Governance Policy which are as follows:

### Roles and Responsibilities of the Board of Directors as Leader of the Company

The Board shall adhere to its roles and responsibility in overseeing the Company and strengthen good corporate governance which also encompasses a determination of key objectives, goals, strategies and operation policies, including evaluation and supervision of report of operating results. The Board shall supervise all directors and executives to perform their respective duties with responsibility, caution and honesty toward the Company while ensuring that all directors and executives devote adequate time and act in compliance with applicable laws, regulations, and the resolution of the shareholders' meeting within the scope of business ethics and good corporate governance. The Company has set a policy that directors and the Sub-Committee members shall attend meetings in each group not less than 75 percent and the minimum quorum of the Board of Directors shall not be less than two-thirds (2/3) of the total number of the Company's directors. Moreover, in a case where the Chief Executive Officer holds a directorship position in another company outside the group or other than those assigned by the Company, he/she shall report the details thereof to the Board for acknowledgement.

## Promote long-term Sustainability and Value Creation

To promote long-term sustainable value for the business, the Board shall ensure that the Company has clearly defined its objectives that support the Company's business model and communicate such objective to all personnel in the Company to move them forward in the same directions which ultimately leads to the establishment of the Company's culture. The Board shall ensure that the Company's strategies and annual plans correlate and align with the Company's goals and objectives while considering the business environment, opportunities, conditions and risks which may pose a direct impact on related stakeholders.

### Directors and Senior Executives Development and Orientation of New Directors

The Board of Directors set a policy to provide the trainings to the directors related to the Corporate Governance which consist of all committees including senior management level in order to continuously develop the business operation, by providing annual development plan by person, and providing information, knowledge and lectures regarding his/her roles, the business operation of the Company and its subsidiaries, including necessary laws and regulations for the performance of their duties as well as to provide a company secretary with necessary and appropriate knowledge and experience to support the duties of directors and sub-committees and other information related to the directors.

Orientation of New Directors: In case of a change of directors or executives who take positions in the Company for the first time. The Company recognizes the importance of the directors and executives in performing their respective duties; therefore the Company has organized the orientation for new



directors and executives by introducing the overall operational guidelines of the Company, the structure of subsidiaries, affiliates and other business-related companies to foster their understanding on work procedures and the shareholding structure within the Group. In addition, the new directors or executives must be informed of significant and necessary information in performing their duties such as the Charter of the Board of Directors and the Sub-Committee, overall business operation of the Company, the internal organization chart, the Articles of Association, the Company's objectives, the Company's Business Ethics as well as the corporate governance policies that govern and

practiced within the Group, according to the topics specified in the orientation for new directors and executives to promote the continuous efficiency of their roles and responsibilities under the framework of good corporate governance.

Furthermore, the Company regularly supports various director and management development programs such as training and seminars organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Office of the Securities and Exchange Commission (SEC). The Company's directors have passed the training courses from the Thai Institute of Directors Association (IOD) as follows.

Directors		Training Course										
		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Ethical Leadership Program (ELP)	Audit Committee Program (ACP)	Advanced Audit Committee Program (AACP)	Ethical Leadership Program (ELP)	Role of the Chairman Program (RCP)	Company Secretary Program (DSP)	Company Reporting Program (DRP)	Risk Management Program for Corporate Leaders Thai Program (RCL)	Strategic Financial Leadership (SFLP)
1. Mr. Kriengsak	Plussind	/										
2. Mr. Kumpol	Plussind	/										
3. Mr. Apirum	Panyapol	/									/	
4. Dr. Wichit	Siritattamrong	/										
5. Dr. Suchai	Laoveerawat	/										
6. Mrs. Kobkul	Panyapol	/										
7. Mr. Yanyong	Amornpitakkul	/										
8. Ms. Kannikar	Plussind	/										
9. Mr. Manit	Jeeradit	/	/		/							
10. Mr. Santhat	Sanguandikul	/										
11. Mr. Somyos	Yan-ubol	/		/	/	/	/				/	
12. Dr. Pinit	Kullavanijaya	/										
13. Dr. Yudthana	Sanguansakdikosol											
14. Dr. Chutima	Pincharean											
15. Mrs. Wandee	Pisanuvanavech	/	/						/	/		/

## Nomination and Appointment of Directors and Senior Executives

The Board shall supervise the nomination of directors and determination of remuneration for directors and sub-committees with transparency and clear criteria and processes, with compensation at the level appropriate to their duties and responsibilities before presenting to the shareholders' meeting for approval. A person who will be nominated as directors of the Company must possess knowledge and competency, have a transparent and unblemished work history, possess specific expertise necessary for the Board of Directors (Board Matrix), possess Integrity and Accountability, have professional and rational decision makings, possess leadership skill, visionary and maturity, dare to express different opinions independently and qualified according to the Charter of the Board of Directors, the requirements of regulatory agencies and relevant laws. The Board of the Directors will use the service of a consulting company (if any) or use director database for nomination and appointment of Directors and Senior Management Levels. The Board shall determine the qualifications of directors to be in line with business strategies and prepare the Board Skill Matrix.

### • Independent Directors

When the Independent Directors completed their term of service or there is necessary reason to appoint an additional independent director, the Board of Directors will discuss together to identify individuals with the appropriate knowledge and experience to benefit the Company and possess a minimum criteria listed below and then present to the Board of Directors or shareholders' meeting for approval according to the Company's Articles of Association.

The Company has a policy to appoint Independent Directors not less than one-third (1/3) of all directors and there shall be at least three (3) Independent Directors. The Company has determined the

qualification of Independent Directors in accordance with the requirements of the Capital Market Supervisory Board. The Independent Directors of the Company shall have all qualifications as follows:

1. Hold company shares not exceeding one (1) percent of the total shares with voting rights of the Company, parent company, subsidiary, affiliate or juristic person who may have a conflict, including the shares held by related persons of the Audit Committee as well.
2. Never is or was an executive director, employee, staff, advisor who receives salary or controlling person of the Company, its subsidiaries, parent company, subsidiary, affiliate, subsidiary of same level or juristic person who may have a conflict unless it is clear from the mentioned manner for not less than two (2) years before the date of filing an application to the SEC on or before the date of appointment as the Audit Committee.
3. Not a person with a blood relationship or the legal registration as a parent, spouse, sibling, children, children's spouse of executives, major shareholders, controlling person or persons to be nominated as executive or controlling person of the Company or its subsidiaries (if any).
4. Have not or never had a business relationship with the Company, its subsidiaries, affiliates or juristic person who may have a conflict, in a manner that could interfere with their independent judgment and not being or having been a major shareholder, non-independent directors or management of those who have a business relationship with the Company, parent company, subsidiaries, affiliates or juristic person who may have a conflict, unless it is clear from the mentioned manner for not less than two (2) years before the date of filing an application to the SEC on or before the date of appointment to the Audit Committee. However, the mentioned relationship and normal transactions of business such as property's rental or lease or transactions

relating to services or assets, giving or receiving financial aid by receiving or lending, guaranteeing, lending assets as collateral or any other similar activities, resulting in the Company or partner have obligations to pay to the other party from 3 percent of the net tangible assets of the Company, or from Baht 20 million or more, depending on whichever is the lower. However, the value of the transaction should be calculated according to the regulations of the Capital Market Supervisory Board for related transaction regulations. To consider such debt, the total debt incurred during the year before the business relationship with the same person has to be calculated.

5. Never is or was an auditor of the Company, its subsidiaries, affiliates or juristic person who may have a conflict and not as a major shareholder, non-independent director, executive or managing partner of the audit firm of parent company, subsidiary, affiliate or juristic person who may have conflicts, unless it is clear from the mentioned manner for not less than two (2) years before the date of filing an application to the SEC on or before the date of appointment as the Audit Committee.
6. Never is or was any professional service provider acting as the legal counsel or financial advisor and receives the payment more than Baht 2 million per year from the Company, parent company, subsidiary, affiliate or juristic person who may have conflicts of interest. However, in the case of the professional service provider is a juristic person, it shall not be a major shareholder, non-independent director, executive or managing partner of the professional service provider unless it is clear from the mentioned manner for not less than two (2) years before the date of filing an application to the SEC on or before the date of appointment as the Audit Committee.

7. Not being a director appointed as representative of the directors of the Company, major shareholders or shareholders who are related to the major shareholders of the Company.
8. Have no business that operates with the same nature and in competition to the business of the Company or its subsidiaries or not be a significant partner in the partnership or an executive director, employee, staff, advisor who receives a regular salary or holds more than one percent of the total shares with voting rights of another company operating business with the same nature and in competition to the business of the Company or its subsidiaries.
9. Have no any other ways that makes it impossible to comment freely about the business operations of the Company.
10. Not being a director appointed by the Board of Directors to make decisions in business operation of the Company, its subsidiaries, parent company, subsidiary, affiliate, subsidiary at same level or juristic person who may have a conflict.
11. Not being a director of the parent company, subsidiary or subsidiaries of the same order; only listed companies.

The Independent Directors shall review and approve their independent qualification at least once a year and will inform and report their information at the end of year for the preparation of 56-1 One Report of the Company.

- **Directorship of Independent Director for more than 9 consecutive years**

In case of necessity with justified reasons, the Board of Directors may nominate independent directors to hold the position in the office more than nine (9) consecutive years. The Company believe that Directors with long term of office shall have good knowledge on business operation and familiar with Corporate Culture, shareholders, as well as

possess the know-how and knowledge to perform their duties together with all parties, including create value and benefit to the Company both in terms of operating results and compliance to the principles of good corporate governance.

The Company has appointed all 4 independent directors at the same time on the date of listing on the stock exchange market. Therefore, their term of office is the same. To replace all independent directors at the same time as a result of having been in office for more than 9 consecutive years would affect the operation of the Audit Committee and the internal control system. Therefore, the Company has set a policy to gradually change independent directors who have been in office for more than 9 consecutive years from the position or one at a time.

#### • **Audit Committee**

The Audit Committee was appointed by the Board of Directors. All Audit Committee shall be independent directors and have independent qualification according to the Notification of the Securities and Exchange Commission (SEC) and the corporate governance of the Company. The Audit Committee consists of at least three (3) independent directors and at least one (1) person shall have accounting knowledge and/or financial knowledge to inspect and supervise the operations of the Company, including corporate financial reporting, internal control system, auditor's selection and consideration of conflicts of interest. The term of office of the Audit Committee is three (3) years.

#### • **The Board of Director**

The Board of Directors has set the compositions, qualifications and structure of the Board of Directors (Board Diversity), including the appropriate proportion of independent directors in the Board of Directors Charter as a good practice and guidelines and create adequate checks and balances in the management. The Company shall consider the basic qualifications and the selection criteria under Section 68 of the Public Companies Act

B.E.2535 (1992), the Notification of the Securities and Exchange Commission (SEC) and the relevant laws and regulations, including the consideration of other factors, such as knowledge and experience relevant and benefit to the business operations of the Company. The term of office is three (3) years.

The criteria and procedures are as follows:

1. The Board of Directors of the Company has duties to comply with laws and regulations, the Company's objectives, and Articles of Associations, and the resolutions of the general meeting of shareholders.
2. The Board of Directors consists of not less than five (5) Directors and not less than one-half (1/2) of the directors must reside in the Kingdom of Thailand. The Directors shall have the qualifications prescribed by law.
3. The Board of Directors consists of the independent directors not less than one-third (1/3) of all directors. And there are at least three (3) independent directors who must hold not less than one (1) percent of the total shares issued and paid-up share capital of the Company and related companies, including shares held by related parties.
4. In each Annual General Meeting, one-third (1/3) of Directors must retire from office. If the number cannot be divided into one-third, the number nearest to one-third must retire. The directors to retire in the first and second years following the registration of the Company shall be defined by random drawing. The later years, the directors who are in office the longest shall retire, however, the directors to retire by rotation maybe re-elected.
5. Before the annual general meeting of shareholders of each year, the Company would allow shareholders to nominate individuals to the position of director who will retire by rotation. The committee will compile a list of nominators for consideration by the relevant rules and



regulations and selection of the appropriate nominators to present for the shareholders' approval.

6. The Meeting of shareholders will appoint directors by a majority vote and pursuant to :-

- A Shareholder has one vote per one share.
- The selection of Directors, the shareholders may cast their vote individually one at a time or several people together as a group as the meeting of the shareholders may deem appropriate. However, each shareholder shall cast all their votes to one nominator, thus their votes cannot be split to different nominators or groups of nominators.
- Directors should be elected by majority vote. If there is a tie, the Chairman of the meeting will cast the final vote

7. In case of vacancy for reasons other than retirement by rotation, the Nomination and Selection Committee shall nominate an individual qualified and not disqualified under the laws regarding public company limited and the Securities and Exchange Act to be appointed at the next Board of Directors' Meeting. The resolution of the Board of Directors shall consist of not less than three-fourth (3/4) vote of the remaining directors, unless the term of the remaining directors are less than two (2) months. The appointed person for replacement will be in the same remaining term of the director whom he/she replaces.

8. The shareholders' meeting may resolve to remove any director from office before the expiration of their term by the votes of not less than three-fourth (3/4) of the shareholders that present and vote in the meeting. And the shares of the shareholders are amounting to not less than one-half (1/2) of the shares held by the shareholders present at the meeting and entitled to vote.

## • Sub-Committee

The Board of Directors has appointed the Sub-Committee to assist in considering and scrutinizing other related matters and directly report to the Board. The Board of Directors shall closely supervise all directors and sub-committee to perform their duties and responsibility with fiduciary duties and in conformity with the Charter of the Board of Directors and sub-committee. Charter of the Board of Directors and sub-committee shall be revised as deemed appropriate to be up-to-date and suitable for current situation to strengthen the efficiency of the Board of Directors and sub-committee while simultaneously in compliance with the obligations of the regulatory bodies, applicable laws and regulations.

## • Chief Executive Officer or Managing Director

In recruiting the person for the position of Managing Director or Chief Executive Office, the Executive Committee shall consider and screen candidates with the required qualifications, knowledge, skills and experience to benefit the operations of the Company and understand the business of the Company as well, can manage to achieve the goals set forth by the Board of Directors and then present to the Nomination and Remuneration Committee for consideration and to the Board for approval. In 2016, the Company established the Nomination and Remuneration Committee for considering and reviewing process of recruitment including determine Directors and senior management levels' remuneration for both short term and long term and provide guidelines for assessment.

## Overseeing of Risk Management System and Internal Control

The Board plays an important role in overseeing and establishing an internal control system, including risk management system as well as to supervise and monitor to ensure the compliance with the policy on the prevention of the use of insider information at all times. Therefore, the Board has determined the policies and guidelines on the use of Inside Information, measures and procedures to supervise and govern directors and executives in using the Company's inside information which has not yet been disclosed to the public for personal benefit, including securities trading as follows.

- The Company provides the annual trainings to directors, executives and all employees regarding the prevention of insider trading for acknowledgment and implementation.
- The Company provides knowledge to directors and executives regarding their duties to report their security holding and also the holding of their spouse and underage children to the Securities and Exchange Commission (SEC) under Section 59, penalty under Section 59 and 275 of the Securities Exchange Act B.E.2535 (1992).
- The Company requires directors and executives to report the changes of their security holding to the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act B.E.2535 (1992) within next three (3) working days from the date of the transaction, and send copies of this report to the Company Secretary, on the same day that report is sent to the Securities and Exchange Commission, to prepare a memorandum of changes and summarize the number of securities of each directors and executives and present to the Board of Directors for acknowledgement in the next meeting.
- The Company determines that directors, executives and related employees who get important inside information affecting the stock price shall suspend the trading of the Company's stock for a period of at least one (1) month before the financial statements or internal information is disclosed to the public and at least 24 hours after disclosure to the public. This also includes prohibiting the disclosure of the information to others.

### Measures taken when it is found that Insider Information is used for personal benefit

The Company imposes disciplinary action if there is a violation of inside information used for their own benefits, starting from written warning, pay cut, temporary suspension without paid or termination. However, the punishment shall be determined by the intent of the action and the seriousness of the offense.

- Directors: Any directors who has been judged by the Company's regulatory body as having characteristics that indicate untrustworthy to manage a public company according to the Notification of the Securities and Exchange Commission No. Kor Jor. 8/2553 Re: Determination of Untrustworthy Characteristics of Company Directors and Executives, that directors will be disqualified from being a director of the Company in accordance with the relevant laws, rules and regulations announced by the regulatory agencies of the Company as a listed company on the Stock Exchange of Thailand.
- Executive or employees of the Company or its subsidiaries: The Central Investigation Committee shall investigate the facts and determine an appropriate penalty. If the investigation finds that there is an offense, the Company or its subsidiaries may issue a warning letter or impose the maximum penalty – dismissal or relocation to the positions that cannot access to inside information or positions that are not related to the previous position.

As of 31 December 2022, No offences, no fines and accusations regarding the use of inside information is found as well as no civil actions by regulators such as the SEC or the SET regarding stock trading using inside information by directors and executives of the Company.

## Performance Assessment of the Board and Sub-Committee (Group and Individual)

The Board of Directors has assessed their performance as a director and sub-committee both as a whole and as an individual on an annual basis. The Performance Evaluation Results in 2022 are at “Good” and “Excellence” levels, details are as follows.

Assessment Result	2020	2021	2022
1. The Board of Directors	98.61%	97.69%	99.07%
2. Chairman of the Board of Directors	100.00%	100.00%	100%
3. CEO/Managing Director	98.41%	98.18%	99.32%
4. The Corporate Governance Committee	97.92%	97.92%	97.92%
5. The Nomination and Remuneration Committee	98.00%	93.00%	97.00%
6. The Corporate Investment and Risk Management Committee	91.80%	94.53%	94.92%
7. The Executive Committee	84.66%	94.89%	96.02%
8. The Audit committee	97.62%	100.00%	100%

### Criteria for Performance Assessment of the Board and Sub-Committee (Group and Individual)

Performance Evaluation of the Board of Directors, Chairman and Managing Director shall be assessed once a year, using the evaluation forms which include topics in assessment, obligations and responsibilities of the Board of Directors, Chairman of the Board, Managing Director, the Executive Committee, the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, the Corporate Investment and Risk Management Committee, the Executive Committee and the Audit Committee. The Company Secretary shall distribute the assessment forms to each individuals and submit the result to the Chairman of the Board of Director for approval and present it in the next meeting.

*The scoring is divided into 4 levels:*

levels 1 = Poor	levels 3 = Good
levels 2 = Fair	levels 4 = Excellent

*The criteria for evaluation:*

1. Score up to 90% is Excellent
2. Score 80% - 90% is Good and acceptable
3. Score 70% - 80% is Fair and to be corrected within 90 days
4. Score lower than 70% is Poor and to be corrected within 30 days

*In the case of not passing Performance Evaluation Criteria:*

If the evaluation results are at “Fair” level, it should be corrected within 90 days. If the evaluation results are at “Poor” level, it should be improved and corrected within 30 days

**The Assessment Table:**

Assessor	Assessee			
	Board of Directors	Chairman of the Board	Managing Director	Sub-Committee
1. Board of Directors	✓	None-assessment	✓	None-assessment
2. Chairman of the Board	✓	✓	✓	None-assessment
3. Sub-Committee	None-assessment	None-assessment	None-assessment	✓

✓ is the Assessment

## Role in Financial Integrity and Disclosure

Apart from being accountable for monitoring the sufficiency of the Company's financial liquidity and solvency as well as its financial status, the Board should supervise the preparation of the Company's financial reports and accounting audit which are consistent with applicable standards. The Board should ensure that the disclosure of any information will be performed accurately, sufficiently and on time while carefully considering any requirements and guidelines of related regulatory agencies. Moreover, the use of information technology in information disclosure process should be promoted to enable shareholders, investors and general public to be well informed of recent and up-to-date news and information in an appropriate, equal and timely manner.

## Role in Shareholders' Engagement and Communication

The Board shall treat each shareholder fairly and equally as an owner of the business while protecting the right of shareholders and take every precaution to ensure a fair and equitable treatment. The shareholders are provided to participated and exercise their rights in important decision making as specified in applicable laws of related regulatory agencies and good corporate governance. The Board should also provide the communication channels with the shareholders in a regular interval or as deemed appropriated.

## Meeting of the Board of Directors and the Sub-Committee

The Company has specified the dates for the meetings of the Board of Directors, Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee and Corporate Governance Committee in advance throughout the year and may set additional meetings as deemed necessary, to enable the directors and every member to acknowledge the meeting dates in advance and manage to attend all meetings. The agenda of each meeting will also be set beforehand as well as continuing agendas to follow-up the tasks already assigned. The Company Secretary shall send the meeting invitations and the agenda at least seven (7) days prior to the meeting so that the directors shall have adequate time to review the information before attending the meeting. The Company determine that each Sub-Committee shall report its performance at the Board's meeting on an annual basis.

## Policy on Directors' Remuneration

At present, the Company assigns the Nomination and Remuneration Committee to determine the remuneration of directors fairly and appropriately with the duties and responsibilities of directors by comparing with the remunerations of other companies listed on the Stock Exchange of Thailand as well as those companies of a similar size within the same industry. The remuneration must be in line with the Company's operational results, must be presented to the Boards and approved



at the Shareholders meeting The structure of the remuneration for the Board of Directors and the Sub-Committees comprises of:

1. Directors' allowance (Annual Bonus) shall be allocated according to the business performance of each year which shall be approved by the shareholders' meeting and;
2. Meeting Allowance will be paid to the directors and the Sub-Committee at the rate approved by the shareholders' meeting and based on their actual meeting attendance.

### 6.1.2 Policies and Treatment of Shareholders and Stakeholders

The Board of Directors has established the Corporate Governance policies and practices by

participating in the preparation and approval of the policies in compliance with the guidelines of good corporate governance set by the Stock Exchange of Thailand (SET). 5 principles and practices of the Company's shareholders and stakeholders are as follows:

1. The Rights of Shareholders
2. The Equitable Treatment of Shareholders
3. The Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

Publicly available on the Company's website <https://investor.chularat.com/th/shareholder-info/rights-of-shareholders>

## Category 1 The Rights of Shareholders

The Company recognizes the importance of all shareholders' rights, including major and minority shareholders. Shareholders' rights include the basic rights as investors and also as owners of the Company, such as rights to buy, sell, transfer their shares; right to receive dividends from the Company; rights to attend the shareholders' meetings; right to receive completed, sufficient and timely news and information through easily accessible channels; rights to express their opinions; rights to participate in making decisions on important issues, such as election of Director, approval of important transactions affecting the direction of the business and operation of the Company, amendment of Memorandum of Association, Articles of Association of the Company, etc.

In 2022, the Company has implemented the followings to encourage and facilitate the exercises of shareholders' rights in the annual general meeting of shareholders. The Company has added channel

to attend the shareholders' meeting by providing the shareholders to attend the shareholders' meeting in electronic format or On-Line. Details of shareholders' meeting are as follows:

### Prior to the shareholders' meeting

1. The Company has given shareholders the right to propose important and appropriate issues as an agenda in the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's director in advance before the annual general meeting of shareholders. Shareholders can find details of the criteria and guidelines on the Company's website. <https://investor.chularat.com/th/downloads/shareholders-meeting>

### Invitation Letter to shareholders

- The Company has sent invitation letters to shareholders in advance at least 21 days prior to the meeting date informing the meeting agendas and the opinion of the Board of Directors on each agenda, together with the supporting documents and information sufficient to facilitate shareholders in making their decisions and fully exercise their rights. The invitation letter package includes details of required documents in order to protect shareholders' rights to attend the shareholders' meeting, together with their rights to vote. Moreover, the invitation letter for annual general meeting of shareholders is posted and disclosed on the Company's website in advance. The Company has posted and disclosed an invitation letter for an Annual General Meeting 2022 on the Company's website at least 30 days prior to the meeting date. <https://investor.chularat.com/th/downloads/shareholders-meeting>

### Directors' Remuneration

- The Company has proposed and disclosed all forms of remuneration provided to Directors in the meeting for shareholders' approval. These remunerations include the meeting allowance (the rate per meeting and the number of times per year) and the criteria determining an annual bonus/reward based on the operational result with total amount not exceeding the amount set per year and the length of service. In 2022, the Company has adjusted the disclosure of compensation in case of "No Pay", specifying those remuneration and other benefits that the Company has no policy to pay Directors.

### Proxy to attend the shareholders' meeting

- In the event that shareholders are unable to attend the meeting, these shareholders have the right to authorize a person or an independent director as their proxy to attend the meeting and vote on their behalf, using one of the proxy

forms sent with the invitation letter. Moreover, shareholders can download the proxy form from the Company's website.

### Registration for the shareholders' meeting

- The Company has implemented the barcode system for registration and the voting process, including the use of voting cards for each agenda. This helps accelerate and ensure the accuracy and timeliness of the registration and vote counting process. In addition, shareholders are able to register after the meeting has started to exercise their rights to vote on agendas that have not been voted. Upon completion of the meeting, shareholders are able to verify the details of the votes.

### During the shareholders' meeting

- The Chairman of the Board of Directors, as a chairman of the meeting, has assigned the Company Secretary to explain the voting process for each agenda items before the meeting starts. During the meeting, the Chairman of the meeting has provided all shareholders the sufficient time and opportunity to comment, ask question or give opinions and suggestions on any agenda. The Chairman of the Board and management will provide the precise and clear answers to all questions during the meeting.

### Preparation of meeting minutes and disclosure of the shareholders' meeting resolutions

- The Company Secretary has prepared the minutes of the shareholders' meetings with complete and accurate details on voting results of each agenda and submitted the meeting report to the Stock Exchange of Thailand (SET) within 14 days after the meeting has ended. The Company has also published the minutes of the shareholders' meeting on the Company's website, so that shareholders and general investor are informed in a timely and verifiable manner.

## Category 2 The Equitable Treatment of Shareholders

The Company is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors or foreign shareholders, through various mechanisms, such as:

1. The Company has provided channels for minority shareholders to propose issues deemed important and appropriate to be included in the agenda of the Company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of the Company's Director. The announcement has been made through the Stock Exchange of Thailand (SET) and the Company's website. Independent Directors will consider and propose the matter to the Board of Directors to be included in the meeting agenda as appropriate. The Company sends the invitation letter to shareholders at least 21 days prior to the meeting date. The Company posts and discloses the invitation letter on the Company's website at least 30 days prior to the date of the shareholders' meeting. Shareholders can learn more details on the Company's website. <https://investor.chularat.com/th/downloads/shareholders-meeting>
2. For shareholders who are unable to attend the shareholders' meeting, the Company has provided proxy forms which allow shareholders to exercise their vote on each agenda. The proxy forms, which are in accordance with the format provided by the Ministry of Commerce, are sent together with the invitation letter. As an alternative for shareholders, the Company also propose one Independent Director as their proxy. Shareholders can download the proxy form on the Company's website. <https://investor.chularat.com/th/downloads/shareholders-meeting>
3. The shareholders' meetings proceed according to the order of the agenda, without adding new and uninformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making decision. Moreover, there are no sudden change to the important agenda or information in the shareholders' meeting
4. The Company has seen the importance of the consideration on transactions which may have conflict of interest or any connected or related transactions, and in compliance with good corporate governance principles, including rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). For these mentioned transactions, Directors, management and those related persons do not participate in the approval process.
5. The Company has overseen and supervised on the use of inside information to prevent the improper use of inside information. Details can be found in section of Internal Control and Risk Management. In addition, Directors and management of the Company must report their purchase or sale of the Company's securities to the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and the Company within three (3) business days.

## Category 3 Role of Stakeholders

The Company recognizes its responsibilities towards each stakeholder, for sustainable mutual benefits which will lead to stability of the business operations. The Company intends to interact fairly with each group of stakeholders. The important stakeholders of the Company are as follows.

**Shareholders:** In addition to the basic rights, rights in accordance with the laws and the Company's Articles of Association, such as rights to check number of shares, rights to receive share certificates, right to attend and vote in shareholders' meetings, rights to express opinions independently at shareholders' meetings, and rights to receive fair returns, the Company also provides equal and timely information to all shareholders, and gives all shareholders the right to suggest and express their opinions independently on the Company's business and operations in shareholders' meetings, as the Company's owners.

**Customers/Patients/Service Recipients:** The Company provides patient care in an ethical manner, and at the best possible service quality, taking into consideration patient safety, patients' satisfaction and efficiency in providing its services. The hospital's Medical Ethics Committee protects patients' rights. The Company has a department to take care of customer complaints and to monitor and regularly improve the quality of the care provided to all patients, taking into consideration patients' needs and suggestions. In addition, the Company has implemented a program measuring the level of satisfaction of the customer/patient to the hospital with an objective to develop and improve the system and quality of service. However, the information of customers / patients / service recipients are confidential and will not be disclosed, unless required by law or with the consent of the information owners.

**Employees:** The Company believes that the employees are valuable resources and therefore gives all employees an equal opportunity in their employment. **The Company has the policy to provide employees with appropriate compensation plans both in short term and long term.** The Company assigns Human Resource Department to prepare the payroll system for each position and individual as well the career path preparation. The Company has appointed the Welfare Committee to oversee the well-being and safety of the employees. The Company also provides an Individual Development Plan (IDP) for each employee to motivate and enhance their potential for the promotion to higher position.

### Training Programs for Employees

The Company also provides an education and regular training programs to develop and reinforce employees' knowledge, abilities and skills in all areas including operations, management and technical expertise, in order for employees to fulfill their jobs more effectively and also get to higher level by assigning professional employees to be trained at least 25 hours per employee per year. The Company works with the Thailand Nursing and Midwifery Council to provide training course for professional nurses and this course can be collected as annually professional development hours as well. For those supporting employees, they have to be trained for knowledge development at least 18 hours per employee per year. Training program for knowledge and capability development is provided every year and covers all employees in the Company.

Employee	Average training hour per year
Professional Employee	<ul style="list-style-type: none"> <li>Not less than 25 hours / person / year</li> </ul>
Supporting Employee	<ul style="list-style-type: none"> <li>Not less than 18 hours / person / year</li> </ul>



**Employees' Training and Development**

	2020	2021	2022
Average training hour per year (hour/person/year)	45	16*	19
Expenses for Training and Development (Baht)	392,689	207,013	542,067

**Remark :** \* In 2022, the outbreak of COVID-19 affected the trainings for employees, both within and outside the organization.

**Anti-corruption Training:** The Company has provided training for all employees concerning the policies and practices in anti-corruption on an annual basis. The Company has the policy to mitigate any damages to the person reporting misconduct, assisting in the report of or cooperation with the investigation of facts. Such persons with good faith and intentions shall receive protection and fairness with the following criteria:

- The complainants may choose to remain anonymous if he/she considers that his/her identity disclosure may be unsafe. However, if the complainants decide to disclose his/her identify, he/she shall receive a progress report and an explanation of facts or mitigate damage in a more speedy and convenient manner.
- The persons assigned to take complaints shall keep all relevant information confidential and disclose such information only when deemed necessary by taking into consideration the safety and potential damage to the complainants, or person cooperating in the investigation.
- The persons who are adversely affected shall receive mitigation of damage through appropriate and fair process.

In 2022, the Company has no complaints or whistle blowing about corruption.

**Opportunity to express opinions or complaints**

Furthermore, the Company holds Town Hall Meetings to provide opportunities for employees to voice their opinions or complaint directly to management, implements an Innovation Program where employees are able propose suggestions to improve work process and services, and

organizes an Employees' Recognition Program to encourage the employees 's proud feeling and exchange learning. Moreover, the Company also has a policy to organize Organization Development activities every year and the Glory activities for those employees who work with the Company for several years.

**Occupational Health and Work Safety Policy**

The Company has a clear policy on employees' occupational health and work safety. Prior to start working with the Company, all applicants have to attend to medical and immunity check-up program and have to get necessary vaccines, including every employee has to attend to annual medical check-up program based on age and risk. The occupational health department and human resource department will take check-up results, categorize them into group, and identify those employees with risk of chronic disease such as diabetes or high blood pressure etc. Then, the Company will arrange the activities to provide knowledge, understanding and guidelines on how to reduce this risk, closely monitor and assess them until they are in normal stage or controllable stage. The Company also has a policy determining all employee to receive annual influenza vaccine for reducing risk of epidemic.

**Prevention of Work Accident and Work Safety**

To reduce the risk of occupational accident, the Company has determined a policy on the prevention of work accident and work safety and appointed the department of Occupational Health Safety and Environment to identify and examine the accident statistics, the rate of absenteeism and illness from work, internal and external risk factors and to arrange the guidelines and plans and policies to prevent

and reduce the risk at work. Occupational Health Safety and Environment Committee shall monitor these risk factors on a monthly basis, review the plans and policies on an annual basis and present the reports to the Board of Directors every 3 and 6 months. Occupational Health and Work Safety for employee Policy is one of important policies of The Healthcare Accreditation Institute (HA) and Joint Commission International Standard (JCI).

Safety, Occupational Health and Work Environment	2020	2021	2022
Incident of Loss Time Injury (Time)	0	0	0

The Company believes that work efficiency is a result of employees' loyalty to the Company, and is therefore committed to continuously build and assess the employees' engagement with the Company, in order to improve its human resources management.

**Suppliers/Contractors:** The Company has set clear procurement policy that is fair to all concerned parties. In addition, the Company abides by the terms and conditions of agreements and contracts with all suppliers and contractors and ensures timely payment to all suppliers and contractors. The Company promotes Green Procurement, taking into consideration of the established guidelines and requirements for the list of products and services or the products with environmental labels, such as green labels, carbon reduction labels, or environmentally certified services. The Company aims to help reduce pollution from the production process and encourages the efficient use of resources and energy. For example: To reduce, reuse, recycle the paper products or use both sides, reduce the use of plastic or form boxes in every process, switch to use fabric bag, etc.

**Creditors:** The Company has the policy to strictly abide and comply with contracts and commitments with the creditors of all types, commit to provide information with accuracy and transparency to creditors, abide by loan agreements and loan covenants, and ensures timely payments. The Company believes that good relationships with creditors, including building credibility and trust, are a responsibility of the Company towards its creditors.

**Competitors:** The Company competes with competitors within the relevant rules and regulations and relevant business rules, and treats competitors fairly and with integrity. The Company considers its competitors as key factors to encourage the Company to commit to an improvement of service quality and efficiency of service for the best benefit of the customers and patients. The Company do not seek any confidential information by dishonest or inappropriate means and do not take any actions related to an infringement of intellectual property rights and false accusations to discredit the competitors in the same business without truthful information. The Company supports and promotes a fair competition for the highest benefit of all customers.

**Community:** The Company has appointed the working group responsible for Corporate Social Responsibility (CSR) and the working group for Environmental, Social and Corporate Governance (ESG) to oversee and guide the Company's ESG activities and programs, both at the corporate level and the staff level, and ensure an efficient and effectiveness of the program, including preparing a Corporate Social Responsibility Report. Details of CSR activities and Corporate Sustainability can be found in Section 1 under 3 Driving Business towards Sustainability.

## Category 4 Disclosure and Transparency

1. The Company realizes the importance of disclosing information equally which is significant for shareholders and investors in their decision makings. The Company has a policy to disclose transparent, complete, reliable and timely information through various channels which are easily accessible and convenient for shareholders and investors.
2. The Company ensures that it abides by the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
3. Information disclosed to the public includes both financial and non-financial information (in Thai and English), such as financial statements, management discussions and analysis, the report of the accountability of the Board of Directors to the Company's financial reports, the report of the Audit Committee, cross transactions, structure, duties and responsibilities of the Board of Directors and committees, including statistics on meeting attendance, and corporate governance reports.

The Company has various channels to communicate with shareholders and investors. These include those stipulated by rules and regulations, such as 56-1 One Report, the website of the Stock Exchange of Thailand (SET), and other communication channels, such as the Company's website under Investor Relations section, which are consistently updated both in Thai and English, including meetings with Analysts and Fund Managers from local and international funds.

In 2022, the COVID-19 outbreak continued during the beginning of the year and began to unravel at the end of the year, the Company organized Investor Relations activities both on site and online formats as deemed appropriate to the situation. The Company organized 27 meetings with local and international analysts and fund managers (One on One and Group Meeting) and Analyst Meetings (26 meetings in 2020 and 8 meetings in 2021) and participated in Local Roadshow and Investor Conference as well as participated in Thailand Focus 2022 hosted by SET 20 times. There was no physical International Roadshow and Investment Conference in 2022. Enquiries from investors, fund managers, analysts and general public both local and international over the phone were done 70 times in 2022 (50 times in 2020 and 60 times in 2021).

In addition, the Company held press conferences to update important events of the Company, in order to disseminate information to the public. Furthermore, the Company has appointed the Company Secretary Department and Investor Relations Department to facilitate the investors, shareholders and general public. Information can be requested by phone at 02-033-2900 to 3321 or fax at 02-769-2967 or by e-mail at [ir@chularat.com](mailto:ir@chularat.com), [companysecretary@chularat.com](mailto:companysecretary@chularat.com) and through the Company's website under Investor Relations. (<https://investor.chularat.com/en>)

### Details of the Board of Directors' and Executives' Shareholding of Chularat Hospital Public Company Limited as at December 31, 2022:

Director	Position	Holding of Securities on closing date Register at the begin and end of the year (share)		Change Increase (Decrease)
		December 30, 2021	December 30, 2022	
1. Mr. Kriengsak Plussind *	Chairman of the Board of Directors, Chairman of the Corporate Governance Committee	368,587,850	368,587,850	-
2. Dr. Kumpol Plussind *	Director and Chief Executive Officer	253,670,200	253,670,200	-
3. Mr. Apirum Panyapol *	Director, Chairman of the Corporate Investment and Risk Management Committee	1,127,189,050	1,127,189,050	-
4. Dr. Wichit Siritattamrong *	Director	5,450,000	4,900,000	(-550,000)
5. Dr. Suchai Laoveerawat	Director, Executive Committee, Corporate Investment and Risk Management Committee	2,578,800	2,578,800	-
6. Mrs. Kobkul Panyapol	Director	894,156,600	894,156,600	-
7. Mr. Yanyong Amornpitakul	Director, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee	49,052,150	49,052,150	-
8. Ms. Kannikar Plussind	Director, Corporate Investment and Risk Management Committee	1,994,750,400	1,994,750,400	-
9. Mr. Manit Jeeradit	Chairman of Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee	200,000	200,000	-
10. Mr. Somyos Yan-ubol	Independence Director, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee	-	-	-
11. Mr. Santhat Sanguandikul	Independent Director, Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee	-	-	-
12. Dr. Pinit Kullavanijaya	Independent Director, Chairman of Nomination and Remuneration Committee	-	-	-

**Remark :** \* Authorized Directors

Dr. Kumpol Plussind, Mr. Kriengsak Plussind, Dr. Wichit Siritattamrong and Mr. Apirum Panyapol. Two out of four (2 of 4) directors jointly sign and affix the Company's seal.



## Category 5 Responsibilities of the Board of Directors

### 1. Structure of the Board of Directors

The Board of Directors is comprised of qualified directors with extensive experience in various fields. Every Director participates in setting the Company's vision, mission, strategies, goals, business plans, budgets, good corporate governance policy, including result assessment for reviewing, reforming or developing Company's vision, mission, strategies, goals, business plans and budgets for improvement every year. The Board of Directors also has a policy on Business Ethics and Code of Conduct to ensure that the plans are carried out efficiently and effectively by the management, to ensure the maximization of the Company's value and stability to shareholders. The Board of Directors meets every quarter to review the management's report on the Company's operations.

As at 31 December 2022, there are 12 directors (10 Male, 2 Female), as follows:

#### Non-Executive Directors

1. 10 Non-Executive Directors (83% of all directors):  
Mr. Kriengsak Plussind, Mr. Apirum Panyapol, Dr. Wichit Siritattamrong, Ms. Kannikar Plussind, Mrs. Kobkul Panyapol, Mr. Yanyong Amompitakkul, Mr. Manit Jeeradit, Mr. Somyos Yan-ubol, Mr. Santhat Sanguandikul and Dr. Pinit Kullavanijaya.

#### Executive Committee

2. 2 Executive Committee: Dr. Kumpol Plussind, Dr. Suchai Laoveerawat

#### Independent Directors

3. 4 Independent Directors: Mr. Manit Jeeradit, Mr. Somyos Yan-ubol, Mr. Santhat Sanguandikul, Dr. Pinit Kullavanijaya, who possess the qualifications as stipulated by the Securities and Exchange Commission (SEC).

#### Proportion of independent directors: 4

Independent Directors (33.3% of total all directors) and not less one-third (1/3) of the Board of Directors in accordance with the Securities and Exchange Act (No.4) B.E. 2551.

**Separation:** The Company clearly defines the roles and responsibilities of the Board of Directors and Executive Committee. The Board of Directors is responsible for policy making and oversight of the operations of the Executive Committee at policy level. Therefore, the Chairman of Board of Directors and the Managing Director is not the same person.

The Chairman of Board of Directors is not the Executive Committee and is not involved in the management of the Company. Executive Committee (Management) of the Company are responsible for implementing the defined business plan and policies and controlling costs and an annual investment budget approved by the Board of Directors.

In 2022, Chairman of Board of Directors and all directors provided the meeting of non-management directors without any management team to brainstorm the ideas for Company Development in all aspects.

**Directorship in other listed companies:** The Company allows the Directors and Executive Committee of the Company to act as Directors of other companies, including companies that are listed on the Stock Exchange of Thailand (SET), not more than 5 companies in order to allocate sufficient time to each company. However, they should not hold a position as a Director or Executive Committee in the similar or competing business of the Company. For Executive Committee, in addition to the position of the Director of subsidiary companies and/or the independent director of other companies should not be more than 3 companies and such positions must be approved by the Board of Directors.

**Company Secretary:** The Board of Directors has appointed Mrs. Wandee Pisanuvanavech as a Company Secretary to oversee and manage the meetings of the Board of Directors, Subcommittees and Shareholders, including the preparation of meeting minutes, 56-1 One Report, and important documents required by the law. Corporate Secretary also provides an advice on the rules and regulations of the Stock Exchange of Thailand (SET) to the Board of Directors and the management for acknowledgement as well as coordinate and supervise the Board of Directors' activities to comply with the resolution of the Board of Directors and the good corporate governance of the Company.

## 2. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has responsibilities towards all shareholders, both major and minority shareholders, to ensure that the Company conducts its business and implement corporate governance practices in accordance with its objectives and policies for the highest benefit of shareholders, with care and integrity, under business ethic, taking into account the interests of all stakeholders and under law and the Articles of Association of the Company. To closely monitor the operations, the Board of Directors assign the groups of committee to take care of the followings.

- **Corporate Governance Policy:** The Company has established a written corporate governance policy, which is initiated, participated and approved by the Board of Directors. The Board of Directors has arranged the Good Corporate Governance Committee and the Compliance Unit to regularly review policies and monitor the Company's compliance.
- **Business Ethics (Code of Conduct):** The Company has set up a policy with a manual on the ethics of the Board of Directors, the management, staff and any relevant parties to

adhere to as a guideline for performing their duties in accordance with the Company's mission with integrity and fairness, both for the Company and all stakeholders, Public and society and encouraging the establishment of a system to regularly monitor the implementation of such guidelines.

- **Policy on Conflict of Interest:** The Company has set a policy of conflict of interest base on the concept that any decision making of the Board of Directors are for maximized benefit of the Company only and to prevent from any actions with conflict of interest. Member of the Board of Directors has to inform the Company in case of any transactions related or connected with the conflicts of interest and not to attend the consideration process nor the approval of that transactions. The Board of Directors consider transactions which may have conflict of interest or related transactions with caution, fairness and transparency, and strictly follows the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), with pricing and other conditions on an arms-length basis. Details of the transactions, including amount, contracting party, and reasons for entering into the transactions are disclosed in financial statements, the Annual Reports, and 56-1 One Report.

The Company sets policies and plans to provide knowledge to its directors, executives and employees on the prevention of conflicts of interest on an annual basis. Annually, at least once a year in March. or November with the set KPIs: the number of participants and 90% passed the training evaluation. In 2022, the result was in line with the target, namely, 96% of directors, executives and employees attended and passed the training, including no complaints regarding the conflicts of interest.

- **Policy on Reporting Interest of Directors** The Company has established a policy concerning the interests of directors by reporting to the Board of Directors or to the person assigned by the Board of Directors, such as the Company Secretary, etc.
- **Policy on Human Rights** The Company recognizes the importance of human rights and thus has set forth the policy accordingly. Each employee has the rights, freedom and equality as well as the opportunity for career advancement in accordance with his/her individual skills and potential. Such rights, freedom and equality must be within the rights and freedom of the citizen as stipulated in the constitution of the Kingdom of Thailand, regardless of that person's birth origin, ethnicity, language, religion, age, gender, socio-economic status or political view. Thus, in order for the directors, the management and employees to respect human rights and rights within the workplace, the Company has imposed the "Policy and Guidelines on Human Rights" so that everyone shall acknowledge and act accordingly. The policy has also been published on the Company's website.
- **Policy on Internal Control and Internal Audit Systems:** The Company has given an importance of Internal Control and Internal Audit system by establishing an internal audit unit with the primary objective to support and develop effective internal control of the organization, in order to minimize operational risk and maximize quality of working system and operation and to ensure quality of the work process and operations, focusing on effectiveness and efficiency, appropriateness of expenses and costs, and operations in accordance with the policy and/or requirement of the management. To ensure the independence of the internal audit unit and the balance of power, the internal audit unit reports directly to the Audit Committee.

- **Risk Management Policy:** In 2016, the Company established the Corporate Investment and Risk Management Committee to review the procedures of risk assessment, the adequacy of internal controls and to reform or modify operation process to be more effective. More details in Section 1 Risk Management.
- **Report of the Audit Committee.** Audit Committee reviews financial report by meeting with the Company's Accounting and Finance Department and External Auditor and quarterly present financial report to the Board of Directors. The Board of Directors is responsible for the consolidated financial report of the Company, including the information technology system as shown on the Company's annual report (56-1 One Report). Financial report is prepared in accordance with Thai Accounting Standards and audited by external auditor, including the disclosure of important financial and nonfinancial information completely and accurately.

### 3. The Board of Directors' Meeting

All directors shall attend the Board of Directors' meeting regularly, in order to acknowledge and make decision relating to the business operations of the Company. The Board of Directors holds six (6) regular meetings every year (held quarterly), of which the schedule is set in advance for the entire year, and may have held special meetings as deemed necessary, to consider an urgent issue. All Directors shall have an attendance of at least 75% of annual meetings. In 2022, there are six (6) regular meetings with 100% attendance (7 meetings in 2021). Details of the meeting attendance of each director are shown in the table under section - Remuneration of Directors, Sub-Committees and Management.

### Meeting of Non-executive directors

The Company requires meetings of non-executive directors without management attending at least once a year in March. In 2022, there was a meeting of non-executive directors without management on March 31, 2022.

### Quorum for Board Meeting

For each meeting, the member of the Board of Directors attending the meeting shall be not less than two-third (2/3) of all members (67%). In every agenda of financial report approval, the Chairman of the Audit Committee and at least one of the Audit Committee member have to attend the meeting to be constituted quorum and agendas are clearly set in advance. The Chairman of Board together with the Managing Director shall set the meeting agenda and give each directors an opportunity to propose issues as the meeting agendas. The Company Secretary prepares and distributes the invitation letters with details on meeting agendas, and other supporting documents to the Board of Directors at least seven (7) days in advance in order to allow directors sufficient time to review and study the information prior to the meeting.

Normally, each meeting shall last two (2) hours. For the consideration of each agenda, the Chairman of the meeting allocates sufficient time for management to present adequate details on the agenda and for directors to discuss the matter carefully, and gives directors the opportunity to express their opinions in the meeting independently. The resolution of the meeting shall be two out of three (2/3) of total members in the meeting, where each member will have one right. The majority vote is the passing resolution for each agenda. In case that any director has a personal conflict of interest, such director will leave the meeting and/or does not vote on that particular matter. If the voting result is equal, the Chairman of the meeting casts

the deciding vote. In addition, senior management are invited to attend Board of Directors' meetings to provide useful and important information, and to directly obtain business strategies from the Board of Directors to be implemented in the Company's operations.

Upon completion of each meeting, the Company Secretary is responsible for preparing the meeting minutes and submit them for the accuracy certification at the next Board of Directors' meeting. Directors are able to comment, amend and make additions to the minutes so as to make them as accurate and complete as possible. The Company Secretary keeps the certified minutes, signed by the Chairman of the Board of Directors, both in the form of hard copies and electronic files, along with supporting documents available for directors' and relevant persons' verification and reference.

## 6.2 Business Code of Conduct

The Board of Directors has established and announced its Business Code of Conduct and Business Ethics Policy in various aspects, for example, the Employee Code of Conduct, Policies and Guidelines for personnel development, Policy and Guidelines on Good Corporate Governance, Policy and Guidelines on Human Rights and Labor Practice, Inside Information Policy, Risk Management Policy, Fraud Prevention and Anti-corruption Policy, Policy on Non-infringement of Intellectual Rights and Copyrights, Whistleblower Policy, Information Security Management Policy and Personal Data Protection Policy (Privacy Policy), etc. Details in Attachment 5. The Company has published such documents on the Company's website. More details on the Company's website : [www.chularat.com](http://www.chularat.com) on Investor Relations Homepage - Corporate Governance.



## 6.3 Significant Changes and Developments of the Company's Policies, Guidelines and Corporate Governance System in 2022

The Board of Directors has consistently reviewed the Company's Corporate Governance Policy once a year. The current version of such policy in which the Board has reviewed and approved at the meeting no. 1/2022 on 10 November 2022 has the content encompassing and in line with good corporate governance principles for listed companies stipulated by the Securities and Exchange Commission of Thailand (SEC) under the following topics:

1. Sustainable Value Creation
2. Roles and Responsibilities of the Board of Directors
3. Rights and Equal Treatment of shareholders
4. Policies and Treatment of stakeholders
5. Information Disclosure and Transparency

### 6.3.1 Significant Changes and Developments of the Company's Policies, Guidelines and Corporate Governance System and Charter of the Board of Directors in 2022

#### Review of Corporate Governance Policy, Guidelines and System

- The Company has reviewed its policies, practices and system on corporate governance or the charter of the Board of Directors in 2022 to increase efficiency and demonstrate that the Company's corporate governance standards have been upgraded and to be appropriate and consistent with business operations according to good corporate governance principles, policies, guidelines and systems or the charter of the Board of Directors.

- The Company has announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC). The Company is in the submitting process for CAC certification from the Thai Institute of Directors (IOD).

#### Policy on Non-infringement of Intellectual Property Rights and Copyrights

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

#### Information Security Management Policy

The Company has established the information security management policy as a guideline and standard practice in using information technology and computer network appropriately and with the utmost efficiency. Such policy also prevents any potential problems from the misuse which in turn may result in damage. The Company has declared and announced the policy to its employee and those of the subsidiaries as well as individuals who may be involved with the Company for their acknowledgement and practice. The Policy is published on the Company's website.

## Implementation of Good Corporate Governance principles for listed companies (CG Code)

The Board of Directors has acknowledged the principles of good corporate governance for listed companies stipulated by the Office of the Securities and Exchange Commission (SEC) and recognized its role as a leader in creating and promoting sustainable value for the business. The Board of Directors has considered and reviewed the implementation of such guidelines and principles and adjusted them as deemed appropriate to achieve a good long-term performance, create the Company's reliability for shareholders and the public and promote the sustainable growth.

## Compliance with Good Corporate Governance principles to support various assessments

The Company has reviewed and improved the policy and guidelines for good corporate governance on an annual basis to ensure that the Company's policy is in line with the good corporate governance standards of listed companies. In 2022, the Company was assessed in various programs related to good corporate governance as follows:

Other practices according to good corporate governance principles: The Company has complied with the principles of good corporate governance to support the assessments of Corporate Governance Report (CGR) of Thai Listed Company, AGM Quality Assessment Project (AGM Checklist), SET Awards and Thailand Sustainability Investment (THIS). The Company's assessment results are as follows:

- 1) The Company has received a "Very Good" corporate governance assessment from the Corporate Governance Report of Thai Listed Companies 2022 (Corporate Governance Report: CGR) conducted by the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand. Overall average CG score is at 86% or 4-star rating. (CG Scoring in 2021 is also at 86% or 4-star rating.)
- 2) The Company has been assessed for the 2022 AGM Quality Assessment Program (AGM Checklist) from the Thai Investors Association. The evaluation result is at 100%, which is the same score as last year.
- 3) The Company has been evaluated and won 3 SET Awards 2022 from the Stock Exchange of Thailand (SET) on October 28, 2022, with SET market capitalization of over Baht 30,000 million but no more than Baht 100,000 million as follows:
  - 3.1 Outstanding CEO Awards
  - 3.2 Outstanding Company Performance Awards and
  - 3.3 Best Company Performance Awards
- 4) In 2022, the Company has started participating in the Thailand Sustainability Investment (THIS) program of the Stock Exchange of Thailand (SET), which represents the listed companies that operate sustainably with regard to the environmental and social responsibility with Good Corporate Governance (ESG) as another option for investors who want to invest according to the guidelines of Responsible Investment.

### 6.3.2 Other practices according to the principles of Good Corporate Governance

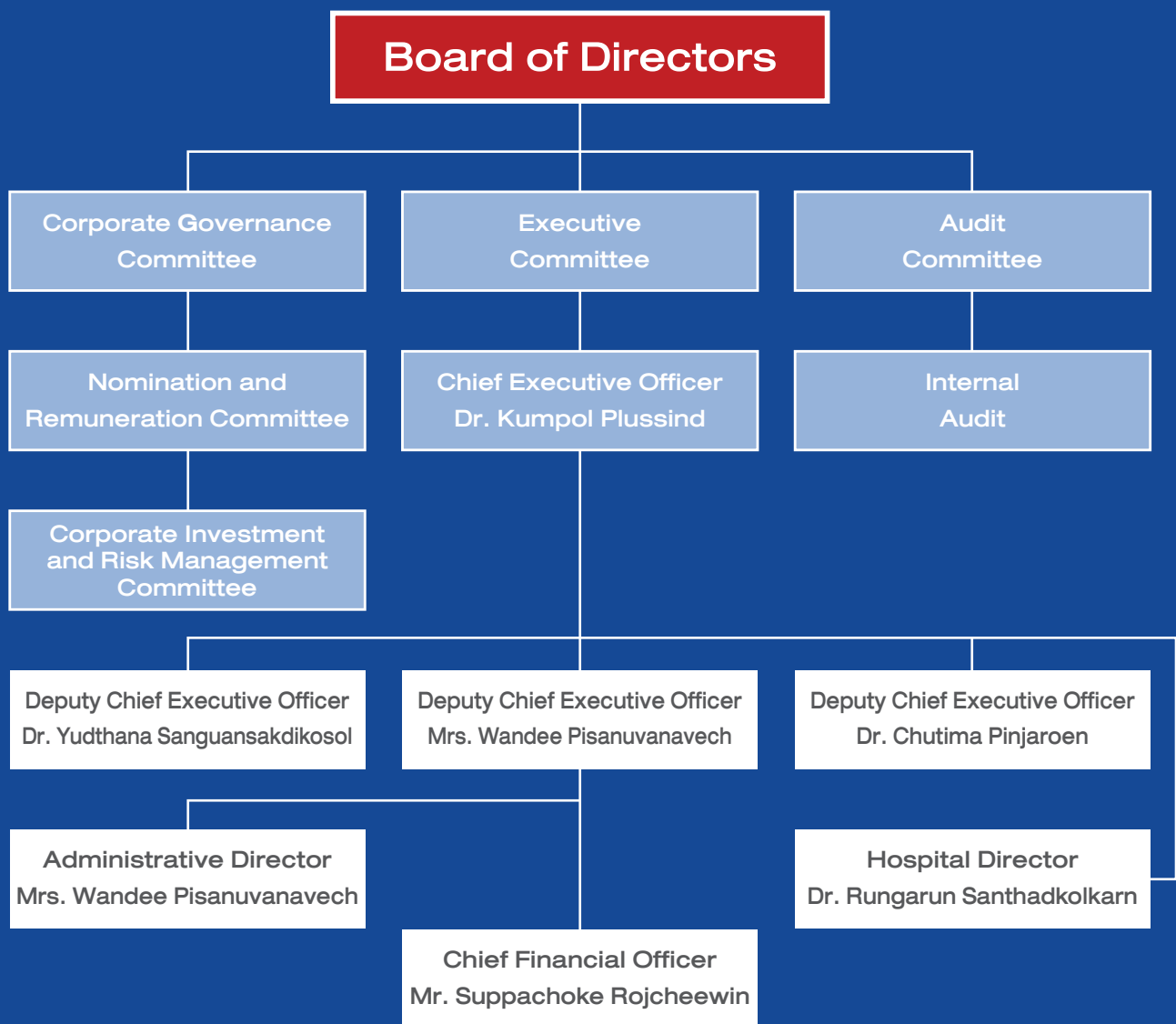
Information Disclosure and Transparency: The Board of Directors has announced the Corporate Governance Policy as guidelines on the treatment of shareholders in various aspects. The Company has a policy to disclose its financial information and general news to the shareholders, investors, securities analysts, including general public in an accurate, complete, fair, equal, transparent and timely manner and as prescribed by relevant laws and regulations. The Company has constantly monitored the announcement of new regulations and adjusted its guidelines to be in accordance with such regulations. Furthermore, the Company has disclosed such policies to its personnel within the organizations and disseminated them on the Company's website as follows:

- Policy and Guidelines on Corporate Governance
- CHG Employee Code of Conduct
- Policy and Guidelines on Human Rights and Labor Practice
- Inside Information Policy
- Risk Management Policy
- Policy and Guidelines on Personnel Development
- Fraud Prevention and Anti-corruption Policy
- Personal Data Protection Policy (Privacy Policy)
- Policy on Non-infringement of Intellectual Rights and Copyrights
- Information Security Management Policy
- Tax Policy
- Environmental Policy
- Sustainability Development Policy
- Securities Trading Policy
- Whistleblower Policy

## 7 Corporate Governance Structure and Important information of the Board of Directors, Sub-Committee, Executives, Employees and others

### 7.1 Corporate Governance Structure

Management Structure as of 31 December 2022





## 7.2 Information of the Board of Directors

### 7.2.1 Board Structure

The Company's Management Structure consists of 1 Board of Directors and 5 Sub-Committees, namely 1) Board of Directors 2) Executive Committee 3) Audit Committee 4) Nomination and Remuneration Committee 5) Corporate Governance Committee 6) Corporate Investment and Risk Management Committee. As of 31 December 2022, there were 12 directors in total, consisting of 2 executive directors (equivalent to 17% of all directors), 10 non-executive directors (equivalent to 83% of all directors) and 4 independent directors (equivalent to 33% of all directors).

The Board of Directors and executives comprise of qualified individuals under Section 68 of the Public Companies Act B.E. 2535 (1992) and the related Notifications of the Capital Market Supervisory Board. The aforementioned committees have duties and responsibilities as follows:

#### The Board of Directors

As of 31 December 2022, the Board of Directors comprised of 12 directors as follows:

1. Mr. Kriengsak Plussind  
Chairman of the Board
2. Dr. Kumpol Plussind  
Director and Chief Executive Officer
3. Mr. Apirum Panyapol  
Director
4. Dr. Wichit Siritattamrong  
Director
5. Dr. Suchai Laoveerawat  
Director
6. Mrs. Kobkul Panyapol  
Director

7. Mr. Yanyong Amornpitakkul  
Director
  8. Ms. Kannikar Plussind  
Director
  9. Mr. Manit Jeeradit  
Chairman of the Audit Committee and Independent Director
  10. Mr. Somyos Yan-ubol  
Audit Committee and Independent Director
  11. Mr. Santhat Sanguandikul  
Audit Committee and Independent Director
  12. Dr. Pinit Kullavanijaya  
Independent Director
- Mrs. Wandee Pisanuvanavech Company Secretary and the Secretary of the Board

#### Authorized Directors

Authorized Directors comprise of Mr. Kriengsak Plussind, Dr. Kumpol Plussind, Dr. Wichit Siritattamrong and Mr. Apirum Panyapol. Two out of four (2 out of 4) directors sign jointly and affix the Company's seal.

#### Term of Office

At an Annual General Meeting each year, at least one-third (1/3) of directors shall resign from the position. If their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from term of office. During the first two (2) years after Company Registration, directors shall retire by drawing lots. For the later years, directors holding the position the longest shall retire. However, a retiring director is eligible for re-election.

### 7.2.2 The Board of Directors and Controlling Persons

Details of the Board of Directors and Sub-Committees of Chularat Hospital Public Company Limited as of 31 December 2022 are as follows:

Directors	Title
1. Mr. Kriengsak Plussind *	Chairman of the Board, Chairman of Corporate Governance Committee
2. Dr. Kumpol Plussind *	Director, Chief Executive Officer
3. Mr. Apirum Panyapol *	Director, Chairman of the Corporate Investment and Risk Management Committee (appointed on 13 December 2018)
4. Dr. Wichit Siritattamrong *	Director
5. Dr. Suchai Laoveerawat	Director, Executive Committee, Corporate Investment and Risk Management Committee
6. Mrs. Kobkul Panyapol	Director
7. Mr. Yanyong Amornpitakkul	Director, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee
8. Ms. Kannikar Plussind	Director, Corporate Investment and Risk Management Committee
9. Mr. Manit Jeeradit	Chairman of the Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee
10. Mr. Somyos Yan-ubol	Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee
11. Mr. Santhat Sanguandikul	Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee
12. Dr. Pinit Kullavanijaya	Independent Director, Chairman of the Nomination and Remuneration Committee

**Note :** \* Authorized Directors

Dr. Kumpol Plussind, Mr.Kriengsak Plussind, Dr.Wichit Siritattamrong and Mr. Apirum Panyapol. Two out of four (2 out of 4) directors sign jointly and affix the Company's seal.

### List of the Company's independent directors holding independent director positions in subsidiaries

- None -

## 7.2.3 Duties and Responsibilities of the Board of Directors

### Scope of duties and responsibilities of the Board of Directors

Every director has the duties and responsibilities in determining and following up the Company's operating policies. Scope of duties and responsibilities of the Board of Directors can be summarized as follows:

According to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2004 on 25 June 2004.

1. Arrange an Annual General Meeting of shareholders within four (4) months after the end of the accounting period of the Company.
2. Conduct the Board meetings at least once every three (3) months.
3. Arrange the Company's balance sheet and income statements at the end of the accounting period of the Company which the auditor already audited and present to the shareholders' meeting for approval.
4. Authorize any directors or any other persons to perform any duties of the Board of Directors under the supervision of the Board or may delegate authority to such persons as the Board deems appropriate and within the Board's discretion. The Board of Directors may revoke or amend the power of attorney or the person receiving it as deemed appropriate.

The Board may authorize the executive committee to perform various tasks within the scope of the authorization of the executives. Such authorization shall not authorize the executives to consider and approve transactions made with the Board or individuals that may have a conflict of interest or conflict of any other benefits for the Company or its subsidiaries, unless the approval is in accordance with the policies and guidelines that the Board already approved.

5. Set up the Company's goals, guidelines, policies, plans and budgets as well as monitor, supervise, oversee and manage the operations of the executives to be in accordance with the assigned policies, except the following matters that the Board must have an approval from shareholders before implementing such matter, e.g. recapitalization, reducing capital, bond issuance, sale or transfer of the Company's business - all or a substantial part to any persons, the purchase or acquisition of another company and the amendment of the Memorandum of Association or Articles of Associations, etc.

The Board also has the duties to oversee and ensure the Company's compliance with the laws and regulations of the Stock Exchange of Thailand (SET) such as the connected transactions and the purchase or sale of significant assets under the rules of the Stock Exchange of Thailand (SET) or relevant laws relating to the Company's business.

6. Consider the structures of management and appointment of the Board of Directors, Executive Committee and other committees as appropriate.
7. Follow-up the Company's performance in accordance with plans and budget consistently.
8. Not engage in any businesses with the same nature and in competition with the business of the Company or become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or being a director of a private company or any other companies operating businesses with the same nature and in competition with the business of the Company, whether doing it for their own benefit or for the benefit of others, unless reported to the shareholders' meeting prior to their appointment.

9. Report to the Company immediately on any conflicts of interest, direct or indirect, in any contracts made by the Company or any increase or decrease of their investment in the Company's shares or its subsidiaries.

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

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

The Company determines the roles and responsibilities of the Chairman of the Board of Directors as follows:

1. Approve vision and mission of the hospital and review at least once a year or upon any changes or before disclose to the public.
2. Approve policies, strategic plans, and work plans of hospital, including policies and procedures required in the operation of the Group.
3. Approve capital or budget allocation and allocate resources necessary for the operation to achieve the mission and strategic plan of the hospital.
4. Consider and approve quality program and patient safety plan, including...
  - Acknowledge and respond to the reports on quality and safety, number, type, severity of incidents/events for risk level A-I and Sentinel Events, including QPS Program, IPSCG Compliance and Hospital Strategic KPIs every 3 months.
  - Acknowledge and comment on the management and implementation on the number, type of sentinel events, root cause analysis results and communication to patients and relatives as well as guidelines for correcting and guidelines for follow-up and maintenance of quality every 3 months
5. Approve, acknowledge and respond to the employee recruitment-retention, development and education or training programs.
6. Approve, acknowledge and respond to the hospital's safety culture program.
7. Supervise and approve the strategies and educational programs for health professionals and ensure the quality of such programs.
8. Approve and sign the agreements relating to normal business operations of the Company and assign one (1) director to jointly sign with the Managing Director.
9. Appoint the Managing Director, supervise the business operation of Chularat 3 International Hospital, as well as evaluate its performance at least once a year. Plan and report the financial performance, investment, operating results and quality and safety plans of the hospital to the Board of Directors.

## Separation of Duties between Directors and the Management

The Company has clearly separated the responsibilities of the Board of Directors from that of the management whereby the Board of Directors shall determine the policy and supervise the management's operation at the policy level. The Board of Directors shall meet on a monthly basis to follow-up and support strategic policies of the Company. The Board of Directors shall not interfere with day-to-day operations or business activities under the responsibility of the Executive Committee and Chief Executive Officer, while the management, under the supervision of Chief Executive Officer, shall perform their respective duties in compliance with established policies and objectives since only Chief Executive Officer can be assigned such tasks by the Board of Directors and the Executive Committee.



Therefore, the authority and responsibility of Chief Executive Officer shall be efficiently responded by the management. Furthermore, the Company has clearly specified the responsibilities and authority of the Board of Directors, the Sub-Committees, and every level of the managements.

## 7.3 Sub-Committees

### 7.3.1 Board Structure

The Board of Directors resolved to appoint five (5) Sub-Committees: namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Corporate Investment and Risk Management Committee to assist in internal control management, risk management, corporate governance in accordance with the defined goals. The Board has clearly separated the duties of each committee by prescribing the responsibilities in the respective committee's charter. Each Sub-Committee shall carry out the self-assessment on annual basis and at least once a year in order to achieve the utmost efficiency and effectiveness.

### 7.3.2 List of Sub-Committee

#### 1. Executive Committee

As of 31 December 2022, the Executive Committee comprised of four (4) executives as follows:

1. Dr. Kumpol Plussind  
Chief Executive Officer
2. Dr. Yudthana Sanguansakdikosol  
Member
3. Dr. Chutima Pinjaroen  
Member
4. Dr. Suchai Laoveerawat  
Member

Mrs. Wandee Pisanuvanavech-Secretary

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

According to the resolution of the Board of Directors' Meeting No. 1/2004 on 27 August 2004.

1. Operate and manage business and affairs of the Company according to objectives, Articles of Association, policies, rules, regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders' meeting of the Company in all aspects.
2. Determine policies, directions, business strategies, financial plan, budget, human resource management, Information technology investment, and public relations activities to present to the Board of Directors for approval.
3. Appoint and supervise the operation of the appointed working groups to achieve the established policies and the set goals.
4. Consider the allocation of the annual budget proposed by the management before presenting to the Board of Directors for consideration and approval.
5. Consider and approve Capital Expenditure in an amount not to exceed Baht 5 million for each transaction.
6. Approve major investment expenditures specified in the annual budget as assigned by the Board of Directors or as the Board has already approved in principle.
7. Consider and review loans Acquisition, financing or any loan application in an amount not to exceed Baht 5 million for each transaction.
8. Consider the profit and loss, dividend or interim dividend payment of the Company and present to the Board of Directors for approval.
9. Determine the organizational structure, corporate management, including the appointment, hiring, transfer, termination as well as setting wages, commissions, bonuses of non-executive employees.

10. Authorize a director or any other person or persons to operate any duties under the supervision of the Management or may delegate authority to such persons as the Management deems appropriate and within the Management's discretion. The Management may revoke or amend the power of attorney or the person receiving it as appropriate.

11. Perform other duties as assigned by the Board of Directors.

The authority of the Management Board shall not include the right to approve transactions that may have a conflict of interest or any transactions that the Management Board may gain interest in any other manners or any other conflicts of interest with the Company or its subsidiaries under the laws of the Stock Exchange of Thailand (SET). The approval of such transactions shall be presented to the Board of Directors and/or shareholders' meeting for consideration and approval in accordance with the regulations of the Company or relevant laws.

Other than what mentioned above, the Management Board is not permitted to take actions, unless it has been assigned by the Board of Directors from time to time.

### Term of Office

The Executive Committee shall hold their position in the office for a term of three (3) years. The Executive Committee who retires by rotation may be re-appointed for next term according to the terms.

## 2. Audit Committee

As of 31 December 2022, the Audit Committee comprised of three (3) independent directors as follows

1. Mr. Manit Jeeradit  
Chairman and Independent Director
2. Mr. Somyos Yan-ubol  
Member and Independent Director

3. Mr. Santhat Sanguandikul  
Member and Independent Director

Ms. Khemkulkorn Toomthong-Secretary

Mr. Manit Jeeradit, Mr. Somyos Yan-ubol and Mr. Santhat Sanguandikul have sufficient finance and accounting knowledge and experience to review the reliability of the Company's financial statements.

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

According to the resolution of Board of Directors' Meeting No. 3/2012 on 20 July 2012

1. Review financial report of the Company to ensure an accuracy and adequacy.
2. Ensure that the Company has appropriated and effective internal control system and internal audit and consider the independence of the internal audit unit as well as approve the appointment, transfer and dismissal of the head of internal audit or any other agencies responsible for internal audit.
3. Ensure that the Company strictly comply with the laws regulations stipulated by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) or relevant laws relating to the business of the Company.
4. Nominate individuals to serve as independent auditors of the Company and propose the remuneration of the auditor as well as attend the meetings with the auditors without management in attendance at least 1 time per year.
5. Review the connected transactions that may have conflict of interest in accordance with the laws and regulations of the Stock Exchange of Thailand (SET) to ensure that such transactions are reasonable and beneficial to the Company.
6. Prepare the report of the Audit Committee and disclose in the Company's annual report (56-1 One Report). Such report shall be signed by the Chairman of the Audit Committee and must include details as follows:

- Comments on the accuracy, completeness and reliability of the financial statement of the Company.
  - Comments on the adequacy of the Company's Internal Control System.
  - Comments on the compliance with the laws and regulations regarding the Securities and Exchange, the Stock Exchange of Thailand (SET) or any laws relating to the business of the Company.
  - Comment on the appropriateness of the auditor.
  - Comment on any transactions that may have conflict of interests.
  - The number of meetings of the Audit Committee and the attendance of each Audit Committee member.
  - Comments or overall remarks that the Audit Committee received from performing its duties under the Charter.
  - Any other reports that shareholders and investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors with the approval of the Audit Committee.

### Term of Office

The Audit Committee shall hold their position in the office for a term of three (3) years and may be re-appointed for next term according to the terms approved by the Board of Directors.

## 3. Nomination and Remuneration Committee

As of 31 December 2022, the Nomination and Remuneration Committee comprised of five (5) directors as follows:

1. Dr. Pinit Kullavanijaya  
Chairman

2. Mr. Yanyong Amornpitakkul  
Member
3. Mr. Manit Jeeradit  
Member
4. Mr. Santhat Sanguandikul  
Member
5. Mr. Somyos Yan-ubol  
Member

Ms. Sirinapha Lakornchai-Secretary (appointed on 25 February 2021)

The Nomination and Remuneration Committee comprised of 4 independent directors (equivalent to 80% of total members). Meetings are held twice a year.

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

According to the resolution of Board of Directors' Meeting No. 3/2016 on 11 May 2016

1. Suggest structure, size and composition of the Company's Board of directors and Sub-Committees, including the determination of the standards or policies in selecting qualified candidates and propose such candidates to be selected as directors and sub-committees according to defined structure, size and composition of the Company's Board and Sub-Committees.
2. Consider nominated person to be selected as Managing Director, Sub-Committees, Chief Executive Officer and present to the Board of Directors meeting and/ or shareholders' meeting, in case of vacancy, including to set guidelines for succession plan of Top Management.
3. Propose policies and guidelines for remuneration, both financial and nonfinancial compensation, for directors, sub-committees Chief Executive Officer in accordance with Company's operating result and other companies in the same industry and present to Board of Directors meeting and/ or shareholders' meeting for approval.

4. Suggest guidelines and methods in assessing the performance of directors and sub-committees to the Board.
5. Assess the Company's operating result for determination of salary structure, bonus, annual pay increase and other remunerations by considering an appropriate standards in healthcare business.
6. Perform other duties as assigned by the Board of Directors.
2. Provide advice on good corporate governance principles and guidelines to the Board of Directors.
3. Consistently review the Company's Corporate Governance principle, Business Ethics, Employee Ethics, significant regulations, and practices as deemed appropriate for Company's business and in accordance with the Stock Exchange of Thailand (SET)'s practice, Securities and Exchange Commission of Thailand (SEC) 's practice and other laws related to the Company's business.
4. Report the practice in compliance with good corporate governance to the Board of Directors and determine the guidelines for reporting the performance of good corporate governance in the Company's Annual Report (56-1 One Report).
5. Perform other duties as assigned by the Board of Directors.

#### **Term of Office**

The Nomination and Remuneration Committee shall hold their position for a term of three (3) years and may be re-appointed for next term according to the term approved by the Board of Directors.

#### **4. Corporate Governance Committee**

As of 31 December 2022, the Corporate Governance Committee comprised of four (4) directors as follows:

1. Mr. Kriengsak Plussind  
Chairman
2. Mr. Manit Jeeradit  
Member
3. Mr. Santhat Sanguandikul  
Member
4. Mr. Somyos Yan-ubol  
Member

Mrs. Wandee Pisanuvanavech-Secretary

#### **Scope of Duties and Responsibilities of Corporate Governance Committee**

According to the resolution of Board of Directors' Meeting No. 3/2016 on 11 May 2016

1. Determine and review the Company's Corporate Governance policy as appropriated for the Company's business and present to the Board of Directors, as well as monitor the Company's operation in accordance with good corporate governance.
2. Provide advice on good corporate governance principles and guidelines to the Board of Directors.
3. Consistently review the Company's Corporate Governance principle, Business Ethics, Employee Ethics, significant regulations, and practices as deemed appropriate for Company's business and in accordance with the Stock Exchange of Thailand (SET)'s practice, Securities and Exchange Commission of Thailand (SEC) 's practice and other laws related to the Company's business.
4. Report the practice in compliance with good corporate governance to the Board of Directors and determine the guidelines for reporting the performance of good corporate governance in the Company's Annual Report (56-1 One Report).
5. Perform other duties as assigned by the Board of Directors.

#### **Term of Office**

The Corporate Governance Committee shall hold their position for a term of three (3) years and may be re-appointed for next term according to the term approved by the Board of Directors.

#### **5. Corporate Investment and Risk Management Committee**

As of 31 December 2022, the Corporate Investment and Risk Management Committee comprised of six (6) directors as follows:

1. Mr. Apirum Panyapol  
Chairman
2. Ms. Kannikar Plussind  
Member
3. Dr. Chutima Pinjaroen  
Member
4. Dr. Suchai Laoveerawat  
Member
5. Mr. Yanyong Amornpitakkul  
Member



6. Mr. Somyos Yan-ubol  
Member

Ms. Sirinapha Lakornchai Secretary (appointed on 8 November 2021)

### **Scope of Duties and Responsibilities of Corporate Investment and Risk Management Committee**

According to the resolution of Board of Directors' Meeting No. 3/2016 on 11 May 2016

1. Determine strategies, goals, policies, investment plan and policies of risk management plan from investment.
2. Consider and scrutinize structure, appropriations and possibilities of investment presented by the management, including to consider annual capital expenditure, budget plan for corporate expansion plan, merger and acquisition plan and/or joint investment by the Company and subsidiaries both domestically and internationally and present to the Board of Directors for approval.
3. Consider the Company's financial position and assess capability in investment.
4. Investigate, monitor and assess projects which are already approved for investing and present the investment result to the Board of Directors for acknowledgement, including the determination of appropriate control for reducing investment risk.
5. Assess contingent risk both internal and external and possible effects to the Company.

6. Determine policy and measure of risk management for the Company's practice.

7. Review and develop the policy or measure for risk management regularly by assessing and monitoring risk management procedure in accordance with the determined and defined policies.

8. Report the occurred risk and suggestion for risk reduction to the Audit committees and the Board of Directors.

9. Perform other duties as assigned by the Board of Directors.

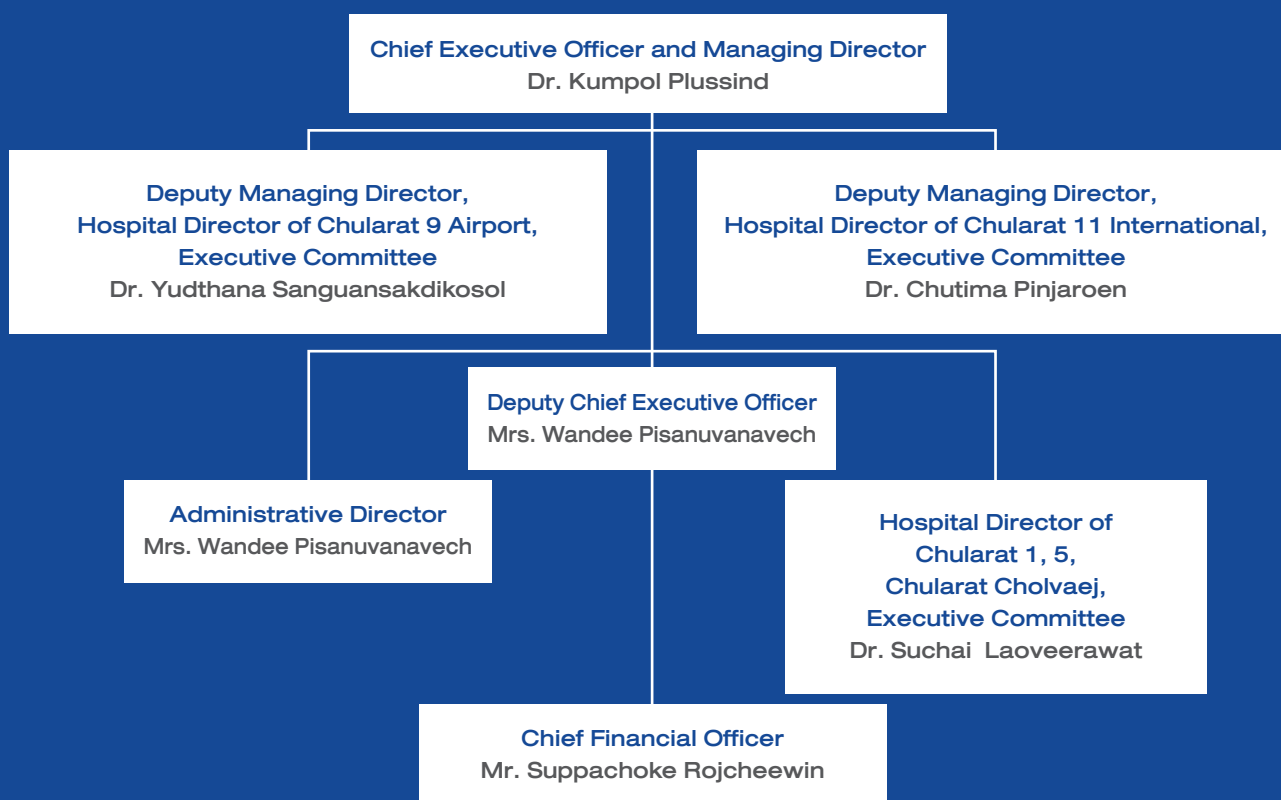
### **Term of Office**

The Corporate Investment and Risk Management Committee shall hold their position for a term of three (3) years and may be re-appointed for next term according to the term approved by the Board of Directors.

## **7.4 Executives**

### **7.4.1 List of the Executives**

As of 31 December 2022, Management or Executives (according to the definition of the Securities and Exchange Commission Notification No. KorJor. 17/2551 relating to the issuance and offering of securities, including any amendments) are as follows:



## List of 6 Executives as of 31 December 2022

Director	Title	Meeting Attendance/ Total Meetings in 2022 (time)
Dr. Kumpol Plussind	Chief Executive Officer and Managing Director	18/18
Dr. Yudthana Sanguansakdikosol	Deputy Managing Director, Hospital Director of Chularat 9 Airport, Executive Committee	18/18
Dr. Chutima Pinjaroen	Deputy Managing Director, Hospital Director of Chularat 11 International, Executive Committee	18/18
Dr. Suchai Laoveerawat	Hospital Director of Chularat 1,5, Chularat Cholvaej, Executive Committee	18/18
Mrs. Wandee Pisanuvanavech *	Deputy Chief Executive Officer, Administrative Director, Company Secretary	18/18
Mr. Suppachoke Rojcheewin *	Chief Financial Officer	18/18

**Note :** \* Mrs. Wandee Pisanuvanavech, Deputy Chief Executive Officer, is the person taking the highest responsibility in Finance and Accounting and Mr. Suppachoke Rojcheewin, Chief Financial Officer, is the person directly supervising accounting.

## Payment Approval Authority

Managing Director's maximum limit of authorization in the acquisition of fixed assets or projects shall be not more than Baht 2 million per one acquisition. If the acquired amount is over Baht 2 million but not more than Baht 5 million, such acquisition shall be approved by the Board of Directors.

### 7.4.2 Policy on Directors, Executives and Employees Remuneration

**Remuneration for Directors:** The Company has considered and determined the reasonable remuneration program to directors in forms of bonuses and meeting allowances, and to Audit Committee in forms of meeting allowances, and present to the shareholders' meeting for approval. The amount paid is appropriately comparable to the payment rate of other organizations with similar size and within the same industry listed on the Stock Exchange of Thailand (SET). There is no remuneration in this form for Executive Committees.

**Remuneration for Executives:** is in forms of salary and bonuses, depend on their roles, responsibilities and performance, as well as the Company's operating results.

Details of Directors' remuneration for the year 2022, approved by the AGM, will be disclosed individually.

**Remuneration for Employees:** The Company has determined the remuneration for its employee in the same level of other companies within the same

industry with equality, fairness and appropriateness, by considering the capability and operational efficiency of employees in a different position. The Company has specified the remuneration policy in accordance with the organization performance and connected to its employees' performance as follows:

- 1) Short-term remuneration: The Company has determined appropriated remuneration and bonus base on the Company's operating result of each year, by linking with the employee's performance to encourage them to fully perform their respective duties as stipulated in the Company's annual goals and objectives, such as Employee Performance Evaluation, skill and competency, responsibilities, etc.
- 2) Long-term remuneration: The Company has determined remuneration payment to maintain and encourage the employees to perform their respective duties such as medical welfare, provident fund base on years of service, etc.

### 7.4.3 Remuneration of Directors and Executives

#### (1) Monetary Remuneration

**Remuneration of Directors** consists of meeting allowances paid base on the number of meeting attendance and an annual bonus calculated according to term of office as follows:

Director	Remuneration for Directors as of 31 December 2022						
	Board of Directors	Audit Committee	Corporate Governance Committee	Nomination and Remuneration Committee	Corporate Investment and Risk Management Committee	Bonus	Total
1. Mr. Kriengsak Plussind	210,000		25,000			450,000	685,000
2. Dr. Kumpol Plussind	150,000					375,000	525,000
3. Mr. Apirum Panyapol	150,000				25,000	375,000	550,000
4. Dr. Wichit Siritattamrong	150,000					375,000	525,000
5. Dr. Suchai Laoveerawat	150,000				15,000	375,000	540,000
6. Ms. Kobkul Panyapol	150,000					375,000	525,000

Director	Remuneration for Directors as of 31 December 2022						
	Board of Directors	Audit Committee	Corporate Governance Committee	Nomination and Remuneration Committee	Corporate Investment and Risk Management Committee	Bonus	Total
7. Mr. Yanyong Amornpitakkul	150,000			45,000	15,000	375,000	585,000
8. Ms. Kannikar Plussind	150,000				●	375,000	525,000
9. Mr. Mani Jeeradi *	150,000	175,000	15,000	45,000		375,000	760,000
10. Mr. Somyos Yan-ubol *	150,000	125,000	15,000	45,000	15,000	375,000	725,000
11. Mr. Chayawat Pisessith *	75,000	50,000	-	30,000		-	155,000
(Resigned 12 May 2022)							
Mr. Santhat Sanguandikul *	75,000	75,000	15,000	15,000		375,000	555,000
(Appointed 13 May 2022)							
12. Dr. Pinit Kullavanijaya *	150,000			75,000		375,000	600,000
13. Dr. Yudthana Sanguansakdikosol							●
14. Dr. Chutima Pincharean					●		●
15. Dr. Rungarun Santhadkolkarn					-		●
<b>Total</b>	<b>1,860,000</b>	<b>425,000</b>	<b>70,000</b>	<b>255,000</b>	<b>70,000</b>	<b>4,575,000</b>	<b>7,255,000</b>

Remarks : ● That director did not attend the meeting.

## Remuneration for Executive Committee

In 2022, the Company paid remuneration to five (5) executives in form of the salary and bonus with a total amount of Baht 12.67 million. The Company also paid the doctor fee to four (4) executives with a total amount of Baht 29.27 million.

**Note :** Chief Financial Officer was excluded from four (4) executives due to his position is not at the same level as the fourth executive member.

## (2) Other Remuneration

### Other remuneration for Directors

The Company does not have a policy to pay other compensations to the Directors and the Audit Committee as disclosed in the table above. Moreover, the Company also does not have a policy to pay other remuneration to Executive Committee.

### Other Remunerations for Executives

#### Provident Fund

The Company has provided the provident fund for its executives by contributing at three (3) percent of their salary. In 2022, the Company has paid the provident funds for its executives with a total amount of Baht 0.11 million.

Moreover, the Company has a policy to provide other forms of remunerations for its executives such as car, mobile phone, including expenses related to car and mobile phone such as gasoline bills, monthly mobile phone bills, etc.

## 7.5 Personnel

In 2022, the Company and its subsidiaries had a total of 4,520 employees. The Company and its subsidiaries paid the employee compensation which comprises of salaries, overtime, living allowances, bonus, social security and provident fund, etc, totaling Baht 944.03 million. Furthermore, Subsidiaries paid the compensations to their employees with the same criteria as the Company's with a total amount of Baht 1,231.39 million.

## Number of Doctors, Employee and Employee Compensation

As of 31 December 2022	Chularat Hospital Public Co., Ltd.	Convenience Hospital Co., Ltd.	Bangpakong Vejjakijt Co., Ltd.	Cholvaej Hospital Co.,Ltd.	Sattayabutr International Co., Ltd.	Chularat Arkanay Hospital Co.,Ltd.	Ruampat Chachoengsao Hospital Co., Ltd.	Thai Amdon Co., Ltd.	Total
Residency Doctor	71	38	31	3	8	17	14	-	182
Part-time Doctor	252	139	101	49	73	86	103	-	803
Nurse	824	391	487	60	61	77	68	-	1,968
Pharmacist	29	16	20	2	5	4	7	-	83
Radiological Technologists	16	5	6	2	3	2	3	-	37
Medical Technologists	21	13	15	4	6	8	4	-	71
Other employees	768	298	499	53	213	266	262	2	2,361
<b>Total (persons)</b>	<b>1,981</b>	<b>900</b>	<b>1,159</b>	<b>173</b>	<b>369</b>	<b>460</b>	<b>461</b>	<b>2</b>	<b>5,505</b>
Total doctors (persons)	323	177	132	52	81	103	117	-	985
Total Employee's (persons)	1,658	723	1,027	121	288	357	344	2	4,520

The Company has increased the number of doctors and employees to accommodate the service area expansion projects. In 2018, the Company opened 2 new hospitals in Prachinburi province and Chachoengsao province.

### Equal employment opportunity for people with disabilities and other disadvantaged groups.

The Company recognized the importance of equal employment opportunity without discrimination covering people with disabilities and other underprivileged groups. The employment acts and laws for persons with disabilities requires employers to choose from 3 cases: 1) Employ the persons with disabilities (100 employees per 1 disabled person) 2) Contribute to the funds for the promotion and development of the quality of life of the disabled and 3) Concession arrangements. The Company has performed two (2) items, namely the employment of persons with disabilities to work with the Company and the arrangement of concessions. The Association of Persons with Disabilities sends persons with disabilities or their caregivers to sell various products according to the specified annual contract. In 2022, the Company employed 2 disabled people as required by law and arrange the concessions.

The Company has a clear intention to employ the disabled and announced its attention to welcome people with disabilities to work with the Company every year. However, with the current limitation of the disabled, some of them are not ready to work with the Company as well as some of them have mental disorders, including unfavorable areas of the Company.

### Significant Change in the number of employee during these 3 years

- None -

### Significant Labor Dispute during these 3 years

- None -

### Provident Fund

The Company and Subsidiaries have provided provident fund in accordance with the Provident Fund Act B.E. 2530 (including any amendments).



## Human Capital Development Policy

The Company has a policy to encourage employees to develop and improve their career path (Career Development) in line with the organization's strategic direction, by encouraging employees to have their own career planning, to learn and assess their own aptitudes, interests, abilities, to seek opportunities, and to set goals (Personal Needs) for what they want to be and want to do in the future both in short-term and long-term, as well as by analyzing appropriated trainings for employee development base on their necessity, job position or performance evaluation.

### ***“Policy and Guidelines for Human Capital Development”***

The Company has recognized an importance of continuous development of personnel potential of all levels to support business growth and to increase work efficiency. The Company has believed and viewed that human capital is the key factor in driving the business towards its goals and sustainable growth. Therefore, the Company has established policies and guidelines for human capital development and adhered to the following practices:

## Training and Development Policy

### **1. All Employee**

The Company has developed all employees' skill and competency by organizing training courses to enhance knowledge and core competency aiming for maximum efficiency and alignment with the corporate culture, for example, the orientation of new employees to cultivate a corporate culture, including the establishment of a mentoring system in which the mentor or senior staff will provide coaching and advice on the work.

### **2. Employee - Operational Level**

The Company has developed the knowledge and skills of employees at operational level by organizing various training courses focusing on

educating employees regarding the hospital's medical treatment potential and services, leading to the readiness to provide services and maintain the standard of operation which will create customers' confidence and impression of the excellent service.

In addition, the Company has also conducted employee development programs by organizing knowledge and competency development courses based on professional and job tasks to increase work efficiency.

### **3. Employee - Supervisor and Manager Level**

The Company believes that its employees at the supervisor and manager level is a key force in change and play an important role in supporting and supervising the team to work successfully and efficiently, the Company therefore has provided training courses enhancing necessary skills for supervisors and managers, such as effective communication courses, etc.

### **4. Employee - Executive Level**

The Company has developed the potential of executives to be a leader for change and drive the Company's strategies to implementation towards effective performance along with creating a working culture and values that can help promote and drive the development of modern management systems as well as knowledge management and learning organizations to pass on to personnel in the department to promote the development of efficient work processes and success.

### ***“Career Path Development Policy”***

The Company has established career path development plan for all employee at all levels, in which all employee shall continuously develop their skill, knowledge and ability, by applying the competency guideline to analyze, plan and develop an individual employee's competency as follows.

1. Core Competency refers to the ability that represent the Company's work culture in which all employee shall have and act in the same direction in order to enable the Company to achieve its goals.
2. Managerial Competency refers to the management skill based on the level and position necessary to manage themselves and subordinates to get the job done and in accordance with the Company's strategic plan.
3. Functional Competency refers to the competence and professional skills, which differ according to the nature of the job, necessary to carry out the work

## Recruitment and Career Development

The Company has realized the importance of human resource development, starting from the recruitment process by considering the recruitment of personnel who possess capability, experience, education and other qualifications pertinent to each position. In recruiting for a particular position, the Company shall give priority to internal staffs in order to provide an opportunity for career advancement. In a case where there are no internal candidates appropriate for the position, the Company shall consider recruiting external candidates. Every new employee will be trained and attend the orientation while being informed of operational procedures and steps of every department in the organization so that employees can plan and act according to their objectives. The Company has also realized the importance of giving its employees the opportunity to grow according to their career path in order to retain capable and ethical personnel with the Company.

## Performance Evaluation of Employees

The Company has evaluated employees' operational capability and skills by clearly and fairly determining the evaluation criteria for employees of every level. The evaluation will be based upon the

employees' competency, potential and capability: namely skill, knowledge, attributes and performance. The Company has thoroughly communicated the evaluation criteria to employees in advance. In determining the remuneration for employees, apart from taking into consideration the Company's overall performance and annual economic condition, the evaluation results are deemed an important factor in specifying employees' remuneration. Performance evaluation shall be conducted by all sectors in the Company and summarized by the management, where each employee will have his/her own KPIs.

## Equal Treatment of Employee

The Company recognizes the importance of fair and equal treatment of every employee within the Company, starting from recruitment process to career promotion based on capability without prejudice or nepotism.

## Employee Satisfaction Survey

To enable the Company to be well aware of each employee's satisfaction and happiness in workplace, the Company has conducted surveys for employees at all levels to gather their opinions and suggestions. The information gathered can be used to correct and improve any shortcomings in the management of the organization and resources both in the short-term and long-term. In addition, the Company has specified the regulations on filing complaints to be used by the employees and to become the guidelines on resolving their grievances in a fair and equitable manner.

## Good quality of Life for Employee

The Company has realized the importance of good quality of life of all employees that in turn will encourage them to work more dedicatedly and efficiently. Therefore, the Company has organized a project to survey the development of the employees' quality of life and better health conditions by providing them with annual health check-up and

vaccinations as deemed appropriate. Moreover, the Company has consistently promoted and provided the training programs on related matters through various media by Occupational Health, Safety and Environment Committee. Some courses are as follows:

- Fire Prevention and Suppression Training - 8 classes on 11 November 2022. 100% of doctors and employees participated in the training.
- Monthly training on Facility Management and Safety for new employee
- Safety training for all employees and new employees (100% participation)
- Annual training on Facility Management and Safety according to JCI standard
- Emergency Response Plan (Mass-Casualty Incident, SOS,PINK) on 16 December 2022
- Analysis of Accidents and Illness at work, etc.

### Training Programs for Employee

For the past year, the Company organized training programs and activities to provide knowledge to its employee in various topics as indicated below:

- Training programs for new employee to ensure work efficiency: work rules, work knowledge, etc.
- Training programs on environmental awareness and Corporate Sustainability Management
- Training programs on reducing and managing waste at work and 5S Contest Result during 11-13 January 2023. (5S is tool for waste management in the organization, namely Sort, Set in order, Shine, Standardize and Sustain)
- Annual training on Personal Data Protection Act
- Training on the topic “Happy at Work and Team Building Communication” on 25 January, 2023.
- Workshops on Basic Life Support Provider for children and adult: Basic Life Support (BLS), Advanced Cardiovascular Life Support (ACLS), Pediatric Advanced Life Support (PALS), etc.

- Course: Excellence Service Behavior Development (ESB), 6 classes, 50 students per class
- PCI & FMS Training and Safety Week 2022 on 24-26 August 2022
- Training on Infection Prevention and Control in hospitals
- Basic life support training (BLS) and Advanced Cardiac Life Support (ACLS) on June 17, 2022, etc.

### Communication Channels for Stakeholders

The Company has provided an opportunity for employees and stakeholders of every sector, both internal and external, to contact, suggest opinions, file complaints and report any misconduct through channels announced in the “Company’ s Code of Conduct” and published on the Company’s website. Persons assigned to take complaints from the stakeholders shall proceed as indicated below.

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

(More details in Section 1 Business Operation and Operating Results, 3 Driving Business towards Sustainability)

## 7.6 Other Important Information

### 7.6.1 Information of the Company Secretary, Internal Audit and Person assigned to supervise accounting works

#### Company Secretary

The Board of Director approved a resolution to appoint Mrs.Wandee Pisanuvanavech to hold a position of the Company Secretary, effective from November 30, 2012 by the resolution of the Board of Directors meeting no. 7/2012 dated November 30, 2012. (Attachment 1 - Details of the Board of Directors, Executives, Controlling Persons, the person taking the highest responsibility in finance and accounting, the person supervising accounting and Company Secretary)

#### The Person taking the highest responsibility in finance and accounting and the Person directly supervising accounting

Mrs.Wandee Pisanuvanavech, Deputy Chief Executive Officer, is the person taking the highest responsibility in finance and accounting and Mr.Suppachoke Rojcheewin, Chief Financial Officer, is the person directly supervising accounting. (Attachment 1 - Details of the Board of Directors, Executives, Controlling Persons, the person taking the highest responsibility in finance and accounting, the person supervising accounting and Company Secretary)

#### Head of Internal Audit

The Company has established an Internal Audit department and appointed Ms. Khemkulkorn Toomthong as an Internal Audit Manager (Head of Internal Audit). Ms. Khemkulkorn Toomthong possesses knowledge, capability and experience

in Internal Audit and well understand the business activities and operations of the Company. Therefore, the Audit Committee is of the opinion that Ms. Khemkulkorn Toomthong is well qualified to perform such duties appropriately. (Details of the Head of Internal Audit can be found in the Attachment 3)

The Audit Committee and Chief Executive Officer shall approve the appointment, transfer and dismissal of the Company's Internal Audit Manager.

#### Head of Compliance

The Company has appointed Mrs.Wandee Pisanuvanavech to hold the position of Head of Compliance and Mr.Supparouk Sriyapong to act as a Compliance Officer (Legal Manager), to oversee the Company's compliance with rules and regulations of related government bodies governing the Company's business operations. (Details of the Head of Compliance can be found in the Attachment 3)

### 7.6.2 Head of the Investor Relations

The Company assigned Ms. Pinyakasit Pasutcha to hold the position of Head of the Investor Relations. In case that any investors or any related persons have any enquiries or need additional information, please contact the Investor Relations Unit at E-mail: ir@chularat.com , Tel: 02 019-5000 ext. 3321, Fax: 02-769-2967

### 7.6.3 Auditor's Remuneration

#### 1. Auditing Fee

The Company and its subsidiaries have EY Office Company Limited to audit the financial statements and consolidated financial statements of the Group. The auditing fee of Chularat Hospital Group Public Company Limited in 2022 was at Baht 1.60 million.

#### 2. Other Services Fee (Non Auditing Fee)

- None -

## 8 Corporate Governance Report

### 8.1 Summary of the Board of Director's Performance in 2021

In 2022, the Board of Directors held 6 meetings to determine important policies and strategies, including to closely monitor the Company's financial position and performance in order for the Company to pass through the COVID-19 pandemic smoothly. In addition, the Company maintained an efficiency and adequacy of the Internal Control System and Corporate Risk Management by convening 5 meetings of the Audit Committee and 1 meeting of the Corporate Risk Management Committee.

#### 8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

**Director Appointment:** Nomination and Remuneration Committee will be responsible for recruiting directors to replace the former directors who retired by rotation or nominate a list of qualified candidates for new appointment, which will be considered from the structure, size and composition of the Board of Directors, by selecting a list of qualified persons according to the qualifications and criteria set by the Nomination and Remuneration Committee and presenting such names to the Board of Directors. The resolution to appoint a person to be a director to replace such vacant directorship must receive a vote of not less than three-fourths (3/4) of remaining directors or in the case of a proposal for the appointment of a new director, the Nomination and Remuneration Committee will nominate names to the Board of Directors. The Board of director will consider and nominate such candidates to the shareholders' meeting for further appointment.

The Company has a nomination process for selecting directors by considering the qualifications in terms of skills, experiences, gender and specific competencies that are beneficial to the Company. The directors must not have any prohibited

characteristics under the Public Limited Company Act and the notification of the Securities and Exchange Commission (SEC) and do not have characteristics that indicate a lack of ability to manage the Company's business. The Company also consider new directors from the Director Pool Database. The Company provides an opportunity for shareholders to nominate a person to be elected as a director in accordance with the criteria set by the Company and submit to the Company within the specified period each year, which details are publicly available on the Company's website at <https://investor.chularat.com>.

#### 1. Criteria for the selection of the Independent Directors

**Nomination Process:** The Board of Directors shall jointly consider the qualifications of the persons who will serve as independent directors by considering the qualifications and not having any prohibited characteristics under the Public Limited Company Act, Securities and Exchange Act, Announcement of the Capital Market Supervisory Board and any relevant rules and regulations. In addition, the Board of Directors shall consider selecting independent directors from experts, work experience and other qualifications, and present to the shareholders' meeting for consideration. The Company has a policy to appoint independent directors not less than one third (1/3) of all directors. The Board of Directors has set the qualification of independent directors as follows.

**Independent Directors' Qualifications:** The Company has defined the definition of independent directors of the Company, equivalent to the minimum requirements of the Stock Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in regards to holding shares of the Company, not



being the Company's executive or employee or advisor with regular salary, not being the Company's controlling person, including not having business relationship with the Company.

Details of the qualifications of independent directors appear in Section 2 Corporate Governance, 6.1.1 Policies and Guidelines related to the Board of Directors, Topic - Nomination and Appointment of Directors and Management: Nomination of independent directors.

## 2. Nomination of the Directors and Top Management

### **Selection process for persons to be appointed as directors and top management through the Nomination Committee.**

According to the principles of good corporate governance, the Company has a process for nominating the persons as the directors or top management through the Nomination Committee, by considering the criteria and methods of recruiting qualified persons to hold the top management positions and nominate the qualified persons (more than one person) together with reasons to the Board of Directors for consideration. In the nomination process, all qualified persons are screened and selected according to the regulations of the Company in order to have the directors with experiences that is beneficial to the Company and have diversity, by considering the structure, size and composition of the Board. The qualified persons shall have knowledge, competency, skills and experience that are beneficial to the operation of the Company and understand the Company's business very well as well as able to manage the work to achieve the objectives set by the Board of Directors. The qualified persons shall be submitted to the Board of Director for approval prior to presenting them to the shareholders' meeting for consideration.

### **2.1 The Board of Directors**

Composition and Qualifications of the Board of Directors is set out in the Charter of the Board of Directors which can be summarized as follows.

### Composition

The Board of Directors comprises of directors elected by the shareholders' meeting (AGM), with at least 5 members and not less than half of total members shall reside in Thailand. In addition, not less than one-third (1/3) of the total number of directors shall be the independent directors. The Board of Directors shall elect one director to be the Chairman of the Board of Directors and may elect Vice Chairman of the Board of Directors and other positions as deemed appropriate.

### Selection Criteria and Term of Office

One-third (1/3) of all directors must retire from office at every annual general meeting of shareholders, whereby the directors who are in the office the longest shall retire. In the event that the directors who retire from office cannot be divided into one-third (1/3), the number nearest to one-third (1/3) must retire. However, the directors who retire from office may be re-elected.

In case of vacancy for reasons other than retirement by rotation, the Board shall nominate an individual qualified and not disqualified under the laws regarding the Public Limited Company Act and the Securities and Exchange Act to be appointed at the next Board of Directors' Meeting. Unless, the remaining term of the directors is less than two (2) months, the appointed person will be in the same remaining term of the director whom he or she replaces. Details as per Section 2 Corporate Governance, 6.1.1 Policies and Guidelines related to the Board of Directors, Topic - Nomination and Appointment of Directors and Management.

### Rights of shareholders to appoint directors

In addition, the Nominating Committee provides an opportunity for shareholders to participate in the nomination of qualified directors and in voting for the election of directors. The Company allows shareholders to use ballots to elect directors individually in which shareholders cast all their votes to select the candidate as director one by one.

Criteria and Guidelines for electing the Company's directors according to the Company's Articles of Association are as follows.

**Section 3 Clause 17:** The shareholders' meeting shall elect directors in accordance with the following rules and procedures:

- 1) Each shareholder shall have his/her vote equivalent to the number of shares he/she holds.
- 2) Each shareholder may cast his/her votes to elect one or more persons to be directors. In the event that several candidates are nominated as directors, the votes cannot be divided among the candidates.
- 3) The persons receiving the highest votes in descending order are elected as directors, equivalent to the number of directors required or should be elected at that time. In the event that the persons who are elected in descending order have equal votes, the number of directors is more than the number of directors required or should be elected at that time, the Chairman shall have a casting vote.

## 2.2 Audit Committee

Composition and Qualifications of the Audit Committee is set out in the Charter of the Audit Committee which can be summarized as follows.

### Composition

- The Audit Committee comprises of at least three (3) independent directors, who are qualified and do not have any prohibited characteristics in accordance with the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- At least one (1) member of the Audit Committee shall have knowledge and experience in financial and/or accounting to be able to review the reliability of the financial statements and have knowledge on changes in financial reporting.
- The Board of Directors appoints at least one (1) member of the Audit Committee to be the Chairman of the Audit Committee.

- Internal Audit Manager of the Company acts as the secretary of the Audit Committee.

### Term of Office

- The Audit Committee's term of office and retirement is stipulated in the Company's Articles of Association.
- The Audit Committee member who retire by rotation may be reappointed as the Board of Directors or the shareholders' meeting deems appropriate.
- The Audit Committee member who retire by rotation shall remain in the office to perform their duties until the new director is appointed, except in the case where their term of office has expired but not re-elected as a director.
- In case of vacancy, the Board of Directors shall nominate a qualified person and not disqualified under the laws regarding the Public Limited Company Act and the Securities and Exchange Act to be appointed as the Audit Committee, whereas the appointed person shall hold the office only for the same remaining term of the director whom he or she replaces.

## 2.3 Executive Committee

Composition and Qualifications of the Executive Committee is set out in the Charter of the Executive Committee which can be summarized as follows.

### Composition

- The Executive Committee shall be appointed by the Board of Directors. However, the Executive Committee is not required to hold the position in the Company's Board of Directors.
- The Executive Committee must have appropriate knowledge, abilities and experience as well as an understanding of their qualifications, duties and responsibilities, must have qualifications and not have any prohibited characteristics as stipulated in the Public Limited Company Act, including not having untrustworthy characteristics as specified in the Notification of the Securities and Exchange Commission (SEC) and not having any prohibited characteristics by law.

- The Executive Committee shall elect one (1) of the Executive Committee member to be the Chairman of the Executive Committee or Chief Executive Officer (CEO) and may elect one or more Executive Committee to be the Vice Chairman of the Executive Committee.
- The Executive Committee can appoint a qualified third party who has no conflict of interest with the Company to serve as an advisor or advisory board to the Executive Committee as appropriate.
- The Executive Committee can appoint a secretary to the Executive Committee to assist in scheduling meetings, preparing meeting agenda and submitting meeting documents and meeting minutes.

#### Term of Office

- The Executive Committee shall hold their position for a term of three (3) years. The Executive Committee who retires by rotation may be re-elected to the position.
- In the event that the Executive Committee member has completed his or her term of office or unable to maintain his or her office until the expiration of the term, resulting in the number of Executive Directors less than four (4), the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee immediately or at the latest within 3 months from the date that the number of Executive Committee is incomplete to ensure continuity in the duties of the Executive Committee.

### **2.4 Nomination and Remuneration Committee**

Composition and Qualifications of the Nomination and Remuneration Committee is set out in the Charter of the Nomination and Remuneration Committee which can be summarized as follows.

#### Composition

- The Nomination and Remuneration Committee comprises of 5 members, consisting of 4 independent directors (representing 80%)

- The Nomination and Remuneration Committee must be the Company's director.
- The Nomination and Remuneration Committee shall elect one (1) independent director to be the Chairman of the Nomination and Remuneration Committee.
- The Nomination and Remuneration Committee can appoint a secretary of the Nomination and Remuneration Committee to assist in scheduling the meetings, preparing meeting agenda and submitting meeting documents as well as meeting minutes.

#### Term of Office

- The Nomination and Remuneration Committee shall hold their position for a term of three (3) years. The Nomination and Remuneration Committee who retires by rotation may be re-elected to the position by the Board of Directors.
- In the event that the Nomination and Remuneration Committee member has completed his or her term of office or unable to hold his or her office until the expiration of the term, resulting in the number of the Nomination and Remuneration Committee less than five (5), the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee immediately or at the latest within 3 months from the date that the number of Nomination and Remuneration Committee is incomplete to ensure continuity in the duties of the Nomination and Remuneration Committee. The replacement member in this case shall be in the office for the remaining term of whom he or she replaces.

### **2.5 Corporate Governance Committee**

Composition and Qualifications of the Corporate Governance Committee is set out in the Charter of the Corporate Governance Committee which can be summarized as follows.

#### Composition

- The Corporate Governance Committee comprises of 4 members.

- Member of the Corporate Governance Committee must be the Company's director.
- Should the position of the Corporate Governance Committee member become vacant due to reasons other than retirement by rotation, the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee and the replacement member shall be in the office for the remaining term of whom he or she replaces.
- In the event that the Corporate Governance Committee member has completed his or her term of office or unable to hold his or her office until the expiration of the term due to some reasons, the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee at the latest within three (3) months from the date that the number of Corporate Governance Committee is incomplete.
- The Corporate Governance Committee can appoint a secretary to the Corporate Governance Committee to assist in scheduling the meetings, preparing meeting agenda and submitting meeting documents as well as meeting minutes.

#### Term of Office

- The Corporate Governance Committee shall hold their position for a term of three (3) years. The Corporate Governance Committee who retires by rotation may be re-elected to the position by the Board of Directors.
- In the event that the Corporate Governance Committee member has completed his or her term of office or unable to hold his or her office until the expiration of the term, resulting in the number of the Corporate Governance Committee less than four (4), the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee immediately or at the latest within three (3) months from the date that the number of Corporate Governance Committee is incomplete to ensure continuity in the duties of the Corporate Governance Committee. The

replacement member in this case shall be in the office for the remaining term of whom he or she replaces.

## **2.6 Corporate Investment and Risk Management Committee**

Composition and Qualifications of the Corporate Investment and Risk Management Committee is set out in the Charter of the Corporate Investment and Risk Management Committee which can be summarized as follows.

#### Composition

- The Corporate Investment and Risk Management Committee comprises of 6 members.
- Chairman of the Corporate Governance Committee must be the Company's director.
- The Corporate Investment and Risk Management Committee shall possess the knowledge and understanding of the Company's business or having expertise in specific fields important for the Company's business.
- The Corporate Investment and Risk Management Committee shall be able to devote sufficient time to fulfill their duties and responsibilities.

#### Term of Office

- The Corporate Investment and Risk Management Committee shall hold their position for a term of three (3) years. The Corporate Investment and Risk Management Committee who retires by rotation may be re-elected to the position by the Board of Directors.
- In the event that the Corporate Investment and Risk Management Committee member has completed his or her term of office or unable to hold his or her office until the expiration of the term, resulting in the number of the Corporate Investment and Risk Management Committee less than six (6), the Board of Directors shall appoint a qualified person to meet the required number of members in the Committee immediately or at the latest within three (3) months from the date that the number of Corporate Investment and Risk Management Committee is incomplete to

ensure continuity in the duties of the Corporate Investment and Risk Management Committee.

### Succession Plan for Top Management

The Board of Directors has supervised the preparation of succession plans and development plans for top management, particularly for the position of Chief Executive Officer, to ensure the continuity of business operations and to develop personnel for succession in important positions of the Company, with guidelines as follows.

- The Nomination and Remuneration Committee and Chief Executive Officer jointly collaborate on succession planning for top management in the Company's key positions, by determining the required skills, knowledge, abilities and potential of the person who will be the successor.
- Chief Executive Officer supervises the development of knowledge and abilities of successors through various methods such as training, special assignments as well as job rotation to develop essential skills and prepare the person for succession.
- Chief Executive Officer is responsible for reporting on the succession plans of top management and development results to the Nomination and Remuneration Committee for consideration at least once a year and upon significant changes.
- The Nomination and Remuneration Committee reports a summary of the succession plan of top management to the Board of Directors at least once a year and upon significant changes.

### Competency and Knowledge Development of Directors

Well aware of its roles, duties and responsibilities, the Company sees the importance of the knowledge, competency and skill development of the directors and executives. Therefore, the Company has continuously supported the seminars and training courses that are beneficial to the performance of their duties both inside and outside the premises. The Company encourages the directors to have a good

understanding of business governance for maximum effectiveness and to be able to use the knowledge to continuously implement good corporate governance policies. The Board of Directors and Company Secretary have attended and passed the trainings and seminars in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), including other important courses that are beneficial to the performance of their duties organized by the Thai Institute of Directors Association (IOD) as follows.

- Director Accreditation Program
- Director Certification Program
- Audit Committee Program
- Ethical Leadership Program
- Advanced Audit Committee Program
- Ethical Leadership Program
- Role of the Chairman Program
- Company Secretary Program
- Company Reporting Program
- Strategic Financial Leadership
- Risk Management Program for Corporate Leaders (Thai Program)
- Business Knowledge Enhancement Program
- Sustainable Business Knowledge (ESG) Enhancement Program, etc.

The Company invites external experts and specialists to provide knowledge to its directors at least once a year, for example, the prevention and use of inside information, prevention of conflicts of interest and personal data protection (PDPA), etc.

### Performance Assessment of Chief Executive Officer

The Company assesses the performance of the Chief Executive Officer or Managing Director on an annual basis. In 2022, the Chief Executive Officer's assessment results are at level 4 "Very Good" or 99%. (Details as per Section 2 Corporate Governance, Topic – Performance Assessment of the Board of Directors, both as a group and as an individual.)



## Performance Assessment of the Board of Directors and Sub-Committees

The Board of Directors has determined to assess the performance of the Board of Directors and Sub-Committees on an annual basis to review the performance, problems, solutions and to improve the efficiency and effectiveness of the operation by using the guidelines recommended by the Stock Exchange of Thailand (SET) and make some adjustments suitable for the Company's business operations.

In 2022, the Board of Directors and Sub-Committees have performed self-assessment, both as a whole and as an individual, using the assessment form from the Stock Exchange of Thailand (SET) with some adjustments as deemed appropriate for the Company's business operations. For Performance Assessment Procedures, the Company Secretary shall submit the assessment form to all members of the Board of Directors and

Sub-Committees by the end of the year, gather all assessment forms, summarize the assessment results and then propose to the Board of Directors' meeting for acknowledgement on an annual basis. The Overall Self- Assessment Results of all directors, both as a group and as an individual, for the year 2022 was at level of 4 "Very Good" or an average of 99%, which is quite high. (Details as per Section 2 Corporate Governance, Topic - Corporate Governance, Performance Assessment of the Board of Directors, both as a group and as an individual)

### 8.1.2 Meeting Attendance and Remuneration of Individual Directors

6 Board of Directors' meetings (attendance ratio of 100%) and 1 Shareholders' meeting in 2022. Details of the performance of the Board of Directors as of December 31, 2022 are as follows:

Summary of the meeting attendance of Directors and Executives in the Board of Directors' Meeting and Shareholders' Meeting in 2022

Director	Position	Number of Attendance / Total Meeting (Time)	
		Board Meeting	Annual General Meeting (AGM)
1. Mr. Kriengsak Plussind *	Chairman of Board of Directors, Chairman of Corporate Governance Committee	6/6	1/1
2. Dr. Kumpol Plussind *	Director, Chief Executive Officer	6/6	1/1
3. Mr. Apirum Panyapol *	Director, Chairman of the Corporate Investment and Risk Management Committee (appointed on 13 December 2018)	6/6	1/1
4. Dr. Wichit Siritattamrong *	Director	6/6	1/1
5. Dr. Suchai Laoveerawat	Director, Executive Committee, Corporate Investment and Risk Management Committee	6/6	1/1
6. Mrs. Kobkul Panyapol	Director	6/6	1/1
7. Mr. Yanyong Amornpitakul	Director, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee	6/6	1/1
8. Ms. Kannikar Plussind	Director, Corporate Investment and Risk Management Committee	6/6	1/1
9. Mr. Manit Jeeradit	Chairman of the Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee	6/6	1/1
10. Mr. Somyos Yan-ubol	Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee	6/6	1/1
11. Mr. Chayawat Pisessith (resigned on 12 May 2022)	Audit Committee, Independent Director, Nomination and Remuneration Committee, Corporate Governance Committee	3/3	1/1
12. Mr. Santhat Sanguandikul (appointed on 13 May 2022)	Audit Committee, Independent Director, Nomination and Remuneration Committee, Corporate Governance Committee	3/3	NA
13. Dr. Pinit Kullavanijaya	Independent Director, Chairman of Nomination and Remuneration Committee	6/6	1/1
14. Dr. Yudthana Sanguansakdikosol	Executive Committee	6/6	1/1
15. Dr. Chutima Pinjareon	Executive Committee, Corporate Investment and Risk Management Committee	6/6	1/1
16. Mrs. Wandee Pisanuvanavej	Deputy Chief Executive Officer, Administrative Director, Company Secretary	6/6	1/1
17. Mr. Suppachoke Rojcheewin	Chief Financial Officer	6/6	1/1

**Note :** \* Authorized Director

The Authorized Directors comprise of Dr. Kumpol Plussind, Mr. Kriengsak Plussind, Dr. Wichit Siritattamrong and Mr. Apirum Panyapol. Two out of 4 (2 out of 4) directors sign together and affix the Company's seal.

## Directors' Remuneration for the year 2022

The Company has considered a reasonable remuneration program for the Board of Directors by proposing in the shareholders' meeting for approval, which is in the form of bonuses and meeting allowance. The amount paid will be compared with the remuneration for directors of other companies with a similar size or in the same industry listed on the Stock Exchange of Thailand (SET). There is no remuneration program for the Executive Committee.

Details in Section 2 Corporate Governance, 7.4.3 Remuneration and Compensation for Directors and Management.

### Directors who are Executives or Management

The Company does not have a policy to pay remuneration to directors who are executives or employees of the Company.

### **8.1.3 Corporate Governance of Subsidiaries and Associated Companies**

#### **1. Mechanisms to supervise the operations of Subsidiaries and Associated Companies**

The Company has appointed a representative of the Company to be a director or executive according to the shareholding proportion and approved by the Board of Directors. Nomination and exercise of voting rights to appoint the persons to be directors in subsidiaries and associated company shall be governed and supervised by management. The Company requires the nomination and exercise of voting rights to be approved by the Board of Directors as well. The person appointed as a director in subsidiary or associated company is responsible for operating in the best interests of subsidiary or associated company (not for the Company). The appointed person shall be approved by the Company's directors prior to voting or exercising the right to vote on important matters at the same level

as that must be approved by the Board of Directors, if it is operated by the Company itself. In this regard, to appoint the directors to be representatives in the said subsidiary or associated company shall be in accordance with the Company's shareholding proportion.

In addition, in the case of subsidiary, the Company requires the person appointed to be the Company's representative to supervise the subsidiary to comply with the law on Securities and Exchange in relation to the subsidiary completely and accurately, including to supervise the collection of data and recording the accounts of the subsidiaries for the Company to inspect and to prepare consolidated financial statements within the specified period.

### **Duties and responsibility of Directors and Executives in setting important policies**

Directors and Executives of subsidiaries shall disclose information regarding the financial position, operating results, connected transactions of the subsidiary, acquisition or disposition of assets and/or significant transactions, internal control system (adequate and concise), as well as other regulatory mechanisms such as capital increase – decrease, dissolution of subsidiary to the Company completely, accurately and within a reasonable time as specified by the Company.

Directors and Executives of subsidiaries shall disclose and submit information of their interests and related parties to the Board of Directors regarding the relationship and transactions with the Company and/or its subsidiaries in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest. The Board of Directors of subsidiary shall notify such information and transactions to the Board of Directors of the Company within a specified period for consideration or approval, which will take into account the overall interests of the Parent Company and subsidiaries.

## 2. Disclosure of agreements between the Company and other shareholders in governing the subsidiaries and associated companies

There is no agreement between the Company and other shareholders in the management of subsidiaries and associated companies.

### 8.1.4 Compliance with Corporate Governance Policies and Practices

The Company realizes the importance of corporate governance by having established the related policies and guidelines in the Company's Corporate Governance policy and Code of Conduct as well as to promote the practice to build confidence and trust in all stakeholders.

In 2022, the Company has monitored and overseen its practice to ensure the compliance with good corporate governance, covering the followings.

- 1) Prevention of Conflict of Interest
- 2) Use of Inside Information
- 3) Anti-corruption
- 4) Whistleblowing
- 5) Disclosure and Transparency

The follow-up report showed that the Company has fully implemented the guidelines on each issue.

#### 1. Prevention of Conflict of Interest

The Company has established a policy on conflict of interest based on the principle that any decision in the business operations and activities must be made solely in the best interests of the Company and should avoid any acts that may cause conflicts of interest. In the event that any person has an interest or is involved in the said transaction, such person must notify the internal audit department supervising such matters for acknowledgement and not enter into such transactions.

In 2022, the Company has examined cases that may cause conflicts of interest as follows.

- In the case of persons involved or connected with the procurement, such person shall notify the Company of his or her relationship or connection in the said transaction and must not participate in the decision making process, including not having an authority to approve that transaction to prevent conflicts of interest.
- The Board of Directors has considered the transactions that may have conflicts of interest and the related transactions carefully, fairly and transparently.
- Compliance with the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC), with prices and conditions similar to transactions with third parties (outsiders) and has disclosed details, transaction value, counterparties, reasons for necessity in the financial statements and 56-1 One Report.
- To promote the Company's corporate governance, in 2022 the Company has reviewed the business ethics/code of conduct in terms of conflicts of interest by adding issues to prevent the use of customer data to prevent and reduce risks in such matters.

#### 2. Use of Inside Information

The Company sees the importance of internal control systems and internal audits. The Company therefore has set up the policies and procedures to supervise directors and executives regarding the use of inside information for their own benefit and determine the blackout period for trading the Company's securities (a period of 30 days prior to the financial statements are released to the public). The Company has also established an internal audit department, which main objectives are to support and promote a good internal control system within the Company to reduce operational risks and to ensure quality in the work system with emphasis on efficiency, effectiveness, prudent and cost-effective spending, including performance in accordance with management's policies. To ensure that the internal

audit department works independently and have a balance of power, the internal audit department is responsible for reporting the operating results directly to the Audit Committee.

In 2022, directors and executives were not found trading securities during the trading restriction period and found no offenses related to the use of insider information to seek benefits. Details as per Section 2 Corporate Governance Policy, 6.1.2 Policy and Guidelines for Shareholders and Stakeholders, Report on changes in securities holdings of directors and executives for the year 2022.

### 3. Anti-corruption

The Company is aware of the problem of corruption that may occur in the organization. Therefore, the Company has established a mechanism to prevent the occurrence of corruption by setting guidelines for prevention and participation against corruption.

In 2022, the Company has implemented the policy and guidelines in various aspects to prevent and fight against corruption problems as summarized below:

#### Announcement of Anti-Corruption Policy

The Company has announced its intention to participate in the Collective Action Coalition of the private sector against corruption and announced its commitment to fight against corruption in various departments within the Company and its subsidiaries through various channels including staff training and intranet system to all concerned parties for acknowledgement and implementation in accordance with the related laws and regulations. The Board of Directors has reviewed the appropriateness of the policy on an annual basis.

#### Corruption News Release Follow-Up

The Company assigns the Company Secretary to regularly follow up the news regarding corruption distributed from the Securities and Exchange Commission (SEC) as well as to notify the executives

to acknowledge them as a case study on corruption issues. The Company has communicated the corruption issues and provided the trainings related to anti-corruption to its employee on an annual basis.

#### Risk Assessment for Corruption

The Company has conducted a meeting to discuss the business risks related to corruption and conducted corruption risk assessment and plans to manage any potential risks reviewed by the Executive Committee and then present to Corporate Investment and Risk Management Committee for consideration. The completeness and sufficiency of all processes has been reviewed and examined by the Audit Committee.

#### Supervision, Control and prevention of Corruption

The Company has appointed the Internal Audit department with experienced and qualified internal auditor to follow up the corruption risk assessment plan, examine the operations of various departments to ensure the compliance with code of conduct and related laws and bring out the efficient and transparent operations in accordance with good corporate governance guidelines

The Company has set the rules for procurement, agreement and reimbursement by specifying the credit limit, approval authority, and purpose of the transactions with full and clear supporting documents as well as an audit system from internal auditors.

The Company has an internal control system covering finance, accounting, data recording and other internal processes related to finance and accounting to ensure that such financial transactions are in accordance with the approved purposes and for transparent business operations.

#### Corruption Evaluation and Corruption Risk Report

The Company has held a joint meeting with the executives and the internal audit department to acknowledge the examination report and potential risks and jointly plan for prevention.

The Company has provided various channels for its employees, all stakeholders and general public to report any violations, unlawful acts, ethical misconduct or fraudulent behavior that implies corruption or matters that may cause problems to the Board of Directors or the Company through electronic systems with personal access codes which can effectively prevent and protect the reporters or complaints.

#### Working Group on Anti-Corruption

The Company has appointed a working group to jointly work with the Internal Auditor responsible for overseeing anti-corruption. In the event that any complaint or notification of fraud occurs via the specified channels, the working group must comply with the confidentiality policy by keeping the confidentiality of the information (Name-surname of the reporter or whistleblower.) to prevent the effects that may occur to those who report clues that are beneficial to the Company. And if the information of the whistleblower is disclosed, the working group overseeing this matter will be subject to disciplinary sanctions.

In 2022, the Company has taken actions against corruption as follows.

- Provided trainings and organized activities to raise employee awareness on anti-corruption during August 24 - 26, 2022 (PCI-FMS training and Safety Week 2022 Project).
- All employees are required to train and test their knowledge and understanding on anti-corruption every year.

- Communicated to its employees regarding the risks that may cause corruption, including the preventive measures such as refraining from accepting gifts during the festival and disseminated through the Company's intranet.

In 2022, No offenses related to anti-corruption have been found.

#### **4. Whistleblowing**

##### Guidelines in the case of a complaint or notification of fraud

The Company has established guidelines in the case of complaint or notification of fraud for the working group to examine and find supplementary information by adhering to the principles of good corporate governance together with the policies, rules, regulations, hospital guidelines and other relevant laws. If it is found that there is a risk of non-transparency in the company's operations, the Audit Committee would independently report the findings to the Board of Directors or Managing Director in order to have a timely solution to the problem and not cause any damages. If any personnel in the Company violates the Company's policy or behaves unethical, the Company will consider the implementation of penalty guidelines or measures suitable for that person according to the regulations of the Company including the relevant legal actions.

In case of matter that may be a problem to the Board of Directors, the Board of Directors shall assign independent directors or the Audit Committee or the internal audit department to take reports or complaints, jointly investigate with the Legal department as the case may be and then reports to the Executives and the Board of Directors.

#### **Channels for whistleblowing and anti-corruption notification**

Department	Contact Number	Fax	E-mail Address
Internal Audit Department	02 033 2900 ext. 5090	02-751-1538-9	internalaudit@chularat.com
Anti-Corruption Working Group	02 033 2900 ext. 3325	02-751-1538-9	anticorruption@chularat.com
Company Secretary	02 033 2900 ext. 3325	02-751-1538-9	companysecretary@chularat.com

In 2022, No whistleblowing of corruption and no offenses related to corruption or misconduct were found.



## 5. Disclosure and Transparency

The Company has a policy to disclose both financial information and general news of the Company to shareholders, investors, analysts as well as the general public in a correct, complete, thorough, equal, transparent and timely manner in accordance with various related laws and regulations. The Company has closely updated and followed up with new regulations and announcement and promptly adjusted the Company's practice to comply with the said regulations. The Company has communicated this policy to all employees for acknowledgement and disclosed such policies through the Company's website as follows:

- Articles of Association, Memorandum of Association, Company Certificate
- Policies and guidelines on Good Corporate Governance, Chularat Hospital Group's employee Code of Conduct (Business Code of Conduct),
- Policy and Guidelines on Human Rights and Labor Practices, Policy on Inside Information and Insider Trading, Risk Management Policy, Policy and Guidelines on Human Resource Development.
- Anti-corruption Policy, Intellectual Property and Copyright Policy, Information Security Management Policy, Tax Policy, Environmental Policy, Sustainable Development Policy, Securities Trading Policy, Policy on the Protection and Mitigation of whistleblowers, etc.

The Company's Financial Information and other material information that may affect the interests of shareholders or investment decisions or may affect the Company's share or securities price shall be disclosed in a timely, adequate, transparency and complete manner. The Board of Directors has provided a report on its responsibility to the Financial Statements along with the auditor's Audit Report as shown in 56-1 One Report in order for the management to be fully aware of the mission and responsibility for an accurate and complete

financial information and reports prior to being publicly disclosed to the investors.

## The Company's Information Dissemination Channels

In addition to the disclosure of information under the requirements of the regulation and any relevant laws, the Company also has an investor relations department as a contact channel for the investors, analysts both domestically and internationally as well as those involved or the public who are interested in the Company.

In 2022, the Company's Top Managements and Investor Relations team has communicated and provided the information to relevant parties on various occasions as follows:

1. Presented the Company's information to the investors. There were more diverse groups of investors attending each meeting.
2. Organized Analyst Meetings to communicate the Company's operating results to the investors and analysts on a quarterly basis.
3. Organized IR Activities: Roadshows and Virtual Conference Calls via ZOOM and Teams with the investors and analysts as well as to provide key information on any enquiries from the investors and analysts via email, LINE and telephone calls.
4. Due to the COVID-19 situation, the Company has continuously implemented the Social Distancing policy. Therefore, the Company did not organize the Company Visits or Site Visits to the investors and analysts.

## 8.2 Report on the performance of the Audit Committee

The Board of Directors has appointed the Audit Committee of Chularat Hospital Public Company Limited, which consists of three (3) independent directors qualified under the rules of the Stock Exchange of Thailand (SET). Two (2) Audit

Committee members are the persons with sufficient knowledge and experience to be responsible to review the reliability of financial statements.

### 8.2.1 Number of meetings and meeting attendance

In 2022, the Audit Committee had a total of five (5) meetings in which all members of the Audit Committee have attended (100% of all 5 meetings). There was a meeting with the auditor without management attended the meeting. In each meeting, there was an agenda with the auditor; the internal audit manager has attended the meeting and acted as the secretary of the Audit Committee to facilitate the performance of the Audit Committee to be in accordance with the Charter of the Audit Committee. The Audit Committee has summarized the meeting result in the report of Audit Committee and presented to the Board of Directors for acknowledgement.

### 8.2.2 Performance of the Audit Committee

Base on the performance of 2022, the Audit Committee concluded the opinions with key information as follows:

1. Reviewed the quarterly financial statements and the annual financial statements 2022 of the Chularat Hospital Public Company Limited and its subsidiaries on significant issues by querying and gathering comments from management and the auditors regarding the accuracy, completeness and reliability of the financial statements and adequate disclosure of information. The Audit Committee has agreed with the auditor that the financial statements have been prepared correctly in accordance with generally accepted accounting standards.
2. Reviewed the Internal Control system of the Company and agreed that it is as appropriate and effective as it should be.
3. Supervised on the related transactions or the transactions with conflicts of interest appeared

in 2022 and considered them as usual as normal business and reasonable for the interests of the Company, including adequate disclosure of information according to the requirements of the Stock Exchange of Thailand (SET).

4. Supervised the Company to act in accordance with the guidelines and laws regarding the Securities and Exchange Commission (SEC) as well as other laws and regulations related to the business of the Company.
5. Supervised the Company's financial statement for the fiscal period ended 31 December 2022. The certified public accountant to audit the financial statements of the Company is Ms. Kosum Cha-Em, Certified Public Accountant No. 6011. The Company has considered the performance of the auditor in the past fiscal periods, and agreed that EY Office Limited is a professional who operates independently and has understanding towards the business of the Company. Therefore, the Board of Directors of the Company has proposed to the Annual General Meeting of Shareholders to appoint EY Office Limited to be the Auditor of the Company for another year. The Board of Directors has proposed Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313 or Mr. Vorapoj Amnuaypanich, Certified Public Accountant No. 4640 or Mr. Kritsada Lerdwana, Certified Public Account No. 4958 of EY Office Limited to be the auditors of the Company for 2023 with their total remuneration of 1.60 million Baht.

The Audit Committee has performed the duties and responsibilities assigned by the Board of Directors with caution in order to fully benefit the shareholders and all stakeholders of the Company.

**(Mr. Manit Jeeradit)**

Chairman of the Audit Committee  
Chularat Hospital Public Company Limited

## 8.3 Performance of Sub-Committee

### 8.3.1 Number of meetings and meeting attendance

#### Summary of Meeting Attendance of Directors and Executives in Sub-Committee meetings in 2022

Director	Position	Number of Attendance/Total Meeting (Time)				
		Audit Committee	Executive Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Corporate Investment and Risk Management Committee
1. Mr. Kriengsak Plussind	Chairman of Board of Directors, Chairman of Corporate Governance Committee				1/1	
2. Dr. Kumpol Plussind	Director, Chief Executive Officer		18/18			
3. Mr. Apirum Panyapol	Director, Chairman of the Corporate Investment and Risk Management Committee (appointed on 13 December 2018)					1/1
4. Dr. Wichit Siritattamrong	Director					
5. Dr. Suchai Laoveerawat	Director, Executive Committee, Corporate Investment and Risk Management Committee		18/18			1/1
6. Mrs. Kobkul Panyapol	Director					
7. Mr. Yanyong Amornpitakkul	Director, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee			3/3		1/1
8. Ms. Kannikar Plussind	Director, Corporate Investment and Risk Management Committee					0/1
9. Mr. Manit Jeeradit	Chairman of the Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee	5/5		3/3	1/1	
10. Mr. Somyos Yan-ubol	Audit Committee, Independent Director, Corporate Governance Committee, Nomination and Remuneration Committee, Corporate Investment and Risk Management Committee	5/5		3/3	1/1	1/1
11. Mr. Chayawat Pisessith (resigned on 12 May 2022)	Audit Committee, Independent Director, Nomination and Remuneration Committee, Corporate Governance Committee	2/2		2/2		
12. Mr. Santhat Sanguandikul (appointed on 13 May 2022)	Audit Committee, Independent Director, Nomination and Remuneration Committee, Corporate Governance Committee	3/3		1/1	1/1	
13. Dr. Pinit Kullavanijaya	Independent Director, Chairman of Nomination and Remuneration Committee			3/3		
14. Dr. Yudthana Sanguansakdikosol	Executive Committee		18/18			
15. Dr. Chutima Pinjareon	Executive Committee, Corporate Investment and Risk Management Committee		18/18			0/1
16. Mrs. Wandee Pisanuvanavej	Deputy Chief Executive Officer, Administrative Director, Company Secretary	4/5*	18/18	3/3	1/1	1/1
17. Mr. Suppachoke Rojcheewin	Chief Financial Officer	4/5*	18/18			

**Note :** \* Attended 4 out of 5 meetings because 1 meeting was a meeting with the auditor without the management.

### 8.3.2 Report on the Performance of Sub-Committee

Performance Reports of five (5) Sub-Committees as of December 31, 2022 are as follows:

#### 1. Report on the Performance of Executive Committee

The Board of Directors has appointed the Executive Committee of Chularat Hospital Public Company Limited, which consists of four (4) executive members who are qualified and have sufficient knowledge and experience to perform their duties and responsibilities.

In 2022, the Executive Committee had a total of eighteen (18) meetings in which all members have attended (100% of all 18 meetings). The Executive Committee has summarized the meeting result in the report of Executive Committee and presented to the Board of Directors for acknowledgement.

Base on the performance of 2022, the Executive Committee concluded the opinions with key information as follows:

1. Operated and managed business and affairs of the Company according to objectives, Articles of Association, policies, rules, regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders' meeting of the Company in all aspects.
2. Fully reviewed the policies, directions, business strategies, financial plan, budget, human resource management, Information technology investment, and public relations activities.
3. Supervised the operation of the working groups to meet the set policies and goals.
4. Fully considered the allocation of the annual budget proposed by the management before presenting to the Board of Directors for consideration and approval.
5. Fully reviewed and approved the procurement projects with credit limit not to exceed Baht 5 million for each transaction.
6. Approved the spending in major investments defined in the annual budget as assigned by the Board of Directors or has been already approved in principle.
7. Considered and approved loans, financing or any loan application in an amount not to exceed 5 million baht for each transaction.
8. Considered the profit and loss of the Company, proposed interim dividend or annual dividend to the Board of Directors for approval. In 2022, the Company paid one annual dividend and one interim dividend.
9. Fully reviewed the organizational structure, corporate management, including appointing, hiring, assigning, transferring, setting wages, commissions, bonuses of non-executive employees and management level and termination.
10. Reviewed the authorization of director or any other person or persons to operate any duty under the control of the Executive Committee or may delegate authority to such persons as the Executive Committee deems appropriate and within the Executive Committee's discretion. The Executive Committee may revoke or amend the power of attorney or the person receiving it as appropriate. In 2022, there is no cancellation or revocation of the assigned person or authorization in any way.

**(Dr. Kumpol Plussind)**

Chief Executive Officer

Chularat Hospital Public Company Limited

## 2. Report on the Performance of the Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee of Chularat Hospital Public Company Limited, which consists of five (5) members (4 independent directors and 1 director) who are qualified and have sufficient knowledge and experience to perform their duties and responsibilities.

In 2022, the Nomination and Remuneration Committee had a total of three (3) meetings in which all members have attended (100% of all 3 meetings). The Nomination and Remuneration Committee has summarized the meeting result in the report of Nomination and Remuneration Committee and presented to the Board of Directors for acknowledgement.

Base on the performance of 2022, the Nomination and Remuneration Committee concluded the opinions with key information as follows:

1. Fully reviewed structure, size and composition of the Company's committee and sub-committee including the determination of the guidelines or policies for nominating the person to be selected as the director and sub-committee according to defined structure, size and composition of the Company. The Company has given the shareholders an opportunity to propose qualified persons to be nominated as the directors of the Company. Details on this is disclosed on the Company's website. In 2022, no one nominated a list of persons to be appointed as directors of the Company.
2. Considered and nominated Mr. Santhat Sanguandikul to be appointed as a director and the director of the Sub-Committee of the Company to the Board of Directors on May 13, 2022, due to Mr. Chayawat Pisessit resigned

from the position, as well as reviewed the criteria and guidelines for succession plan of top management on an annual basis.

3. Proposed a policy and guidelines for determining the remuneration, both financial and nonfinancial, for the Board of Directors, Sub-Committee and Chief Executive Officer in accordance with the Company's operating result and other companies in the same industry and presented to the Board of Directors meeting on February 24, 2022 and to the shareholders' meeting for approval on April 22, 2022.
4. Reviewed the performance assessment criteria for the Board of Directors in order to assess the overall performance of the Board of Directors. The assessment results of the Board of Directors for the year 2022 is at "Very Good" level.
5. Fully assessed company's operating result for determination of salary structure, bonus and other remuneration, including the Company's annual pay increase by considering an appropriate standard in healthcare business.

**(Dr. Pinit Kullavanijaya)**

Chairman of the Nomination and  
Remuneration Committee

Chularat Hospital Public Company Limited

## 3. Report on the Performance of the Corporate Governance Committee

The Board of Directors has appointed the Corporate Governance Committee of Chularat Hospital Public Company Limited, which consists of four (4) members (3 Independent Directors and 1 Director) who are qualified and have sufficient knowledge and experience to perform their duties and responsibilities.



In 2022, the Corporate Governance Committee had one (1) meeting in which all members have attended (100% of 1 meeting). The Corporate Governance Committee has summarized the meeting result in the report of Corporate Governance Committee and presented to the Board of Directors for acknowledgement.

Base on the performance of 2022, the Corporate Governance Committee concluded the opinions with key information as follows:

1. Fully Reviewed and proposed the Corporate Governance policy as appropriated for the Company's business and presented to the Board of Directors, as well as monitored the Company's operation in accordance with good corporate governance principles, including promoted the good corporate governance culture within the organization and reported the performance of other duties according to the Company's Charters.
2. Provided suggestions to the Board of Directors on matter related to Corporate Governance.
3. Reviewed Corporate Governance principle, business ethics (Code of Conduct), employee ethics, significant regulations, and up-to-date working process and guidelines as appropriated for Company's business and in accordance with the Stock Exchange of Thailand (SET)'s practice, the Securities and Exchange Commission of Thailand (SEC) 's practice, Capital Market Supervisory Board and other related laws related to the Company's business. In 2022, the Company has determined additional corporate governance policies covering all aspects of corporate governance practices such as policies on Human Rights and Labor Practices, Policy

on Intellectual Property and Copyright, Policy on Inside Information and Insider Trading, Anti-Corruption Policy, Information Security Management Policy and other important policies which are publicly available on the Company's website. With emphasis on Personal Data Protection Policy (Privacy Policy), the Company has appointed a Data Protection Officer (DPO) and relevant working groups, including to provide the knowledge on this thru the intranet system and provide the seminars and trainings to all employees (100%). The Company has also assigned the Executive Committee and the working group to perform and manage on Corporate Sustainability.

4. Reported the performance and practice on good corporate governance to the Board of Directors on November 10, 2022 and determined the guidelines for reporting the performance of good corporate governance in 56-1 One Report.

In 2022, the Company has acted in accordance with the principles of good corporate governance to support the following assessments and awards.

- Corporate Governance Report: CGR by the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand (SET)
- Shareholders' Annual General Meeting Quality Assessment (AGM Checklist) by the Thai Investors Association
- SET Awards 2022 with market capitalization of over THB 30,000 million but not more than THB 100,000 million) by the Stock Exchange of Thailand (SET)

- Thailand Sustainability Investment Assessment (THSI) by the Stock Exchange of Thailand (SET) Listed companies on THSI are the companies operate sustainably with regard to the environmental and social responsibility under good corporate governance principles (ESG). This would be an alternative for the investors who would like to invest in accordance with Responsible Investment guideline.

The details of the above assessment results and awards are shown in Section 2 Corporate Governance, 6 Corporate Governance Policy, 6.3.1 Significant Changes and Developments regarding Policy, Guidelines and Corporate Governance System or Charter.

**(Mr. Kriengsak Plussind)**

Chairman of the Corporate

Governance Committee

Chularat Hospital Public Company Limited

#### **4. Report on the performance of the Corporate Investment and Risk Management Committee**

The Board of Directors has appointed the Corporate Investment and Risk Management Committee of Chularat Hospital Public Company Limited, which consists of six (6) members (1 Independent Director, 3 Directors, 2 Executives) who are qualified and have sufficient knowledge and experience to perform their duties and responsibilities.

In 2022, the Corporate Investment and Risk Management Committee had one (1) meeting in which all members have attended (100%). The Corporate Investment and Risk Management Committee has summarized the meeting result in the report of Corporate Investment and Risk Management Committee and presented to the Board of Directors for acknowledgement.

Base on the performance of 2022, the Corporate Investment and Risk Management Committee concluded the opinions with key information as follows:

1. Determined strategies, goals, policies, investment plan and policies of risk management plan from investment and reviewed all aspects of risks on annual basis. In 2022, the Committee increased from 4 risk domains to 8 risk domains for more risk management and assessment coverage, which are Operational risk, Clinical/Patient Safety risk, Strategic risk, Financial risk, Human Capital risk, Legal and Regulatory, Technology and Hazard. As of December 31, 2022, the results of all 8 types of risk assessments were at an acceptably low level and complied with the regulations and guidelines on Social and Environment and emerging risks. Monitored and managed risk issues, ensured the adequacy and efficiency of the risk management system and performed other duties in accordance with the charters
2. Fully reviewed and considered the structure, appropriations and possibilities of investment presented by the management, including to consider an annual capital expenditures, budget plan for corporate expansion plan, merger and acquisition plan and/or joint investment by the Company and subsidiaries both domestically and internationally and presented to the Board of Directors for approval.
3. Reviewed the Company's financial position to assess the Company's investment capability prior to approval for investment in that project.
4. Investigated, monitored and assessed all approved projects and presented the investment result to the Board of Directors for acknowledgement, including the determination of appropriate control for reducing investment risk.

5. Assessed contingent risk both internal and external and possible effects to the Company on an annual basis.
6. Reviewed policy and measure of risk management for the Company's practice.
7. Developed and reviewed the policy or measures for risk management to ensure an efficiency and effectiveness by regularly assessing and monitoring risk management procedure in accordance with the determined and defined policies.
8. Reported the occurred risk and recommendations to the Audit committees and the Board of Directors on December 20, 2022.
9. Supervised and monitored the risk management system of the Company to ensure that the risk is always at an acceptably low level.

**(Mr. Apirum Panyapol)**

Chairman of the Corporate Investment and  
Risk Management Committee  
Chularat Hospital Public Company Limited

## Overview of other important operations in 2022

- The Company has emphasized more on the Corporate Sustainability (ESG). The Company has set up the working group and conducted several activities and projects to help reducing GHG emissions, the efficient use of water and electricity, etc.
- NO corruption offenses or misconduct were found.
- NO insider trading offense were found or not being warned or punished for the offense of using inside information from the Office of Securities and Exchange Commission (SEC).
- None of the non-executive directors resigned due to the issues related to the Company's corporate governance.
- NO disputes on the Company's reputation due to the failure of the Board of Directors' supervisory duties were found.

# Internal Control and Connected Transactions

## 9.1 Internal Control

### The Board of Directors' opinion on the internal control system

The Board of Directors and Management have a direct duty and responsibility to put in place and maintain an internal control system covering financial control, operation, corporate governance, and risk management. Therefore, the Board of Directors has appointed the Audit Committee with authority and duty to verify and ensure that the Company's financial reports are accurate and adequate, the Company has an appropriate and effective internal control system, the Company has an appropriate risk evaluation and management, the Company acts in accordance with the Securities and Exchange Acts, the Stock Exchange of Thailand (SET)'s rules and regulations, and relevant laws and regulations with the Company's business. (Risk Management: Section 1 Business Operations and Operating Results - 2. Risk Management)

#### 9.1.1 Sufficiency and Appropriateness of Internal Control System

The Company has an appropriate number staffs and teamwork to ensure the efficiency of the internal control system.

#### Roles and Responsibility of Internal Audit Department

1. Internal Audit department has duties and responsibilities to make an independent assessment of internal control and to ensure that the Company has complied with relevant laws and regulations.
2. The Company has set up an internal audit department to inspect the operation of each departments of the Company and subsidiaries, as well as to present a report to the Audit Committee

in every meeting. The Audit Committee shall review an internal audit report with the internal audit department and provide recommendations necessary for improving the policy of the internal audit department and the internal audit system of the Company.

The Audit Committee shall hold a meeting at least four (4) times a year and held five (5) meetings in 2022 with a report on the Audit Committee's opinions, presenting to the Board of Directors for consideration and to be disclosed in the Company's 56-1 One Report.

3. For overseeing the subsidiaries, the Company has appointed a representative as a director in subsidiaries and assigned the Company's internal audit department to examine the sufficiency of an internal audit system of subsidiaries in various aspects and to report to the Company's Audit Committee for acknowledgement to ensure the efficiency of subsidiaries' operations.
4. The Company has prepared a handbook on financial allowance (credit limit) and authorization, determining the scope of responsibility, decision authority and commands base on the level of position. The Company has a policy to review the said handbook every year to ensure an appropriateness for the Company's business operation in the future.

#### Internal Control

The Company has put in place an adequate and effective internal control system to monitor the operations of its subsidiaries to ensure that the assets of the Company and its subsidiaries are not misused by directors or management or without an authorization, including any transactions

with persons who may have conflicts of interest and the related parties. For internal controls on other aspects, the Board of Directors viewed that the Company has adequate and effective internal controls as well.

The Audit Committee has reviewed the internal control systems of the Company for the year 2022 in the meeting No. 5/2022 dated December 8, 2022 and presented to the Board of Directors' Meeting No. 1/2023 held on February 23, 2023, with three (3) Audit Committee members attended this meeting. The Board of Directors has reviewed and assessed the Company's internal control system by requesting for the information from the management and concluded that the Company's internal control systems for five (5) elements are adequate and appropriate which are

- 1) Internal Control
- 2) Risk Assessment
- 3) Operational Control
- 4) Communications and Information Systems
- 5) Monitoring systems

The Board of Directors has viewed that the Company's internal control is adequate and appropriate in accordance with the Internal Control System Sufficiency Assessment Form of the Securities and Exchange Commission (SEC).

### **9.1.2 Deficiencies of Internal Control System**

As of December 31, 2022, no significant deficiency in the internal control system was found.

### **9.1.3 Opinion of the Audit Committee in case of difference from that of the Board of Directors**

As of December 31, 2022, no difference on the opinion of the Audit Committee and that of the Board of Directors on Internal Control were found.

### **Auditor's Notification**

EY Office Company Limited, an auditor of financial statements - Quarterly and 2022, has no notification /observation on the Company's Internal Control System in Finance and Accounting.

### **9.1.4 Opinion of the Audit Committee in supervising the person holding the position of Head of Internal Audit**

#### **The Company's Internal Audit Manager**

The Audit Committee meeting held on February 18, 2019 No. 1/2019 made a resolution to appoint Ms. Khemkulkorn Toomthong as an internal audit manager from January 1, 2019 onward. Ms. Khemkulkorn Toomthong has an experience on internal audit for ten (10) years and was trained in programs related to internal audit operation i.e. Certified Professional Internal Audit of Thailand (CPIAT) from the Institutes of Internal Auditors Thailand and Internal Auditing Certificate Program (IACP) from Federation of Accounting Profession and possess an understanding of the Company's activities and operations. Therefore, Ms. Khemkulkorn Toomthong is appropriate in terms of education, qualifications, experiences and trainings to perform the mentioned duty.

According to the Audit Committee meeting No. 5/2022 on December 8, 2022, all three (3) Audit Committee members have evaluated the performance of internal audit manager of the Company for 2022 and agreed that the performance met with internal audit standard, holding knowledge and ability to work in accordance with the audit policy assigned by the Audit Committee.

### **9.1.5 Guidelines for Appointment, Termination and Transfer of the Head of Internal Audit**

An appointment, termination and transfer of person holding a position of internal audit manager of the Company shall be considered and approved by Audit Committee.



# Internal Control System Sufficiency Evaluation Form

Chularat Hospital Group (Public) Company Ltd,  
February 21, 2023



This evaluation form is prepared by the Board of Directors  
The opinion of the Board of Directors  
regarding the Sufficiency of the Internal Control System

## 9.2 Connected Transactions

### Connected Transactions

Connected transactions in 2021 and 2022, as ended December 31, 2021 and December 31, 2022 between the Company and subsidiaries and individual/juristic person with a possibility of conflict of interest can be summarized as follows:

Person/Juristic person with conflict of interest and made transaction with the Company and/or subsidiaries	Nature of Business	Relationship
1. Dr. Kumpol Plussind	-	<ul style="list-style-type: none"> <li>The major shareholder of the Company, at book closing date December 30, 2022, the Plussind group holds 37.56% of the Company's share.</li> <li>Holding position as a Director and Chief Executive Officer /Managing Director in the Company and holding a position as Director in 10 subsidiaries.</li> </ul>

### 9.2.1 Details on connected transactions with persons who may have conflicts

Connected Transactions of the Company and its subsidiaries with related individuals for the fiscal year ended December 31, 2022.

#### General Goods and Service Trade

Related individual / juristic person	Nature of Connected Transactions	Value of transaction (Million Baht)		Reason and Necessity	Opinion(s) of Audit Committee
		2021	2022		
1. Doctor who holds a position as director or executive	<b>Doctor Fee:</b> Compensation in the form of doctor fee paid to directors and executives of the Company, including 6 related persons	32.29	33.47	<b>Pricing Determination</b> Doctor fee was determined based on the criteria set by Royal Colleges of Medical Doctor, which equals to the doctor fee the Company paid to other doctors within the Group.	Such transaction is necessary and reasonable because the Company has to pay the mentioned doctor fee with same rate to other doctors within the Group.
	• Account payable sum at the end of fiscal year	2.89	2.01	<b>Terms of Payment</b> Within 30 days according to normal trade condition.  <b>Trend of Future Connected Transactions</b> The mentioned transaction is the normal trade that would continuously happen in the future under normal conditions.	

## Lease of land and property

Related individual / juristic person	Nature of Connected Transactions	Value of transaction (Million Baht)		Reason and Necessity	Opinion(s) of Audit Committee
		2021	2022		
1. Dr. Kumpol Plussind	<b>Building Rental Fee:</b> The Company has an expense from renting 2 units of 4.5-storey commercial building, 416 square meter utilizable space as the storage area of the Company's document. • Account payable sum at the end of fiscal year	0.36	0.36	<b>Rental Fee Determination</b> Lease agreement for 3 years, from November 1, 2021 to October 30, 2024, with rental fee of Baht 30,000 per month <b>Terms of Payment</b> Lease agreement requires the client to make an advance monthly payment as specified on an agreement. <b>Trend of Future Connected Transactions</b> The mentioned transaction is the transaction that will continue in the future under fair rental fee evaluation and general lease conditions.	The mentioned transaction is necessary and reasonable because the Company needs to use the mentioned building area for document storage, and the rental fee is in line with the evaluated price by independent valuer.

### 9.2.2 Necessity and Reasonableness of the Connected Transactions

In 2022, the Company and its subsidiaries have entered into connected transactions with related businesses in accordance with the Securities and Exchange Act and/or the rules or regulations of the Stock Exchange of Thailand (SET) and/or the notification of the Capital Market Supervisory Board. Moreover, to protect the investors and ensure the transparency, in case where the Company and/or its subsidiaries have to enter into connected transactions with connected persons, the Company has assigned the Audit Committee to supervise such connected transactions to be made fairly. In the event that the Audit Committee do not have the expertise in considering potential connected transactions, the Company has set the policy to assign the independent persons with knowledge and professional expertise to provide opinions on such transactions and employ the opinions for the decision making of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting, as the case may be.

### Measures or Procedures for the approval of the connected transaction

Directors or persons who may have conflicts of interest or there may be any conflict of interest with the Company have no right to vote in approving the said connected transactions.

### 9.2.3 Policy and Trend of Future Connected Transaction

With regards to the connected transactions that may occur in the future, Directors must comply with the specified rules and regulations, and the directors shall have no right to vote on any transactions that he/she or a person who may have conflict of interest in any cases. The said connected transactions must be disclosed and reported to the Board of Directors for consideration.

Moreover, in the event that the Audit Committee has to provide opinions on the appropriateness of such transaction and the Audit Committee has no proficiency in considering such connected transaction, the Company shall assign an individual with knowledge and professional expertise i.e. public accountant, independent asset valuer, to provide opinions on connected transactions. Opinions of the

Audit Committee and that of persons with expertise shall be employed in the decision making of the Board of Director or shareholders, as the case may be, to ensure that the mentioned transactions will not be a relocation or transfer of benefits and interests between the Company or persons who may have conflict of interest with the Company, but will be a transaction that the Company has taken into consideration the best interests of all shareholders.

- Normal business transactions and normal business supporting transactions under general commercial conditions/terms i.e. service provision and buying or selling of commodities, the Company has set a policy on connected transaction with terms and conditions in accordance with normal commercial conditions at the market price comparable to the price from third parties and strictly comply with the agreement as well as setting a clear and fair prices and conditions for each transaction, and not causing a transfer of benefit. In this regard, the internal audit department shall verify the information and prepare the report to the Audit Committee for consideration and provide opinions on the appropriateness of the price and reasonableness of transactions every quarter.
- Normal business transactions and normal business supporting transactions with no general commercial conditions and other connected transactions i.e. building rental transactions as well as financial assistance transactions such as loans, guarantee, etc. In this regard, the Company has set a policy to propose such transactions to the Board of Director meeting

for approval. The Audit Committee shall join the meeting and provide opinions on the reasonableness and necessity of transaction before proceeding. The Company must strictly comply with the Securities and Exchange Act, rules, regulations and notifications of the office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including the regulations regarding disclosure of information on connected transactions and acquisition or disposition of important assets of the Company or subsidiaries (if any) as well as in compliance with accounting standards regarding disclosure of individuals or related activities stipulated by the Federation of Accounting Profession under the Royal Patronage of His Majesty the King. The Company shall disclose connected transactions in the notes to the Company's financial statement and 56-1 One Report.

Trends of future connected transactions shall be in the Company's normal business operation, i.e. the payment of remunerations for directors as doctors, drug purchase, building rental, etc. Furthermore, the Company may have necessity to provide additional supports to its subsidiaries in terms of loan guarantees and/or loans and shall carry out the said transactions with transparency and strictly act in accordance with the Company's policy on connected transactions, rules and regulations of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and that of any relevant governing bodies.

Section

3



## Financial Statements



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

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, the separate financial statements of the Company and the financial information in the Annual Report (56-1 One Report). The said financial statements for the year ended December 31, 2022 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis. Where judgement and estimates were required, these were made with careful and reasonable consideration, and adequate disclosure have been made in the notes to the financial statements to show the financial position, operating results and cash flow in accurate and transparency manner for the benefits of shareholders and general investors and was audited by a certified public accountant from EY Office Limited, who gave an unqualified opinion. The Company has provided the supported information and document so that the auditor can verify and give opinions according to auditing standards.

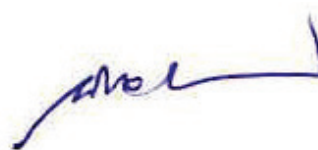
The Board of Directors has established an internal control system, risk management system and appropriate and effective governance to reasonably ensure that the financial information is accurate, complete and sufficient to maintain the Company's assets and prevent risk as well as to prevent frauds or materially irregular operations.

The Board of Directors has appointed the Audit Committee where all members are independent directors who are responsible for reviewing the accounting policies, the quality of the financial statements, the internal control system, the internal audit and risk management system. Risk Management Committee has participated in the assessment and considered the disclosure of connected transactions in a complete, adequate and appropriate manner. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee which is presented in this Annual Report (56-1 One Report).

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can reasonably assure the creditability of the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the year ended December 31, 2022, by adhering to generally accepted accounting standards and complying with relevant laws and regulations.



**Mr. Kriangsak Plussind**  
Chairman of the Boards



**Dr. Kumpol Plussind**  
Managing Director

Chularat Hospital Public Company Limited  
and its subsidiaries

**Report and consolidated financial statements**

31 December 2022



## Independent Auditor's Report

To the Shareholders of Chularat Hospital Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Chularat Hospital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Chularat Hospital Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chularat Hospital Public Company Limited and its subsidiaries and of Chularat Hospital Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Emphasis of Matters

I draw attention to Note 14 to the consolidated financial statements regarding the acquisitions of investments in associates, for which the Group is currently assessing the fair value the identifiable assets acquired and liabilities assumed at the acquisition date. My opinion is not modified in respect of this matter.

## Key Audit Matters

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

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

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

### *Estimation of accrued medical treatment income*

The Group has revenues from the provision of medical services to patients under the government welfare schemes of the Social Security Office and the National Health Security Office. The amounts of such revenues are determined based on government policy, the number of insured persons registered with the Group, and statistical information on the services provided by the Group. As discussed in Note 9 to the consolidated financial statements, as at 31 December 2022, the Group had accrued medical treatment income from the above government agencies amounting to Baht 2,010 million, representing 20% of total assets. An estimation of accrued medical treatment income requires management to exercise significant judgement. There is thus a risk of the amount of revenue from hospital operations.

I have examined the revenue recognition from hospital operations and the accrued medical treatment income by

- Assessing and testing the Group's internal controls with respect to the revenue cycle and the estimation of accrued medical treatment income 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.
- Assessing the appropriateness of the criteria, methodology and conditions applied by the Group in estimating accrued medical treatment income in accordance with government policy.

- Performing the reasonableness of past estimates of accrued medical treatment income by comparing those estimates with the actual amounts received.
- Examining cash receipt transactions relating to accrued medical treatment income subsequent to the period-end date.

*Revenue recognition from hospital operations, excluding revenue from government sector welfare schemes*

Revenue from hospital operations, excluding revenue from the Social Security Office and the National Health Security Office, is considered an account significant to the financial statements because there are a large number of revenue transactions. The revenue also has a number of components, such as revenue from medical fees, revenue from sales of medicines and revenue from hospital rooms, and is derived from provision of services to various types and a large number of customers. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's 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 and significant ratios relating to revenue recognition, including comparison with historical data, in order to detect possible irregularities in revenue transactions throughout the period, especially accounting entries made through journal vouchers.
- On a sampling basis, examining supporting documents for revenue transactions occurring during the year.

**Other Information**

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



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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Kosum Cha-em

Certified Public Accountant (Thailand) No. 6011

EY Office Limited

Bangkok: 23 February 2023

## Chularat Hospital Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,000,739,657	2,789,666,431	388,977,551	781,073,730
Trade and other receivables	8	756,834,541	616,282,381	528,637,735	544,952,909
Accrued medical treatment income	9	2,009,924,247	1,820,524,285	1,050,753,532	775,854,444
Inventories	10	265,007,088	295,094,550	126,860,160	149,495,824
Other current assets	11	25,960,051	375,614,970	14,282,249	210,976,787
<b>Total current assets</b>		<b>5,058,465,584</b>	<b>5,897,182,617</b>	<b>2,109,511,227</b>	<b>2,462,353,694</b>
<b>Non-current assets</b>					
Restricted bank deposits		607,229	607,116	-	-
Long-term loans to related parties	6	-	-	332,374,476	502,474,476
Other non-current financial assets	12	-	-	-	-
Investments in subsidiaries	13	-	-	2,517,290,060	2,204,290,060
Investments in associates	14	141,764,859	-	-	-
Investment properties	15	75,653,885	75,653,885	298,000	298,000
Property, plant and equipment	16	4,673,806,965	4,286,300,725	1,269,639,501	1,245,203,208
Right-of-use assets	21	74,621,522	72,075,973	26,818,921	21,169,147
Intangible assets	17	56,159,186	34,464,604	45,104,911	21,660,577
Goodwill		47,283,766	47,283,766	-	-
Deferred tax assets	27	31,805,437	25,149,248	17,270,302	13,463,833
Other non-current assets		119,815,228	110,969,315	76,624,007	14,532,961
<b>Total non-current assets</b>		<b>5,221,518,077</b>	<b>4,652,504,632</b>	<b>4,285,420,178</b>	<b>4,023,092,262</b>
<b>Total assets</b>		<b>10,279,983,661</b>	<b>10,549,687,249</b>	<b>6,394,931,405</b>	<b>6,485,445,956</b>

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

## Chularat Hospital Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	18	400,000,000	34,000,000	400,000,000	-
Trade and other payables	19	850,640,394	842,172,436	371,874,144	357,980,955
Current portion of long-term loans from financial institutions	20	65,284,507	97,057,567	-	-
Current portion of lease liabilities	21	24,240,855	19,669,494	6,855,193	3,988,082
Income tax payable		143,599,949	729,238,145	43,264,585	342,899,619
Other current liabilities	22	318,016,326	486,161,440	68,465,873	458,763,398
<b>Total current liabilities</b>		<b>1,801,782,031</b>	<b>2,208,299,082</b>	<b>890,459,795</b>	<b>1,163,632,054</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	20	333,815,396	313,488,579	-	-
Lease liabilities, net of current portion	21	47,048,898	49,867,021	21,724,095	19,347,990
Provision for long-term employee benefits	23	154,652,902	121,350,316	83,712,040	64,273,142
Derivatives liabilities	34	53,917,266	869,591	-	-
Deferred tax liabilities	27	10,557,705	10,868,433	-	-
Other non-current liabilities		14,319,730	3,980,131	-	-
<b>Total non-current liabilities</b>		<b>614,311,897</b>	<b>500,424,071</b>	<b>105,436,135</b>	<b>83,621,132</b>
<b>Total liabilities</b>		<b>2,416,093,928</b>	<b>2,708,723,153</b>	<b>995,895,930</b>	<b>1,247,253,186</b>

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



**Chularat Hospital Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
11,000,000,000 ordinary shares of Baht 0.1 each		1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Issued and fully paid					
11,000,000,000 ordinary shares of Baht 0.1 each		1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Share premium		1,146,084,819	1,146,084,819	1,146,084,819	1,146,084,819
Retained earnings					
Appropriated - statutory reserve	24	110,000,000	110,000,000	110,000,000	110,000,000
Unappropriated		5,167,072,265	5,212,854,865	3,042,950,656	2,882,107,951
Equity attributable to owners of the Company		7,523,157,084	7,568,939,684	5,399,035,475	5,238,192,770
Non-controlling interests of the subsidiaries		340,732,649	272,024,412	-	-
Total shareholders' equity		7,863,889,733	7,840,964,096	5,399,035,475	5,238,192,770
Total liabilities and shareholders' equity		10,279,983,661	10,549,687,249	6,394,931,405	6,485,445,956

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

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Directors

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## Chularat Hospital Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from hospital operations		10,103,108,959	11,742,167,209	4,416,220,825	5,113,651,904
Dividend income	13	-	-	1,770,000,000	190,000,000
Other income		304,568,105	257,287,130	10,967,380	11,141,522
<b>Total revenues</b>		<b>10,407,677,064</b>	<b>11,999,454,339</b>	<b>6,197,188,205</b>	<b>5,314,793,426</b>
<b>Expenses</b>					
Cost of hospital operations		5,907,988,705	5,882,485,441	2,455,010,309	2,325,940,051
Administrative expenses		934,882,925	821,270,678	473,555,859	444,175,296
<b>Total expenses</b>		<b>6,842,871,630</b>	<b>6,703,756,119</b>	<b>2,928,566,168</b>	<b>2,770,115,347</b>
<b>Operating profit</b>		<b>3,564,805,434</b>	<b>5,295,698,220</b>	<b>3,268,622,037</b>	<b>2,544,678,079</b>
Share of loss from investments in associates	14	(1,106,716)	-	-	-
Finance income		6,079,247	1,901,446	15,433,817	21,096,464
Finance cost	25	(16,277,159)	(21,379,966)	(4,541,684)	(6,232,934)
<b>Profit before income tax expenses</b>		<b>3,553,500,806</b>	<b>5,276,219,700</b>	<b>3,279,514,170</b>	<b>2,559,541,609</b>
Income tax expenses	27	(703,370,825)	(1,008,932,478)	(301,125,939)	(470,462,907)
<b>Profit for the year</b>		<b>2,850,129,981</b>	<b>4,267,287,222</b>	<b>2,978,388,231</b>	<b>2,089,078,702</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	23	(24,819,175)	-	(15,683,927)	-
Income tax effect	27	4,963,835	-	3,136,785	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(19,855,340)	-	(12,547,142)	-
<b>Other comprehensive income for the year</b>		<b>(19,855,340)</b>	<b>-</b>	<b>(12,547,142)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,830,274,641</b>	<b>4,267,287,222</b>	<b>2,965,841,089</b>	<b>2,089,078,702</b>

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

**Chularat Hospital Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)****For the year ended 31 December 2022**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Profit attributable to:</b>					
Equity holders of the Company		2,778,447,748	4,204,071,701	2,978,388,231	2,089,078,702
Non-controlling interests of the subsidiaries		71,682,233	63,215,521		
		2,850,129,981	4,267,287,222		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		2,759,215,784	4,204,071,701	2,965,841,089	2,089,078,702
Non-controlling interests of the subsidiaries		71,058,857	63,215,521		
		2,830,274,641	4,267,287,222		
<b>Basic earnings per share</b>	28				
Profit attributable to equity holders of the Company					
(Baht per share)		0.253	0.382	0.271	0.190
Weighted average number of ordinary shares (shares)		11,000,000,000	11,000,000,000	11,000,000,000	11,000,000,000

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

## Chularat Hospital Public Company Limited and its subsidiaries

## Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit before tax	3,553,500,806	5,276,219,700	3,279,514,170	2,559,541,609
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	381,780,761	351,054,877	148,968,395	121,376,271
Increase in allowance for expected credit losses (reversal)	(17,365)	7,400,885	-	1,872,174
Loss on fair value adjustments of financial assets	53,047,675	869,591	-	-
Reduction of inventory to net realisable value	102,485	412,621	-	-
Increases in allowance for diminution in value of right-of-use assets	-	3,618,080	-	-
Loss (gain) on sales and write-off of assets	3,875,823	(46,217)	406,593	(818,687)
Differences from termination of lease	-	(213,103)	-	(213,103)
Share of loss from investments in associates	1,106,716	-	-	-
Allowance for impairment loss on intangible assets	10,800,000	-	10,800,000	-
Unrealised loss (gain) on exchange	(20,316,244)	3,216,146	-	-
Increase in provision for long-term employee benefits	12,465,048	12,315,418	6,298,641	6,249,351
Dividend income	-	-	(1,770,000,000)	(190,000,000)
Finance income	(6,079,247)	(1,901,446)	(15,433,817)	(21,096,464)
Finance cost	16,277,159	21,379,966	4,541,684	6,232,934
Profit from operating activities before changes in operating assets and liabilities	4,006,543,617	5,674,326,518	1,665,095,666	2,483,144,085
Operating assets (increase) decrease				
Trade and other receivables	(140,506,537)	(144,539,572)	28,342,438	(162,975,788)
Accrued medical treatment income	(189,399,962)	(1,317,198,833)	(274,899,088)	(493,826,771)
Inventories	29,984,977	(116,343,484)	22,635,664	(74,180,651)
Other current assets	349,654,919	(353,896,361)	196,694,538	(199,767,929)
Other non-current assets	16,817,410	3,667,186	(21,085,141)	1,262,512
Operating liabilities increase (decrease)				
Trade and other payables	39,002,553	215,398,663	53,504,273	67,033,127
Other current liabilities	(168,145,114)	447,507,475	(390,297,525)	429,404,793
Cash paid for long-term employee benefits	(3,981,637)	(2,266,980)	(2,543,670)	(1,159,800)
Cash from operating activities	3,939,970,226	4,406,654,612	1,277,447,155	2,048,933,578
Cash paid for interest expenses	(14,701,930)	(18,889,372)	(3,687,180)	(5,532,895)
Cash paid for corporate income tax	(1,295,831,095)	(382,288,945)	(601,430,657)	(182,033,243)
<b>Net cash from operating activities</b>	<b>2,629,437,201</b>	<b>4,005,476,295</b>	<b>672,329,318</b>	<b>1,861,367,440</b>

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

**Chularat Hospital Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Decrease in other current financial assets	-	32,140,000	-	-
Increase in restricted bank deposits	(113)	(113)	-	-
Dividend received from subsidiaries	-	-	1,770,000,000	190,000,000
Cash receipt from long-term loans to subsidiaries	-	-	170,100,000	295,047,272
Cash paid for investments in subsidiaries	-	-	(313,000,000)	(359,200,000)
Cash paid for investments in associates	(142,871,575)	-	-	-
Cash paid in advance for construction of buildings	(75,336,399)	(34,785,123)	(48,600,000)	(16,334,886)
Cash paid for acquisition and payment of accounts payable - fixed assets	(710,752,937)	(445,750,941)	(207,231,137)	(222,436,350)
Cash paid for acquisition of intangible assets	(36,926,331)	(3,066,831)	(36,608,065)	(1,755,961)
Proceed from sales of assets	1,496,987	2,251,541	10,942,901	2,074,295
Interest received	6,050,989	2,079,058	3,406,553	27,432,635
<b>Net cash from (used in) investing activities</b>	<b>(958,339,379)</b>	<b>(447,132,409)</b>	<b>1,349,010,252</b>	<b>(85,172,995)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions, net	366,000,000	(536,000,000)	400,000,000	(570,000,000)
Cash receipt from long-term loans	105,400,000	-	-	-
Repayment of long-term loans	(96,530,000)	(136,200,000)	-	-
Repayment of lease liabilities	(27,545,592)	(24,513,371)	(8,437,365)	(6,554,462)
Cash receipt from non-controlling interests of investments in subsidiaries	-	40,100,500	-	-
Dividend paid	(2,804,998,384)	(659,604,992)	(2,804,998,384)	(659,604,992)
Dividend paid by subsidiary to non-controlling interests	(2,350,620)	-	-	-
<b>Net cash used in financing activities</b>	<b>(2,460,024,596)</b>	<b>(1,316,217,863)</b>	<b>(2,413,435,749)</b>	<b>(1,236,159,454)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(788,926,774)</b>	<b>2,242,126,023</b>	<b>(392,096,179)</b>	<b>540,034,991</b>
Cash and cash equivalents at beginning of year	2,789,666,431	547,540,408	781,073,730	241,038,739
<b>Cash and cash equivalents at end of year</b>	<b>2,000,739,657</b>	<b>2,789,666,431</b>	<b>388,977,551</b>	<b>781,073,730</b>
	-	-	-	-

**Supplement cash flows information****Non-cash transactions**

Transfer advance payment for construction to buildings	54,492,066	17,505,426	7,594,095	7,347,163
Acquisition of fixed assets which cash has not been paid	55,911,688	76,090,105	16,890,907	56,501,993
Increase in right-of-use assets and lease liabilities from additional lease agreements	26,787,970	26,664,142	12,826,079	16,811,892
Transfer right-of-use assets to property, plant and equipment	2,601,271	1,454,521	319,306	1,132,478

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



(Unit: Baht)

Consolidated financial statements

	Equity attributable to owners of the Company					Equity		
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Total equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated	Unappropriated				
<b>Balance as at 1 January 2021</b>	1,100,000,000	1,146,084,819	110,000,000	1,668,388,156	4,024,472,975	168,708,391	4,193,181,366	
Dividend paid (Note 31)	-	-	-	(659,604,992)	(659,604,992)	-	(659,604,992)	
Profit for the year	-	-	-	4,204,071,701	4,204,071,701	63,215,521	4,267,287,222	
Other comprehensive income for the year	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	4,204,071,701	4,204,071,701	63,215,521	4,267,287,222	
Increase in equity attributable to non-controlling interests of the subsidiaries from investment in subsidiaries (Note 13)	-	-	-	-	-	40,100,500	40,100,500	
<b>Balance as at 31 December 2021</b>	1,100,000,000	1,146,084,819	110,000,000	5,212,854,865	7,568,939,684	272,024,412	7,840,964,096	
<b>Balance as at 1 January 2022</b>	1,100,000,000	1,146,084,819	110,000,000	5,212,854,865	7,568,939,684	272,024,412	7,840,964,096	
Dividend paid (Note 31)	-	-	-	(2,804,998,384)	(2,804,998,384)	-	(2,804,998,384)	
Dividend paid to non-controlling interests of the subsidiary (Note 13)	-	-	-	-	-	(2,350,620)	(2,350,620)	
Profit for the year	-	-	-	2,778,447,748	2,778,447,748	71,682,233	2,850,129,981	
Other comprehensive income for the year	-	-	-	(19,231,964)	(19,231,964)	(623,376)	(19,855,340)	
Total comprehensive income for the year	-	-	-	2,759,215,784	2,759,215,784	71,058,857	2,830,274,641	
<b>Balance as at 31 December 2022</b>	1,100,000,000	1,146,084,819	110,000,000	5,167,072,265	7,523,157,084	340,732,649	7,863,889,733	
								-

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

## Chularat Hospital Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

## Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2021</b>	1,100,000,000	1,146,084,819	110,000,000	1,452,634,241	3,808,719,060
Dividend paid (Note 31)	-	-	-	(659,604,992)	(659,604,992)
Profit for the year	-	-	-	2,089,078,702	2,089,078,702
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,089,078,702	2,089,078,702
<b>Balance as at 31 December 2021</b>	1,100,000,000	1,146,084,819	110,000,000	2,882,107,951	5,238,192,770
<b>Balance as at 1 January 2022</b>	1,100,000,000	1,146,084,819	110,000,000	2,882,107,951	5,238,192,770
Dividend paid (Note 31)	-	-	-	(2,804,998,384)	(2,804,998,384)
Profit for the year	-	-	-	2,978,388,231	2,978,388,231
Other comprehensive income for the year	-	-	-	(12,547,142)	(12,547,142)
Total comprehensive income for the year	-	-	-	2,965,841,089	2,965,841,089
<b>Balance as at 31 December 2022</b>	1,100,000,000	1,146,084,819	110,000,000	3,042,950,656	5,399,035,475

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

**Chularat Hospital Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2022**

**1. General information**

Chularat Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the operating of clinics and hospitals. The registered office of the Company is at 88/8-9, Teparak Km. 15 Road, Tambol Bangpla, Amphur Bangplee, Samutprakarn. As at 31 December 2022, the Group totally has 14 branches of clinics and hospitals (2021: 14 branches).

**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Chularat Hospital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(Percent)	(Percent)
<u>Subsidiaries directly held by the Company</u>				
Convenience Hospital Company Limited	Operating of clinics and hospitals	Thailand	100	100
Bangpakong Vejchakij Company Limited	Operating of clinics and hospitals	Thailand	100	100
Thai Amdon Company Limited	Distribution of medical instruments	Thailand	100	100
	and dietary supplement			

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
Chularat Arkanay Hospital Company Limited	Operating of clinics and hospitals	Thailand	70	70
Ruampat Chachoengsao Hospital Company Limited	Operating of clinics and hospitals	Thailand	64.58	64.58
Chularat Phraek Sa Hospital Company Limited	Operating of clinics and hospitals	Thailand	100	100
Shewarat Hospital Company Limited	Operating of clinics and hospitals	Thailand	100	100
Ruampat Mae Sot International Company Limited	Operating of clinics and hospitals	Thailand	90	90
CHG Holding Company Limited	Holding business	Thailand	100	-
<u>Subsidiaries held by Bangpakong Veichakij Company Limited</u>				
Cholvaej Hospital Company Limited	Operating of clinics and hospitals	Thailand	98.04	98.04
Sattayabutr International Company Limited	Operating of clinics and hospitals	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

- 2.4 The Group has interests in a joint operation which are joint arrangements whereby the Group has rights to assets and obligations relating to the joint arrangement. The Group recognises assets, liabilities, revenues and expenses in relation to its interest in the joint operation in the consolidated financial statements from the date that joint control commences until the date that joint control ceases.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 (Percent)	2021 (Percent)
CHG Doing Well Joint Venture	Provides services related to managing and operating in a hospital	Thailand	94.31	94.31

Bangpakong Vejchakij Company Limited, its subsidiary, has entered into a joint arrangement with an unrelated company in investment in CHG Doing Well Joint Venture, which jointly provides services related to managing and operating in a hospital.

### 3. New financial reporting standards

#### 3.1 Financial reporting standards that became effective in the current period

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. 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 Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.



#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

###### **Revenue 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 and are measured at the amount of the consideration received or receivable after deducting discounts. Except for hospital operation revenues derived from the Social Security Office and National Health Security Office to be recognised based on several expected service fee rates. The Group took into account criteria, procedures, and conditions set forth by the Office, including statistics on medical services provided by the Group and actual payments for medical services received from the Office.

###### **Rendering of services**

Service revenue is recognised at a point in time upon completion of the service.

###### **Rental income**

Rental income is recognised over the rental period and at the rate determined in the agreement.

###### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

###### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

###### **Dividends**

Dividends are recognised when the right to receive the dividends is established.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

### 4.3 Inventories

Medicine and supplies are valued at the lower of cost (under the average method) and net realisable value.

Medical instruments are valued at the lower of cost (under the average method) and net realisable value.

### 4.4 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

### 4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

### 4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	-	5 - 20 years
Buildings and building improvement	-	5 - 40 years
Tools and medical instruments	-	5 - 20 years
Machinery and equipment	-	5 - 10 years
Office furniture, fixtures and equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land 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 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.8 Intangible assets

Intangible assets represent computer software which is stated at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is calculated by reference to their costs on the straight-line basis over the estimated useful life of 3 - 10 years.

The amortisation expense is charged to profit or loss.

#### 4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units of the Group (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### 4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the

lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs or the revalued amount, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	-	4 - 10 years
Buildings and building improvement	-	2 - 6 years
Tools and medical instruments	-	3 - 10 years
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**4.11 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operation.

**4.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

**4.13 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.



An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.14 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund of each entity. The funds are monthly contributed by employees and by the Group. The funds' assets are held in a separate trust fund, and contributions of the Group are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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 Group recognises restructuring-related costs.

#### **4.15 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits

will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.16 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 Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.17 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

**Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

**Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **4.18 Derivatives**

The Group uses derivative, cross currency interest rate swaps contracts, to hedge its foreign currency risks and interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### 4.19 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 Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 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:

##### **Allowance for expected credit losses of trade accounts receivable**

In determining an allowance for expected credit losses of trade accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.



### **Accrued medical treatment income**

Accrued medical treatment income represents medical income that has not been collected from the Social Security Office and National Health Security Office. The Group is not able to determine the certain amount to be collected. In this regard, the management is required to make an estimation of such accrued income based on several expected service fee rates. The Group took into account criteria, procedures, and conditions set forth by the Office, including statistics on medical services provided by the Group and amount of the latest actual collection together with the current circumstances.

### **Leases**

#### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **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.

## Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
<i>(Eliminated from the consolidated financial statements)</i>					
Sales of medicine and supplies	-	-	82	6	At cost
Purchases of medicine and supplies	-	-	87	4	At cost
Laboratory service income	-	-	7	20	Market price
Laboratory service expenses	-	-	1	1	Market price
Rental income	-	-	1	1	Contract price
Interest income	-	-	12	20	Rate of 3.08% per annum
Sales of equipment	-	-	10	-	Market price
Purchases of equipment	-	-	1	1	Market price

As at 31 December 2022 and 2021, the balances of accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	110,248	229,276
	-	-	110,248	229,276
<b><u>Interest receivable from related parties (Note 8)</u></b>				
Subsidiaries	-	-	80,863	68,836
	-	-	80,863	68,836
<b><u>Long-term loans to related parties</u></b>				
Subsidiaries	-	-	332,374	502,474
	-	-	332,374	502,474
<b><u>Trade and other payables - related parties (Note 19)</u></b>				
Subsidiaries	-	-	835	4,859
Related company	980	642	958	620
	980	642	1,793	5,479

#### Long-term loans to related parties

As at 31 December 2022 and 2021, the balance of loans between the Company and its subsidiaries and the movement are as follows:

Loans to	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2021	during the year	during the year	31 December 2022
Chularat Phraek Sa Hospital				
Company Limited	153,555	-	-	153,555
Chularat Arkanay Hospital Company				
Limited	315,319	-	(136,500)	178,819
Shewarat Hospital Company Limited	33,600	-	(33,600)	-
Total	502,474	-	(170,100)	332,374

The above loans to the subsidiaries represent the loans in accordance to loan agreements which are repayable within 2025 and unsecured. The loans carry interest at 3.08 percent per annum (2021: 3.08 percent per annum).

### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	50.2	48.7	18.9	22.2
Long-term employee benefits	7.7	0.1	7.7	0.1
Total	57.9	48.8	26.6	22.3

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 32.3 a) to the consolidated financial statements, with free of charge.

## 7. Cash and cash equivalents

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	6,292	6,779	2,077	3,090
Savings and current deposits at banks	1,899,351	2,717,674	386,901	777,984
Fixed deposit receipts with an original maturity at call	45,049	57,000	-	-
Fixed deposit receipts with an original maturity of 3 months or less	50,048	8,213	-	-
Total	2,000,740	2,789,666	388,978	781,074

As at 31 December 2022, bank deposits in saving accounts and fixed deposit receipts carried interests between 0.10 and 1.00 percent per annum (2021: between 0.13 and 0.40 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade accounts receivable - related parties</u>				
Age of outstanding debts by due date				
Past due up to 3 months	-	-	53,853	178,387
Total trade accounts receivable - related parties	-	-	53,853	178,387
<u>Trade accounts receivable - unrelated parties</u>				
Age of outstanding debts by due date				
Past due				
Up to 3 months	477,748	427,824	207,425	162,119
3 - 6 months	128,781	106,392	50,329	28,946
6 - 12 months	84,073	43,554	45,966	23,173
Over 12 months	67,042	35,232	27,181	19,087
Total	757,644	613,002	330,901	233,325
Less: Allowance for expected credit losses	(20,595)	(20,612)	(7,574)	(7,574)
Total trade accounts receivable - unrelated parties, net	737,049	592,390	323,327	225,751
Total trade accounts receivable - net	737,049	592,390	377,180	404,138
<u>Other receivables</u>				
Other receivable - related parties	-	-	56,395	50,889
Other receivable - unrelated parties	19,786	23,892	14,200	21,090
Interest receivable - related parties	-	-	80,863	68,836
Total other receivables	19,786	23,892	151,458	140,815
Total trade and other receivables - net	756,835	616,282	528,638	544,953

The normal credit term is 30 to 60 days.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	20,612	11,320	7,574	5,702
Increase in allowance for expected credit losses (reversal)	(17)	9,292	-	1,872
Ending balance	20,595	20,612	7,574	7,574



The significant increase in allowance for expected credit losses of trade receivables in 2021 of Baht 9 million was mainly due to the increase of overdue trade receivables more than 12 months.

## 9. Accrued medical treatment income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accrued medical treatment income from				
National Health Security Office	118,463	94,111	85,723	70,083
Accrued medical treatment income of chronic				
diseases from Social Security Office	461,123	180,283	135,385	49,817
Accrued medical treatment income provided				
to patients with severe diseases from				
Social Security Office	347,954	167,461	212,084	104,774
Other accrued income from Social Security				
Office	105,549	134,235	70,365	52,983
Accrued medical treatment income -				
Coronavirus Disease 2019	977,457	1,245,056	547,197	498,197
Total accrued medical treatment income	2,010,546	1,821,146	1,050,754	775,854
Less: Allowance for expected credit losses	(622)	(622)	-	-
Total accrued medical treatment income - net	2,009,924	1,820,524	1,050,754	775,854

The Group is not able to determine the certain amount of medical treatment income that has not been collected from the Social Security Office and National Health Security Office. In this regard, the management of the Group makes an estimate of accrued income based on the amount of the latest actual collection together with the current circumstances. In addition, the Group's management makes an estimate of medical treatment income with respect to the Coronavirus Disease 2019 that has not been collected, by consideration the criteria, procedures and conditions set forth by the Ministry of Health.

The payment for the accrued medical treatment income is subject to the medical treatment payment policy of the relevant office. The management believes that the actual outcome will not significantly differ from the estimate.

As of 31 December 2022 and 2021, most of the Group's accrued medical treatment income is not overdue more than 12 months, which is in accordance with reimbursement criteria, procedures and conditions of the relevant office.

## 10. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Medicine	152,919	173,290	63,050	89,669
Medical supplies	60,876	58,449	40,924	33,758
Medical instruments	65	315	-	-
Other supplies	51,662	63,454	22,886	26,069
Total	265,522	295,508	126,860	149,496
Less: Reduce cost to net realisable value	(515)	(413)	-	-
Total inventories - net	265,007	295,095	126,860	149,496

## 11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Advance payment for medicine	-	354,174	-	199,070
Other	25,960	21,441	14,282	11,907
Total other current assets	25,960	375,615	14,282	210,977

## 12. Other non-current financial assets

This represents an investment in 8,791 ordinary shares of UB (Thailand) Company Limited, representing 11% of the share capital of such company. The balance of this investment as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2022	2021
Investment in UB (Thailand) Company Limited - cost	879	879
Less: Fair value adjustments of financial instruments	(879)	(879)
Total other non-current financial assets - net	-	-

### 13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			(%)	(%)		
Convenience Hospital Company Limited	500,000	500,000	100	100	500,000	500,000
Bangpakong Vejchakij Company Limited	800,000	800,000	100	100	810,751	810,751
Thai Amdon Company Limited	200,000	30,000	100	100	200,680	30,680
Chularat Arkanay Hospital Company Limited	300,000	300,000	70	70	210,000	210,000
Ruampat Chachoengsao Hospital Company Limited	450,250	450,250	64.58	64.58	290,859	290,859
Chularat Phraek Sa Hospital Company Limited	1,000	1,000	100	100	1,000	1,000
Shewarat Hospital Company Limited	1,000	1,000	100	100	1,000	1,000
Ruampat Mae Sot International Company Limited	400,000	400,000	90	90	360,000	360,000
CHG Holding Company Limited	143,000	-	100	-	143,000	-
Total					<u>2,517,290</u>	<u>2,204,290</u>

#### Cholvaej Hospital Company Limited (subsidiary held by Bangpakong Vejchakij Company Limited)

On 7 December 2020, the Extraordinary General Meeting of the shareholders of Cholvaej Hospital Company Limited No. 1/2020 approved the increase of registered capital from Baht 100 million to Baht 200 million, through the issuance of 20,000,000 ordinary shares with a par value of Baht 5 each. In 2021, Bangpakong Vejchakij Company Limited purchased 19.9 million ordinary shares of such capital increase, totaling of Baht 99.7 million. As a result, the shareholding of Bangpakong Vejchakij Company Limited in that company increased from 96.38% to 98.04%. Such company registered the increase share capital with the Ministry of Commerce on 10 May 2021 and already received the payment for share subscription of the share capital increase.

#### Ruampat Mae Sot International Company Limited

On 12 November 2020, a meeting of the Company's Board of Directors No. 6/2020 passed a resolution to approve an investing in the additional ordinary share capital of Ruampat Mae Sot International Company Limited amounting to Baht 400 million. In 2021, the Company purchased 71.84 million ordinary shares of such capital increase, totaling of Baht 359.2 million. As a result, the Company's shareholding in that company increased from 80% to 90%. Such company registered the increase share capital with the Ministry of Commerce on 29 June 2021 and already received the payment for share subscription of such share capital increase.

Thai Amdon Company Limited

On 3 October 2022, an Extraordinary General Meeting of the shareholders of Thai Amdon Company Limited No. 1/2022 approved an increase in its registered share capital from Baht 30 million to Baht 200 million through the issuance of 1,700,000 ordinary shares with a par value of Baht 100 per share. The Company's shareholding in such company remains 100% and it has payment for the shares of Baht 170 million to this subsidiary. Such company registered the increase share capital with the Ministry of Commerce on 5 October 2022 and already received the payment for share subscription of such share capital increase.

CHG Holding Company Limited

In October 2022, the Company invested in CHG Holding Company Limited, a newly incorporated company, which is principally engaged in investments, with a registered share capital of Baht 1 million. The Company had 99.97% holding in such company and registered its incorporation with the Ministry of Commerce on 11 October 2022.

Subsequently, on 31 October 2022, the Extraordinary General Meeting of the shareholders of CHG Holding Company Limited No. 1/2022 passed a resolution approving an increase in the registered capital from Baht 1 million to Baht 143 million through the issuance of 1,420,000 ordinary shares with a par value of Baht 100 per share. The Company acquired newly issued ordinary shares amounting to Baht 142 million, leading to the Company's shareholding increasing from 99.97% to 100%. Such company registered the increase in share capital with the Ministry of Commerce on 3 November 2022.

## 13.2 Dividend received

- a) During the years 2022 and 2021, the Company received dividend from its subsidiaries which are accounted for in the separate financial statements as below.

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	2022	2021
Convenience Hospital Company Limited	950,000	190,000
Bangpakong Vejchakij Company Limited	820,000	-
Total	1,770,000	190,000

- b) In the second quarter of 2022, Cholvaej Hospital Company Limited, which is a subsidiary of Bangpakong Vejchakij Company Limited, paid an interim dividend of Baht 3 per share, a total of Baht 120 million of which Baht 117.65 million and Baht 2.35 million were paid to Bangpakong Vejchakij Company Limited and non-controlling interests, respectively.

## 13.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)						
<u>Subsidiaries directly held by the Company</u>								
Chularat Arkanay Hospital Company Limited	30	30	138.4	86.2	52.3	45.7	-	-
Ruampat Chachoengsao Hospital Company Limited	35.42	35.42	158.7	138.0	21.2	12.3	-	-
Ruampat Mae Sot International Company Limited	10	10	34.8	38.2	(3.4)	(0.3)	-	-
<u>Subsidiary held by Bangpakong</u>								
<u>Vejchakij Company Limited</u>								
Cholvaej Hospital Company Limited	1.96	1.96	8.8	9.6	1.6	5.5	2.4	-



13.4 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

Summarised information about financial position as at 31 December 2022 and 2021

	(Unit: Million Baht)					
	Chularat Arkanay Hospital Company Limited		Ruampat Chachoengsao Hospital Company Limited		Ruampat Mae Sot International Company Limited	
	2022	2021	2022	2021	2022	2021
Current assets	390.7	324.0	72.4	98.4	8.8	99.7
Non-current assets	582.5	612.8	644.3	604.1	507.2	292.1
Current liabilities	238.2	209.0	98.1	104.9	0.4	-
Non-current liabilities	274.1	440.8	150.9	203.5	119.7	4.0

Summarised information about comprehensive income for the year ended 31 December 2022 and 2021

	(Unit: Million Baht)					
	Chularat Arkanay Hospital Company Limited		Ruampat Chachoengsao Hospital Company Limited		Ruampat Mae Sot International Company Limited	
	2022	2021	2022	2021	2022	2021
Revenue	758.9	635.2	500.3	399.9	-	-
Profit (loss)	174.0	152.4	80.2	38.9	(2.4)	(4.6)
Other comprehensive income	(0.1)	-	(0.5)	-	-	-
Total comprehensive income	173.9	152.4	79.7	38.9	(2.4)	(4.6)

Cholvaeej Hospital  
Company Limited

2022 2021

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## Summarised information about cash flow for the year ended 31 December 2022 and 2021

(Unit: Million Baht)

	Ruampat Mae Sot						Cholvaej Hospital	
	Chularat Arkanay Hospital		Ruampat Chachoengsao		International		Company Limited	
	2022	2021	2022	2021	2022	2021	2022	2021
Cash flow from (used in) operating activities	273.8	45.7	85.8	86.8	2.7	(6.7)	30.7	259.7
Cash flow from (used in) investing activities	(22.1)	(21.9)	(56.3)	(31.1)	(201.7)	(71.8)	(11.2)	3.3
Cash flow from (used in) financing activities	(202.1)	36.2	(44.0)	(44.1)	105.4	178.0	(25.1)	(38.1)
Net increase (decrease) in cash and cash equivalents	49.6	60.0	(14.5)	11.6	(93.6)	99.5	(5.6)	224.9

## 14. Investments in associates

### 14.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
<u>Associates held by CHG Holding Company Limited</u>							
Medcury Company Limited	Providing healthcare technology services	25	-	50,000	-	49,864	-
Arincare Company Limited	Providing information system services relating to pharmacy	25.02	-	92,872	-	91,091	-
Total				142,872	-	141,765	-

#### Medcury Company Limited

On 16 November 2022, CHG Holding Company Limited, the Company's subsidiary, invested in Medcury Company Limited incorporated in Thailand, which is principally engaged in providing healthcare technology services. The subsidiary acquired its ordinary shares amounting to Baht 50 million, representing 25% of its registered share capital, and already made a payment for the shares in November 2022.

The carrying values of the assets acquired and liabilities assumed of Medcury Company Limited as at the acquisition date are summarised below.

	Amount (Thousand Baht)
Current assets	75,225
Non-current assets	23,467
Current liabilities	(15,931)
Total net assets of the associate	82,761
Shareholder percentage	25%
Net assets in the proportion of the associate	20,690
Add: The difference between the cash payment for purchase of investment and the net assets of the associate in the Group's proportion	29,310
Cash paid for acquisition of investment in associate	50,000

Arincare Company Limited

On 15 November 2022, CHG Holding Company Limited, the Company's subsidiary, invested in Arincare Company Limited incorporated in Thailand, which is principally engaged in providing information system services relating to pharmacy. The subsidiary acquired its preferred shares amounting to Baht 93 million or representing 25.02% of registered share capital, already made a payment for the shares in November 2022.

The carrying values of the assets acquired and liabilities assumed of Arincare Company Limited as at the acquisition date are summarised below.

	Amount (Thousand Baht)
Other current assets	223,848
Non-current assets	4,345
Current liabilities	(116,028)
Total net assets of the associate	112,165
Shareholder percentage	25.02%
Net assets in the proportion of the associate	28,064
Add: The difference between the cash payment for purchase of investment and the net assets of the associate in the Group's proportion	64,808
Cash paid for acquisition of investment in associate	92,872

At present, the Group is in the process of completing the measurement of fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date in order to initially allocate costs of the business acquisition to such identifiable items, mainly with respect to the identification and measurement of intangible assets and certain tangible assets. The measurement is to be completed within a period of 12 months from the acquisition date in accordance with the Thai Financial Reporting Standard No. 3 Business Combinations. However, the Group has used its best estimates to perform valuation of assets and liabilities based on the facts and circumstances as at the acquisition date. This assessment may be significantly different from the final outcome, and the Company may need to adjust the provisional amounts previously recognised as at the acquisition date.

## 14.2 Share of comprehensive income and dividend received

The Group has recognised its share of loss from investments in associates in the consolidated financial statements as follows:

Associates	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss from investments in associates during the year	
	2022	2021
Medcury Company Limited	(136)	-
Arincare Company Limited	(971)	-
Total	(1,107)	-

During the year 2022 and 2021, the Group had no dividend income from the associates.

## 14.3 Summarised financial information about material associates

Summarised information about financial position as at 31 December 2022

	(Unit: Thousand Baht)	
	Medcury Company Limited	Arincare Company Limited
Current assets	66,444	116,642
Non-current assets	28,992	4,252
Current liabilities	(13,220)	(12,609)
Net assets	82,216	108,285
Shareholding percentage	25%	25.02%
Net assets in proportion of the associates	20,554	27,093
Estimate amount of interest in the net assets value of the associates that under purchase cost	29,310	64,808
Carrying values of associates based on equity method	49,864	91,901



## Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	Medcury Company Limited	Arincare Company Limited
	For the period as from 16 November 2022 to 31 December 2022	For the period as from 15 November 2022 to 31 December 2022
Revenue	9,970	11,973
Operating loss	(545)	(3,878)
Total comprehensive income	(545)	(3,878)

**15. Investment properties**

The investment properties of the Group are land awaiting development. A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	75,654	75,654	298	298
Net book value at end of year	75,654	75,654	298	298

The fair value of the investment properties as at 31 December 2022 and 2021 stated below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land awaiting development	145,607	145,607	417	417

The fair value of the above investment properties has been determined based on market price by an accredited independent valuer.

## 16. Property, plant and equipment

	Consolidated financial statements				
	Land and land improvement	Buildings and building improvement	Tools and medical instruments	Equipment	Furniture, fixtures and office equipment
<b>Cost</b>					
As at 1 January 2021	1,136,808	2,722,796	1,447,344	123,501	714,857
Additions	22,984	40,123	152,740	1,038	66,738
Disposals/ write-off	-	(1,689)	(13,732)	(35)	(6,659)
Transfers in (out)	15,737	20,409	85,609	-	9,537
Transfers from right-of-use assets	-	-	-	-	-
As at 31 December 2021	1,175,529	2,781,639	1,671,961	124,504	784,473
Additions	132,263	30,224	115,592	2,895	54,918
Disposals/ write-off	(17)	-	(35,435)	(2,887)	(15,742)
Transfers in (out)	-	30,612	35,945	4,417	1,980
Transfers from right-of-use assets	-	-	5,190	-	1,399
Capitalised interest	-	-	-	-	-
As at 31 December 2022	1,307,775	2,842,475	1,793,253	1258,929	827,028

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvement	Buildings and building improvement	Tools and medical instruments	Equipment	Furniture, fixtures and office equipment	Motor vehicles	
<b>Accumulated depreciation</b>							
As at 1 January 2021	34,338	744,164	856,823	57,715	537,050	77,839	2,307,929
Depreciation for the year	4,979	90,098	138,355	9,795	74,687	9,197	327,111
Depreciation on disposals/ write-off	-	(1,052)	(13,644)	(35)	(6,341)	(8,377)	(29,449)
Transfer from right-of-use assets	-	-	-	-	-	7,431	7,431
As at 31 December 2021	39,317	833,210	981,534	67,475	605,396	86,090	2,613,022
Depreciation for the year	5,374	93,801	160,138	9,922	74,591	11,882	355,708
Depreciation on disposals/ write-off	(16)	-	(30,864)	(2,887)	(15,321)	(433)	(49,521)
Transfer from right-of-use assets	-	-	2,993	-	1,267	1,097	5,357
As at 31 December 2022	44,675	927,011	1,113,801	74,510	665,933	98,636	2,924,566
<b>Net book value</b>							
As at 31 December 2021	1,136,212	1,948,429	690,427	57,029	179,077	30,640	4,286,301
As at 31 December 2022	1,263,100	1,915,464	679,452	54,419	161,095	40,974	4,673,807
<b>Depreciation for the year</b>							
2021 (Baht 292 million included in cost of hospital operations, and the balance in administrative expenses)							327,111
2022 (Baht 310 million included in cost of hospital operations, and the balance in administrative expenses)							355,708

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Tools and medical instruments	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress
<b>Cost</b>							<b>Total</b>
As at 1 January 2021	279,726	876,375	624,845	38,539	301,392	55,385	2,193,218
Additions	2,956	34,263	105,645	27	37,739	7,106	283,631
Disposals/ write-off	-	-	(8,320)	(34)	(2,717)	(7,412)	(18,498)
Transfers in (out)	-	3,754	69,277	-	1,163	694	-
Transfers from right-of-use assets	-	-	-	-	-	6,827	6,827
As at 31 December 2021	282,682	914,392	791,447	38,532	337,577	62,600	2,465,178
Additions	998	20,381	58,463	518	21,918	4,174	175,214
Disposals/ write-off	-	-	(14,314)	-	(4,213)	-	(18,527)
Transfers in (out)	-	11,320	24,106	-	123	-	-
Transfers from right-of-use assets	-	-	450	-	1,399	-	1,849
As at 31 December 2022	283,680	946,093	860,152	39,050	356,804	66,774	2,623,714

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Tools and medical instruments	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress
<b>Accumulated depreciation</b>							
As at 1 January 2021	19,865	377,547	401,706	22,250	252,356	43,774	-
Depreciation for the year	2,137	28,852	51,923	2,433	24,026	4,653	-
Depreciation on disposals/ write-off	-	-	(8,318)	(34)	(2,611)	(6,279)	-
Transfers from right-of-use assets	-	-	-	-	-	5,695	-
As at 31 December 2021	22,002	406,399	445,311	24,649	273,771	47,843	-
Depreciation for the year	2,406	31,204	74,095	2,341	24,475	5,227	-
Depreciation on disposals/ write-off	-	-	(3,684)	-	(3,495)	-	-
Transfers from right-of-use assets	-	-	263	-	1,267	-	-
As at 31 December 2022	24,408	437,603	515,985	26,990	296,018	53,070	-
<b>Net book value</b>							
As at 31 December 2021	260,680	507,993	346,136	13,883	63,806	14,757	37,948
As at 31 December 2022	259,272	508,490	344,167	12,060	60,786	13,704	71,161
<b>Depreciation for the year</b>							
2021 (Baht 98 million included in cost of hospital operations, and the balance in administrative expenses)							114,024
2022 (Baht 123 million included in cost of hospital operations, and the balance in administrative expenses)							139,747



As at 31 December 2022, the subsidiaries had an outstanding balance of hospital buildings under construction amounting to Baht 397 million. The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 1 million were capitalised during the year ended 31 December 2022. The weighted average rate of 2.68 - 3.18 percent has been used to determine the amount of borrowing costs eligible for capitalisation (2021: None).

The Group has mortgaged their land and constructions thereon with the net book value as at 31 December 2022 amounting to approximately Baht 1,909 million (2021: Baht 1,984 million) as collateral against credit facilities received from banks (the Company only: Baht 269 million, 2021: Baht 286 million).

As at 31 December 2022, certain items of buildings 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 1,509 million (2021: Baht 1,377 million) (the Company only: Baht 780 million, 2021: Baht 735 million).

## 17. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2022 and 2021, is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Cost</b>				
Balance at beginning of year	81,894	78,834	51,398	49,642
Additions	36,926	3,067	36,608	1,756
Write-off	-	(7)	-	-
Balance at end of year	118,820	81,894	88,006	51,398
<b>Accumulated amortisation</b>				
Balance at beginning of year	47,429	43,409	29,738	27,708
Amortisation for the year	4,432	4,027	2,363	2,029
Write-off	-	(7)	-	-
Balance at end of year	51,861	47,429	32,101	29,737
<b>Allowance for impairment loss:</b>				
Balance at beginning of year	-	-	-	-
Allowance for impairment loss	10,800	-	10,800	-
Balance at end of year	10,800	-	10,800	-
<b>Net book value</b>	<u>56,159</u>	<u>34,465</u>	<u>45,105</u>	<u>21,661</u>

During the year 2022, the Company recognised allowance for impairment loss for disused computer software amounting to Baht 11 million.

#### 18. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021	2022	2021
Promissory notes	1.15 - 2.50	0.95 - 1.95	400,000	34,000	400,000	-
Total			400,000	34,000	400,000	-

The short-term loan facilities are secured by the mortgage of land with structures thereon of the Group.

#### 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables - unrelated parties	397,599	362,367	162,162	143,448
Trade payables - related parties	-	-	259	4,859
Other payables - unrelated parties	84,769	108,995	54,477	77,879
Other payables - related parties	980	642	1,534	620
Accrued physicians' fee	188,141	201,932	79,764	88,467
Accrued expenses	179,151	168,236	73,678	42,708
Total trade and other payables	850,640	842,172	371,874	357,981

#### 20. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements	
			2022	2021
(1)	BIBOR+1.750	Monthly installments, the first installment due in November 2017	-	25,000
(2)	MLR-2.875	Monthly installments, the first installment due in November 2018	120,000	151,200
(3)	MLR-2.875	Monthly installments, the first installment due in February 2018	-	2,890
(4)	1.283	Monthly installments, the first installment due in July 2021	173,700	231,457
(5)	MLR-2.900	Monthly installments, the first installment due in April 2024	105,400	-

Total	399,100	410,547
Less: Current portion	(65,285)	(97,058)
Long-term loans, net of current portion	<u>333,815</u>	<u>313,489</u>

Movements of the long-term loan account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Beginning balance	410,547	543,530
Increase during the year	105,400	-
Payment during the year	(96,530)	(136,200)
Unrealised loss (gain) on exchange rate	(20,317)	3,217
Ending balance	<u>399,100</u>	<u>410,547</u>

In 2021, Ruampat Chachoengsao Hospital Company Limited, its subsidiary, entered into a long-term loan agreement (4) with a financial institution to obtain the loan of JPY 862 million. The term of new long-term loan agreement is approximately 7 years and due within January 2028. The loan is to be repaid in monthly installments of JPY 11 million each and carries interest at the rate of 1.283 percent per annum.

On 21 March 2022, Ruampat Mae Sot International Company Limited, its subsidiary, entered into a long-term loan agreement (5) with a local financial institution in order to construction of the subsidiary's hospital, which have the credit facility of Baht 300 million. The loan carries interest at the minimum loan rate (MLR) minus 2.90 percent per annum and the repayment of principal is to be made on a monthly basis, from April 2024 to March 2032.

On 1 April 2022, Ruampat Mae Sot International Company Limited entered into a long-term loan agreement with a local financial institution to obtain the loan of USD 8.99 million for use in making repayment of the Baht loan according the above loan agreement (5). The loan carries interest at the rate of 4.432 percent per annum. The loan agreement is effective from 29 September 2023 and the term of the agreement is 8.5 years, due within March 2032.

The above loans are secured by the mortgage of the subsidiaries' land and structure thereon and future structures of the subsidiary.

The above loan agreements contain covenants as specified in the agreement, that among other things, require the subsidiaries to maintain debt-to-equity ratio and debt service coverage ratio according to the agreements.

As at 31 December 2022, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to baht 195 million (31 December 2021: None).

## 21. Leases

### The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 1 - 10 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Tools and medical instrument	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2021	5,432	21,929	26,694	1,506	14,840	70,401
Additions	-	1,032	12,463	3,956	10,020	27,471
Transfer to property, plant and equipment	-	-	-	-	(1,454)	(1,454)
Termination of lease	-	(807)	-	-	-	(807)
Depreciation for the year	(1,508)	(5,347)	(5,729)	(1,517)	(5,816)	(19,917)
Allowance for diminution in value	-	(3,618)	-	-	-	(3,618)
As at 31 December 2021	3,924	13,189	33,428	3,945	17,590	72,076
Additions	10,356	2,407	1,750	556	11,719	26,788
Transfer to property, plant and equipment	-	-	(2,197)	(132)	(272)	(2,601)
Depreciation for the year	(2,371)	(5,061)	(6,288)	(1,265)	(6,656)	(21,641)
As at 31 December 2022	11,909	10,535	26,693	3,104	22,381	74,622

(Unit: Thousand Baht)

	Separate financial statements				
	Buildings and building improvement	Tools and medical instrument	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2021	1,214	1,198	1,506	6,894	10,812
Additions	1,031	5,900	668	10,020	17,619
Transfer to property, plant and equipment	-	-	-	(1,132)	(1,132)
Termination of lease	(807)	-	-	-	(807)
Depreciation for the year	(464)	(625)	(558)	(3,676)	(5,323)
As at 31 December 2021	974	6,473	1,616	12,106	21,169
Additions	-	1,750	556	10,520	12,826
Transfer to property, plant and equipment	-	(187)	(132)	-	(319)
Depreciation for the year	(344)	(1,588)	(607)	(4,318)	(6,857)
As at 31 December 2022	630	6,448	1,433	18,308	26,819

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	76,564	74,280	31,115	25,442
Less: Deferred interest expenses	(5,274)	(4,744)	(2,536)	(2,106)
Total	71,290	69,536	28,579	23,336
Less: Portion due within one year	(24,241)	(19,669)	(6,855)	(3,988)
Lease liabilities - net of current portion	47,049	49,867	21,724	19,348

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	69,536	65,096	23,336	12,592
Additions	26,788	27,471	12,826	17,619
Accretion of interest	2,511	2,502	854	699
Repayments	(27,545)	(24,513)	(8,437)	(6,554)
Terminate lease	-	(1,020)	-	(1,020)
Balance at end of year	71,290	69,536	28,579	23,336

**c) Expenses relating to leases that are recognised in profit or loss**

Expenses relating to lease that are recognised in profit or loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	21,641	19,917	6,857	5,323
Interest expense on lease liabilities	2,511	2,502	854	699
Expense relating to short-term leases	10,428	11,712	2,489	3,782

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 38 million (2021: Baht 36 million) (the Company only: Baht 11 million, 2021: Baht 10 million), including the cash outflow related to short-term lease,



leases of low-value assets and variable lease payments that do not depend on an index or a rate.

## 22. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Advance received for services rendered	271,572	15,307	45,835	13,501
Advance received for medicine	-	420,637	-	416,672
Withholding tax payable	15,034	30,847	8,055	17,226
Others	31,410	19,370	14,576	11,364
Total	318,016	486,161	68,466	458,763

## 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	121,350	111,302	64,273	59,184
Included in profit or loss:				
Current service cost	10,474	10,483	5,266	5,292
Interest cost	1,991	1,832	1,032	957
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
- Demographic assumptions changes	8,683	-	2,643	-
- Financial assumptions changes	(14,844)	-	(7,312)	-
- Experience adjustments	30,980	-	20,353	-
Benefits paid during the year	(3,981)	(2,267)	(2,543)	(1,160)
<b>Provision for long-term employee benefits at end of year</b>	154,653	121,350	83,712	64,273

The Group expects to pay Baht 33 million of long-term employee benefits during the next year (2021: Baht 3 million) (the Company only: Baht 23 million, 2021: Baht 1 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 5 - 17 years (2021: 6 - 21 years) (the Company only: 12 years, 2021: 16 years).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	2.0 - 3.5	1.3 - 2.0	3.0	1.8
Salary increase rate	4.0	4.0	4.0	4.0
Turnover rate	1.9 - 34.4	1.9 - 45.8	5.1 - 17.2	5.7 - 22.9

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

Consolidated financial statements as at 31 December 2022

	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Million Baht)	(%)	(Million Baht)
Discount rate	0.5	(6.4)	0.5	6.9
Salary increase rate	1.0	13.1	1.0	(11.5)
Turnover rate	20.0	(15.3)	20.0	18.9

Consolidated financial statements as at 31 December 2021

	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Million Baht)	(%)	(Million Baht)
Discount rate	0.5	(6.1)	0.5	6.6
Salary increase rate	1.0	14.6	1.0	(12.5)
Turnover rate	20.0	(19.4)	20.0	25.3

Separate financial statements as at 31 December 2022

	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Million Baht)	(%)	(Million Baht)
Discount rate	0.5	(3.2)	0.5	3.5
Salary increase rate	1.0	6.5	1.0	(5.7)
Turnover rate	20.0	(8.2)	20.0	10.2

## Separate financial statements as at 31 December 2021

	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Million Baht)	(%)	(Million Baht)
Discount rate	0.5	(3.2)	0.5	3.4
Salary increase rate	1.0	7.7	1.0	(6.6)
Turnover rate	20.0	(10.2)	20.0	13.3

**24. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act. B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

**25. Finance cost**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	13,766	18,878	3,688	5,534
Interest expenses on lease liabilities	2,511	2,502	854	699
<b>Total</b>	<b>16,277</b>	<b>21,380</b>	<b>4,542</b>	<b>6,233</b>

**26. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salaries, wages and other employee benefits	2,175,420	2,151,983	944,032	939,056
Physicians' fee	1,494,876	1,580,507	640,849	646,491
Depreciation and amortisation	381,781	351,055	148,968	121,376
Inventories used	1,776,433	1,592,508	848,478	709,381
Service fee for using place	275,204	529,988	87,827	162,518

**27. Income tax**

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate

	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current income tax charge	705,373	1,011,241	301,795	471,559
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(2,002)	(2,309)	(669)	(1,096)
<b>Income tax expenses reported in profit or loss</b>	<b>703,371</b>	<b>1,008,932</b>	<b>301,126</b>	<b>470,463</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial loss	4,964	-	3,137	-
Total	4,964	-	3,137	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	3,553,501	5,276,220	3,279,514	2,559,542
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	710,700	1,055,244	655,903	511,908
Tax losses utilised during the year for which deferred tax assets were not previously recognised	(14,516)	(44,354)	-	-
Tax losses for the year that have not been recognised as deferred tax assets	1,638	1,654	-	-
Effects of:				
Non-deductible expenses	14,279	6,094	3,328	605
Dividend income exempt	-	-	(354,000)	(38,000)
Additional expense deductions allowed	(8,730)	(9,706)	(4,105)	(4,050)
Total	5,549	(3,612)	(354,777)	(41,445)
Income tax expenses reported in profit or loss	703,371	1,008,932	301,126	470,463

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Fair value adjustments of financial instruments	176	176	176	176
Provision for long-term employee benefits	30,930	24,270	16,742	12,855
Lease	699	703	352	433
<b>Total</b>	<b>31,805</b>	<b>25,149</b>	<b>17,270</b>	<b>13,464</b>
<b>Deferred tax liabilities</b>				
Gain on fair value adjustment of fixed assets				
of subsidiaries as at acquisition date	9,065	9,587	-	-
Lease	1,493	1,281	-	-
<b>Total</b>	<b>10,558</b>	<b>10,868</b>	<b>-</b>	<b>-</b>

As at 31 December 2022, the subsidiaries had unused tax losses totaling Baht 55 million (2021: Baht 114 million), on which deferred tax assets have not been recognised as the subsidiaries considered that there are uncertain economic future to allow utilisation of the unused tax losses. The unused tax losses will expire within 2027.

## 28. Basic 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.

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

The Group have two reportable segments that are hospital operations and other businesses that support hospital business including distribution of medical instruments. These two segments have similar economic characteristics. They both have common customer group, similar service provision methods and similar management. 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.



For the year 2022, the Group has revenue from two major customers in amount of Baht 2,141 million and Baht 2,800 million (2021: revenue from two major customers in amount of Baht 1,928 million and Baht 5,592 million), arising from hospital business.

### 30. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at the rates of 2 - 15 percent of basic salary. The fund, which is managed by CIMB Principal Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 15 million (2021: Baht 14 million) (the Company only: Baht 7 million, 2021: Baht 7 million) were recognised as expenses.

### 31. Dividend paid

Dividends	Approved by	Number of shares (Thousand shares)	Dividend per share (Baht)	Total dividends (Thousand Baht)
Annual dividends for 2020	Annual General Meeting of the shareholders on 23 April 2021	10,993,730	0.030	329,812
Interim dividends on operating result for the six-month periods ended 30 June 2021	Board of Directors' Meeting on 11 August 2021	10,993,102	0.030	329,793
Total dividends for 2021				<u>659,605</u>
Annual dividends for 2021	Annual General Meeting of the shareholders on 22 April 2022	10,999,995	0.170	1,869,999
Interim dividends on operating result for the six-month periods ended 30 June 2022	Board of Directors' Meeting on 11 August 2022	10,999,991	0.085	934,999
Total dividends for 2022				<u>2,804,998</u>

## 32. Commitments and contingent liabilities

### 32.1 Capital commitments

- a) The Group had capital commitments relating to the construction of buildings and the acquisition of tools and equipment as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Construction of buildings and	115	254	22	46
Acquisition of tools and equipment	192	124	112	31

- b) As at 31 December 2022, the Company had capital commitment amounting to Baht 237 million (2021: Baht 237 million) in respect of the uncalled portion of investment in the subsidiaries.

### 32.2 Service commitments

The Group has entered into service agreements. The terms of the agreements are generally between 1 and 5 years. Future minimum payments required under these service contracts were as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Payable:				
In up to 1 year	39	38	18	24
In over 1 year and up to 5 years	9	10	6	7

### 32.3 Guarantees

- a) As at 31 December 2022, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 145 million (2021: Baht 145 million).

- b) As at 31 December 2022, there were outstanding bank guarantees issued by the banks on behalf of the Group amounting to Baht 159 million (2021: Baht 199 million) (the Company only: Baht 65 million, 2021: Baht 72 million), in respect of certain performance bonds as required in the normal course of business. The details of the letters of bank guarantee are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Guarantee contractual performance	147	180	61	60
Guarantee electricity use	12	19	4	12
Total	159	199	65	72

### 33. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed by using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements as at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Derivatives				
Cross currency interest rate swaps contracts	-	53.9	-	53.9
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	145.6	-	145.6

	(Unit: Million Baht)			
	Consolidated financial statements as at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Derivatives				
Cross currency interest rate swaps contract	-	0.9	-	0.9
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	145.6	-	145.6

(Unit: Million Baht)

## Separate financial statements as at 31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	0.4	-	0.4

(Unit: Million Baht)

## Separate financial statements as at 31 December 2021

	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	0.4	-	0.4

**34. Financial instruments****34.1 Derivatives**

(Unit: Million Baht)

## Consolidated

## financial statements

**Derivative liabilities**

Derivatives liabilities not designated as hedging instruments

- Cross currency interest rate swaps contracts

**Total derivative liabilities**

2022	2021
53.9	0.9
53.9	0.9

**Derivatives not designated as hedging instruments**

The Group uses cross currency interest rate swaps contracts to manage some of its transaction exposures. The contract is entered into for periods consistent with foreign currency and interest rate exposure of the underlying transactions, generally 7 - 9 years.

**34.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, long-term loans to related parties, investments, trade and other payables, short-term and long-term loans from financial institutions, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, lendings, and deposits with banks and financial institutions and other

financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

### ***Trade accounts receivable***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since they have a large and diverse customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***Cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### ***Market risk***

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into a cross currency interest rate swaps to mitigate the risk of rising interest rates and foreign exchange rate.

### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its loans that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into cross currency interest rate swaps contracts when it considers appropriate.



As at 31 December 2022 and 2021, the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities		Average exchange rate	
	2022	2021	2022	2021
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Japanese yen	666	796	0.2645	0.2944

#### *Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in Japanese yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021.

Currency	2022		2021	
	Change in	Effect on profit	Change in	Effect on profit
	FX rate	before tax	FX rate	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Japanese yen	+ 1%	(1,761)	+ 1%	(2,345)
	- 1%	1,778	- 1%	2,368

This information is not a forecast or prediction of future market conditions and should be used with care.

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, long-term loans to related parties, short-term and long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	95	-	-	1,537	369	2,001	Note 7
Trade and other receivables	-	-	-	-	757	757	-
	95	-	-	1,537	1,126	2,758	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	400	-	-	-	-	400	Note 18
Trade and other payables	-	-	-	-	851	851	-
Lease liabilities	24	42	5	-	-	71	0.81 - 7.66
Long-term loans from financial institutions	34	140	-	225	-	399	Note 20
	458	182	5	225	851	1,721	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	65	-	-	2,482	243	2,790	Note 7
Trade and other receivables	-	-	-	-	616	616	-
	65	-	-	2,482	859	3,406	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	34	-	-	-	-	34	Note 18
Trade and other payables	-	-	-	-	842	842	-
Lease liabilities	20	50	-	-	-	70	2.41 - 5.22
Long-term loans from financial institutions	38	152	42	179	-	411	Note 20
	92	202	42	179	842	1,357	

(Unit: Million Baht)

## Separate financial statements as at 31 December 2022

	Fixed interest rates		Floating	Non-	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	interest rate	interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	369	20	389	Note 7
Trade and other receivables	-	-	-	529	529	-
Long-term loans to related parties	-	332	-	-	332	3.08
	-	332	369	549	1,250	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	400	-	-	-	400	Note 18
Trade and other payables	-	-	-	372	372	-
Lease liabilities	7	22	-	-	29	0.81 - 7.66
	407	22	-	372	801	

(Unit: Million Baht)

## Separate financial statements as at 31 December 2021

	Fixed interest rates		Floating	Non-	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	interest rate	interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	764	71	781	Note 7
Trade and other receivables	-	-	-	545	545	-
Long-term loans to related parties	-	502	-	-	502	3.08
	-	502	764	562	1,828	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	358	358	-
Lease liabilities	4	19	-	-	23	2.41 - 4.32
	4	19	-	358	381	

*Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate borrowings affected as at 31 December 2022 and 2021.

Currency	2022		2021	
	Increase/ decrease (%)	Effect on profit before tax (Thousand Baht)	Increase/ decrease (%)	Effect on profit before tax (Thousand Baht)

Baht	+ 0.25	(264)	+ 0.25	(450)
	- 0.25	264	- 0.25	450
Japanese yen	+ 0.25	(434)	+ 0.25	(621)
	- 0.25	434	- 0.25	621

The above analysis has been prepared assuming that the amounts of the borrowings and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 75% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 72%) (the Company only: 89%, 2021: 95%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	100,000	300,669	-	-	400,669
Trade and other payables	-	850,640	-	-	850,640
Lease liabilities	-	26,283	45,281	5,000	76,564
Long-term loans from financial institutions	-	78,562	286,593	110,463	475,618
<b>Total non-derivatives</b>	<u>100,000</u>	<u>1,256,154</u>	<u>331,874</u>	<u>115,463</u>	<u>1,803,491</u>
<b>Derivatives</b>					
Derivative liabilities: net settled	-	6,949	18,483	(6,775)	18,657
<b>Total derivatives</b>	<u>-</u>	<u>6,949</u>	<u>18,483</u>	<u>(6,775)</u>	<u>18,657</u>

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	34,381	-	-	34,381
Trade and other payables	842,172	-	-	842,172
Lease liabilities	21,785	52,413	82	74,280
Long-term loans from financial institutions	107,942	306,531	5,018	419,491
<b>Total non-derivatives</b>	<b>1,006,280</b>	<b>358,944</b>	<b>5,100</b>	<b>1,370,324</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	1,567	5,383	(416)	6,534
<b>Total derivatives</b>	<b>1,567</b>	<b>5,383</b>	<b>(416)</b>	<b>6,534</b>

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	100,000	300,669	-	-	400,669
Trade and other payables	-	371,874	-	-	371,874
Lease liabilities	-	7,740	23,375	-	31,115
<b>Total non-derivatives</b>	<b>100,000</b>	<b>680,283</b>	<b>23,375</b>	<b>-</b>	<b>803,658</b>

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Trade and other payables	357,981	-	-	357,981
Lease liabilities	4,733	20,627	82	25,442
<b>Total non-derivatives</b>	<b>362,714</b>	<b>20,627</b>	<b>82</b>	<b>383,423</b>



### 34.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or lendings and borrowings carry 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.

### 35. Capital management

The primary objective of the Group'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 2022, the Group's debt-to-equity ratio was 0.31:1 (2021: 0.35:1) and the Company's was 0.18:1 (2021: 0.24:1).

**36. Debentures**

On 20 April 2017, the Annual General Meeting of the Company's shareholders passed the resolution to issue and offer up to Baht 2,000 million of debentures for sale, with a tenor of not more than 10 years. Further consideration and determination of significant conditions and details of the debentures relating to the financing of each issue of debentures are at the discretion of the Company's Board of Directors or other persons assigned by the Board of Directors.

**37. Event after the reporting period**

On 23 February 2023, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to pay a dividend of Baht 0.16 per share, or a total of Baht 1,760 million to the shareholders in respect of the 2022 profit. The Company already approved an interim dividend of Baht 0.085 per share, or a total of Baht 935 million on 11 August 2022. The remaining dividend of Baht 0.075 per share, or a total of Baht 825 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

**38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.

Section

4



**Certification of Accuracy**

## Certification of Accuracy

The Company has reviewed the information in this 56-1 One Report with caution. The Company certifies that such information is correct, complete, not false and does not mislead others or lack of information that should be notified in material aspects. In addition, the Company certifies that.

(1) Financial Statements and financial information as part of this 56-1 One Report have presented accurate and complete information on material aspects relating to the financial position, operating performance and cash flows of the Company and its subsidiaries.

(2) I am responsible for ensuring that the Company has a good disclosure system to ensure that the Company has disclosed the information in all material aspects of the Company and its subsidiaries correctly and completely as well as to control and supervise the implementation of the said system.

(3) I am responsible for ensuring that the Company has a good internal control system and supervise to ensure compliance with the said system. And I have informed the information of the internal control assessment as of February 21, 2023 to the auditor and the Audit Committee of the Company, which covers deficiencies and significant changes in the internal control system, including malpractices that may affect the Company's and its subsidiaries' financial reporting.

### Chularat Hospital Public Company Limited

No.	Name-Last Name	Position	Signature
1	Dr. Kumpol Plussind	Chief Executive Officer	.....
2	Mr. Kriengsak Plussind	Chairman of the Board	.....



## Attachment



## Attachment 1

**Details of the Board of Directors, Management, Controlling Persons, the person taking the highest responsibility in finance and accounting, the person supervising accounting and Company Secretary**



### Mr. Kriengsak Plussind

#### Chairman of the Board of Directors

(Date of Appointment 25 June 2004)

#### Chairman of the Corporate Governance Committee

(Date of Appointment 11 May 2016)

**Age 73 Years**

#### Education / Training

- Mini MBA in Health, Chulalongkorn University
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)

#### Work Experience in the past 5 years

2004 - Present Chairman of the Board of Directors  
Chularat Hospital Public Company Limited

2022 - Present Director  
CHG Holding Company Limited

2021 - Present Director  
Ruampat Mae Sot International Company Limited

2019 - Present Director  
Ruampat Chachoengsao Hospital Company Limited

2019 - Present Director  
Shewarat Hospital Company Limited

2016 - Present Chairman of the Corporate Governance Committee  
Chularat Hospital Public Company Limited

2016 - Present Director  
Sattayabutr International Company Limited

2016 - Present Director  
Chularat Phraek Sa Hospital Company Limited

2014 - Present Director  
Cholvaej Hospital Company Limited

2013 - Present Director  
Chularat Arkanay Hospital Company Limited

2004 - Present Director  
Convenience Hospital Company Limited

2004 - Present Director  
Bangpakong Vejchakij Company Limited

2003 - Present Director  
Thai Amdon Company Limited

1976 - Present Chief Executive Officer  
Ilicon Company Limited

#### Shareholding in the Company (%)

- 368,587,850 shares (3.35%)

#### Family Relationship to Management

- Brother of Dr.Kumpol Plussind, Mrs. Kobkul Panyapol and Ms. Kannikar Plussind

#### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Dr. Kumpol Plussind

**Director, Chief Executive Officer, Managing Director**

(Date of Appointment 25 June 2004)

**Age 70 Years**

### Education / Training

- Doctor of Medicine, Chulalongkorn University
- Good Governances for Executive M.D. Program, Class 1, King Prajadhipok's Institute
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)
- Advanced Security Management Program (NDCAT-ASMP), Class 5, National Defence College
- Thailand Insurance Leadership Program, Class 4/2004, Office of Insurance Commission (OIC)
- Thammasat Leadership Program (TLP), Class 5, Thammasat University
- Management Program for Senior Executive (FME), Class 3, Public Fiscal and Accounting Personnel Development Institute
- Global Business Leaders Class 1, Lead Business Institute
- Business Revolution and Innovation Network Program (BRAIN), Class 1, The Federation of Thai Industry
- Advanced Master of Management Program, Class 4, Graduate School of Public Administration, NIDA
- Health Innovation in Digital Age Program (HIDA), Class 1

### Work Experience in the past 5 years

- 2004 - Present Director, Chief Executive Officer, Managing Director  
Chularat Hospital Public Company Limited
- 2022 - Present Chief Executive Officer  
CHG Holding Company Limited
- 2021 - Present Chief Executive Officer  
Ruampat Mae Sot International Company Limited
- 2019 - Present Chief Executive Officer  
Thai Amdon Company Limited
- 2019 - Present Chief Executive Officer  
Sattayabutr International Company Limited

- 2018 - Present Chief Executive Officer  
Shewarat Hospital Company Limited
- 2016 - Present Chief Executive Officer  
Ruampat Chachoengsao Hospital Company Limited
- 2016 - Present Chief Executive Officer  
Chularat Phraek Sa Hospital Company Limited
- 2014 - Present Chief Executive Officer  
Cholvaej Hospital Company Limited
- 2013 - Present Chief Executive Officer  
Chularat Arkanay Hospital Company Limited
- 2004 - Present Chief Executive Officer  
Convenience Hospital Company Limited
- 2004 - Present Chief Executive Officer  
Bangpakong Vejchakij Company Limited
- 2003 - Present Chief Executive Officer  
Thai Amdon Company Limited

### Shareholding in the Company (%)

- 253,670,200 shares (2.31%)

### Family Relationship to Management

- Brother of Mr. Kriengsak Plussind, Mrs. Kobkul Panyapol and Ms. Kannikar Plussind

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mr. Apirum Panyapol

### Director

(Date of Appointment 25 June 2004)

### Chairman of the Corporate Investment and Risk Management Committee

(Date of Appointment 13 December 2018)

### Age 71 Years

#### Education / Training

- Assumption Commercial College
- Thai Traditional Medicine Doctor - Thai Medicine Program (TM.M)
- Thai Traditional Medicine - Thai Pharmacy Program (TM.P)
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)
- Risk Management for Corporate Leaders Program (RCL), Class 16/2019

#### Work Experience in the past 5 years

2004 - Present	Director Chularat Hospital Public Company Limited
2022 - Present	Director CHG Holding Company Limited
2021 - Present	Director Ruampat Mae Sot International Company Limited
2019 - Present	Director Sattayabutr International Company Limited
2019 - Present	Director Ruampat Chachoengsao Hospital Company Limited
2019 - Present	Director Chularat Phraek Sa Hospital Company Limited
2019 - Present	Director Shewarat Hospital Company Limited
2018 - Present	Chairman of the Corporate Investment and Risk Management Committee Chularat Hospital Public Company Limited

2014 - Present	Director Cholvaej Hospital Company Limited
2013 - Present	Director Chularat Arkanay Hospital Company Limited
2012 - Present	Director Thai Amdon Company Limited
2004 - Present	Director Convenience Hospital Company Limited
2004 - Present	Director Bangpakong Vejchakij Company Limited
1998 - Present	Director Steel Link International Company Limited
1992 - Present	Director Panyapol Interholding Company Limited
1988 - Present	Director Samonkit Company Limited
1985 - Present	Managing Director Seameth Company Limited

#### Shareholding in the Company (%)

- 1,127,189,050 shares (10.25%)

#### Family Relationship to Management

- Spouse of Mrs. Kobkul Panyapol

#### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Dr. Wichit Siritattamrong

### Director

(Date of Appointment 25 June 2004)

### Age 64 Years

### Education / Training

- Doctor of Medicine, Department of Orthopedics, Faculty of Medicine Ramathibodi Hospital, Mahidol University
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)

### Work Experience in the past 5 years

- 2004 - Present Director  
Chularat Hospital Public Company Limited
- 2022 - Present Director  
CHG Holding Company Limited
- 2021 - Present Director  
Ruampat Mae Sot International Company Limited
- 2019 - Present Director  
Sattayabutr International Company Limited
- 2019 - Present Director  
Ruampat Chachoengsao Hospital Company Limited
- 2019 - Present Director  
Chularat Phraek Sa Hospital Company Limited
- 2019 - Present Director  
Shewarat Hospital Company Limited

- 2014 - Present Director  
Cholvaej Hospital Company Limited
- 2013 - Present Director  
Chularat Arkanay Hospital Company Limited
- 2012 - Present Director  
Thai Amdon Company Limited
- 2004 - Present Director  
Convenience Hospital Company Limited
- 2004 - Present Director  
Bangpakong Vejchakij Company Limited

### Shareholding in the Company (%)

- 4,900,000 shares (0.04%)

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

### Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board

- Yes -



## Dr. Suchai Laoveerawat

### Director, Executive Committee

(Date of Appointment 25 June 2004)

### Hospital Director of Chularat 1, 5, Cholvaej, Corporate Investment and Risk Management Committee

(Date of Appointment 11 May 2016)

Age 68 Years

#### Education / Training

- Doctor of Medicine, Chulalongkorn University
- Urological Surgery Program, Chulalongkorn University
- Mini MBA in Health, Faculty of Medicine, Chulalongkorn University
- Hospital Management, Faculty of Medicine, Faculty of Ramathibodi Hospital, Mahidol University
- Director Accreditation Program (DAP), Class 2011 Thai Institute of Directors
- Good Governances for Executive M.D. Program, Class 4, King Prajadhipok's Institute

#### Work Experience in the past 5 years

- 2004 - Present Director, Executive Committee  
Chularat Hospital Public Company Limited
- 2022 - Present Director  
CHG Holding Company Limited
- 2021 - Present Director  
Ruampat Mae Sot International Company Limited
- 2019 - Present Director  
Chularat Phraek Sa Hospital Company Limited
- 2018 - Present Director  
Shewarat Hospital Company Limited
- 2016 - Present Corporate Investment and Risk Management Committee  
Chularat Hospital Public Company Limited
- 2016 - Present Director  
Sattayabutr International Company Limited

2016 - Present Director

Ruampat Chachoengsao Hospital  
Company Limited

2015 - Present Hospital Director of Chularat 1, 5, Cholvaej  
Chularat Hospital Public Company Limited

2014 - Present Director  
Cholvaej Hospital Company Limited

2013 - Present Director  
Chularat Arkanay Hospital Company  
Limited

2012 - Present Director  
Thai Amdon Company Limited

2004 - Present Director  
Convenience Hospital Company Limited

2004 - Present Director  
Bangpakong Vejchakij Company Limited

#### Shareholding in the Company (%)

- 2,578,800 shares (0.02%)

#### Family Relationship to Management

- None -

#### Regulatory Offense in the past 5 years

- None -

#### Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board

- Yes -





## Ms. Kannikar Plussind

### Director

(Date of Appointment 25 June 2004)

### Corporate Investment and Risk Management Committee

(Date of Appointment 11 May 2016)

**Age 68 Years**

### Education / Training

- Vocational certificate, Convent of Holy Infant Jesus
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)
- Good Governances for Executive M.D. Program, Class 3, King Prajadhipok's Institute
- Advanced Security Management Program (NDCAT-ASMP), Class 7, National Defence College

### Work Experience in the past 5 years

- 2004 - Present Director  
Chularat Hospital Public Company Limited
- 2021 - Present Director  
Ruampat Mae Sot International Company Limited
- 2019 - Present Director  
Convenience Hospital Company Limited
- 2019 - Present Director  
Bangpakong Vejchakij Company Limited
- 2019 - Present Director  
Chularat Arkanay Hospital Company Limited
- 2019 - Present Director  
Cholvaej Hospital Company Limited
- 2019 - Present Director  
Sattayabutr International Company Limited

- 2019 - Present Director  
Ruampat Chachoengsao Hospital Company Limited
- 2019 - Present Director  
Chularat Phraek Sa Hospital Company Limited
- 2019 - Present Director  
Shewarat Hospital Company Limited
- 2019 - Present Director  
Thai Amdon Company Limited
- 2016 - Present Corporate Investment and Risk Management Committee  
Chularat Hospital Public Company Limited
- 1984 - Present Director  
Esco-Thai Company Limited

### Shareholding in the Company (%)

- 1,994,750,400 shares (18.13%)

### Family Relationship to Management

- Sister of Dr.Kumpol Plussind,  
Mr. Kriengsak Plussind, Mrs. Kobkul Panyapol

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mrs. Kobkul Panyapol

### Director

(Date of Appointment 25 June 2004)

**Age 72 Years**

### Education / Training

- Vocational certificate, Convent of Holy Infant Jesus
- Director Accreditation Program (DAP), Class 2011, Thai Institute of Directors (IOD)

### Work Experience in the past 5 years

2004 - Present Director  
Bangpakong Vejchakij Company Limited

2021 - Present Director  
Arkanay Hospital Company Limited

2019 - Present Director  
Cholvaej Hospital Company Limited

2019 - Present Director  
Sattayabutr International Company Limited

2019 - Present Director  
Ruampat Chachoengsao Hospital Company Limited

2019 - Present Director  
Chularat Phraek Sa Hospital Company Limited

2019 - Present Director  
Shewarat Hospital Company Limited

2019 - Present Director  
Thai Amdon Company Limited

2019 - Present Director  
Steel Link International Company Limited

2019 - Present Director  
Panyapol Interholding Company Limited

2019 - Present Director  
Samonkit Company Limited

1998 - Present Director  
Seameth Company Limited

1992 - Present Director  
Chularat Hospital Public Company Limited

1988 - Present Director  
Chularat Hospital Public Company Limited

1985 - Present Director  
Chularat Hospital Public Company Limited

### Shareholding in the Company (%)

- 894,156,600 shares (8.13%)

### Family Relationship to Management

- Plussind, Dr.Kumpol Plussind and Ms.Kannikar Plussind

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mr. Yanyong Amornpitakkul

### Director

(Date of Appointment 25 June 2004)

### Nomination and Remuneration Committee, Corporate Investment and Risk Management

(Date of Appointment 11 May 2016)

**Age 67 Years**

### Education / Training

- Bachelor of Science (Accounting), Kasetsart University
- Director Accreditation Program (DAP), Class 87/2011, Thai Institute of Directors (IOD)

### Work Experience in the past 5 years

2004 - Present Director  
Chularat Hospital Public Company Limited

2016 - Present Nomination and Remuneration Committee  
Chularat Hospital Public Company Limited

2016 - Present Corporate Investment and Risk  
Management Committee  
Chularat Hospital Public Company Limited

### Shareholding in the Company (%)

- 49,052,150 shares (0.45%)

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mr. Mani Jeeradit

**Director, Independent Director, Chairman of the Audit Committee**

(Date of Appointment 15 August 2012)

**Corporate Governance Committee, Nomination and Remuneration Committee**

(Date of Appointment 11 May 2016)

**Age 74 Years**

### Education / Training

- B.A. (Economics and Accounting), Claremont Men's College (Claremont McKenna College)
- Audit Committee Program (ACP), Class 36/2011, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Class 87/2011, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) 187/2014, Thai Institute of Directors (IOD)

### Work Experience in the past 5 years

2012 - Present	Director, Independent Director, Chairman of the Audit Committee Chularat Hospital Public Company Limited
2016 - Present	Nomination and Remuneration Committee, Corporate Governance Committee Chularat Hospital Public Company Limited
2015 - Present	Chairman of the Nomination and Remuneration Committee Moong Pattana International Public Company Limited

2015 - Present	Director License2Q Company Limited
2010 - 2020	Independent Director, Audit Committee Moong Pattana International Public Company Limited
2021 - Present	Chairman of the Audit Committee Moong Pattana International Public Company Limited

### Shareholding in the Company (%)

- 200,000 shares (0%)

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mr. Somyos Yan-ubol

**Director, Independent Director, Audit Committee**

(Date of Appointment 15 August 2012)

**Corporate Governance Committee, Nomination and Remuneration Committee,  
Corporate Investment and Risk Management Committee**

(Date of Appointment 11 May 2016)

**Age 67 Years**

### Education / Training

- Master of Business Administration (MBA),  
Kasetsart University
- Bachelor of Science (Accounting), Kasetsart University
- Director Accreditation Program (DAP), Class 97/2012,  
Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP),  
Thai Institute of Directors (IOD)
- Audit Committee Program (ACP), Class 45/2013,  
Thai Institute of Directors (IOD)
- Ethical Leadership Program (ELP) 1/2017,  
Thai Institute of Directors (IOD)
- Risk Management for Corporate Leaders Program (RCL),  
Class 16/2019

### Work Experience in the past 5 years

2012 - Present Director, Independent Director,  
Audit Committee

Chularat Hospital Public Company Limited

2016 - Present Nomination and Remuneration Committee,  
Corporate Governance Committee,  
Corporate Investment and Risk  
Management Committee  
Chularat Hospital Public Company Limited

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according  
to the law and do not have any prohibited  
characteristics according to the Notification of  
Thai SEC Board**

- Yes -





## Mr. Santhat Sanguandikul

**Director, Independent Director, Audit Committee**

(Date of Appointment 15 May 2022)

**Corporate Governance Committee, Nomination and Remuneration Committee**

(Date of Appointment 15 May 2022)

**Age 59 Years**

### Education / Training

- Master of Business Administration - Finance,  
University of Denver
- Bachelor of Accountancy, Faculty of Commerce and  
Accountancy, Chulalongkorn University

### Work Experience in the past 5 years

2022 - Present Independent Director, Audit Committee,  
Corporate Governance Committee,  
Nomination and Remuneration Committee  
Chularat Hospital Public Company Limited

2016 - 2020 Chief Financial Officer  
Asia Aviation Public Company Limited

2016 - 2020 Chief Financial Officer  
Thai AirAsia Company Limited

2011 - 2016 Director & Treasurer  
Thanachart Securities Company Limited

2003 - 2016 Director & Treasurer  
Investment Banking Club

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according  
to the law and do not have any prohibited  
characteristics according to the Notification of  
Thai SEC Board**

- Yes -



## Dr. Pinit Kullavanijaya

### Director, Independent Director

(Date of Appointment 15 August 2012)

### Chairman of the Nomination and Remuneration Committee

(Date of Appointment 11 May 2016)

**Age 80 Years**

### Education / Training

- M.B.Ch.B. (Leeds)
- D.T.M.&H. (Liverpool)
- MRCP. (UK)
- FIMS., FAMM.
- FACG., FACP. (Hon.), FRACP (Hon.)
- FRCPI, FAMS
- FRCP (Glasgow, Edinburgh, London, Thailand)
- The Joint State - Private Sector Course Class 4, National Defence College
- Politics and Governance in Democratic System for Executives Program, Class 14, King Prajadhipok's Institute
- Advanced Security Management Program (NDCAT-ASMP), Class 3, National Defence College

### Work Experience in the past 5 years

2012 - Present	Director, Independent Director Chularat Hospital Public Company Limited
2016 - Present	Chairman of the Nomination and Remuneration Committee Chularat Hospital Public Company Limited
2011 - Present	Deputy Secretary Thai Red Cross Society
Present	<ul style="list-style-type: none"> <li>• Special Instructor to Gastrointestinal Diseases, Department of Internal Medicine, Faculty of Medicine, Chulalongkorn University</li> </ul>

- Chairperson to Faculty of Medicine, Chulalongkorn University (MDCU) Foundation 2020
- Senate Advisor to Public Health Committee
- Senate Advisor to Universal Health Coverage Sub-Committee
- Senate Advisor to Primary Health Care Sub-Committee
- Senate Committee on Emergency Integration and Road Safety
- Senate Sub-Committee on Emergency Recovery
- Chairman of the Working Group on Road Safety Campaign, Thai Red Cross Society
- Committee of the Reference Group on Global Health, The International Federation of Red Cross and Red Crescent Societies (IFRC)
- Committee of the Health and Climate Working, The International Federation of Red Cross and Red Crescent Societies (IFRC)
- Director of Administration to Chulabhorn International College of Medicine, Thammasat University.
- Director of Administration to Faculty of Medicine, Chiangmai University
- Emeritus Regional Advisor, Royal College of Physicians of Edinburgh
- Honorary Committee to Advanced Security Management Program (NDCAT-ASMP), National Defence College

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

### Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board

- Yes -



## Dr. Yudthana Sanguansakdikosol

**Executive Committee, Deputy Managing Director, Hospital Director of Chularat 9 Airport**

(Date of Appointment 25 June 2004)

**Age 70 Years**

### Education / Training

- Doctor of Medicine, Chulalongkorn University
- Master of Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Internal Medicine Residency Program, Chulalongkorn Hospital
- Internal Medicine Residency - Rheumatology Program, Ramathibodi Hospital
- Master of Management, Class 1990, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Rheumatology Program B.E. 2535, the Royal College of Physicians of Thailand
- Occupational Medicine Doctor Program, Department of Medical Services, Ministry of Public Health
- Move Ahead for All ASEAN 2016 in Anti-Aging, Regenerative & Aesthetic Medicine Program, Thai Association of Anti-Aging and Regenerative Medicine.
- Good Governances for Executive M.D. Program Class 2, King Prajadhipok's Institute
- Management Problem Solving and Decision Making Program, Kepner-Tregoe International, Princeton, New Jersey, U.S.A.
- Healthcare Quality Management Program, Technology Promotion Association (TPA)
- JCI Standards for Hospitals Program - 5th edition, Department of Health Service Support, Ministry of Public Health

- Quality Forum 2012 : Innovation in Healthcare Organization Program, Bangkok Hospital Medical Center
- Wellness and Healthcare Business Opportunity Program for Executives (WHB), Class 2
- Health Innovation in Digital Age Program (HIDA), Class 2

### Work Experience in the past 5 years

Present	Executive Committee, Deputy Managing Director Chularat Hospital Public Company Limited
2016 - 2019	Director Ruampat Chachoengsao Hospital Company Limited
2014 - 2019	Director Cholvaej Hospital Company Limited
2004 - Present	Director Convenience Hospital Company Limited

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Dr. Chutima Pinjaroen

**Executive Committee, Deputy Managing Director, Hospital Director of Chularat 11 International**

(Date of Appointment 25 June 2004)

**Corporate Investment and Risk Management Committee**

(Date of Appointment 11 May 2016)

**Age 70 Years**

### Education / Training

- Doctor of Medicine, Chulalongkorn University
- Diploma of Thai Board of Anesthesiology, Chulalongkorn University
- Capital Market Academy Program, Class 8, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Class 5, Commerce Academy, University of the Thai Chamber of Commerce
- Good Governances for Executive M.D. Program, Class 3, King Prajadhipok's Institute – The Medical Council of Thailand
- Transformative HR Strategy for maximizing organization capability in VUCA World, Chief People Officer Program (CPO), Class 7, PIM HR Excellence Center
- Engaging your stakeholders through effective communications Program, TLCA IR Conference 2019 (September 16, 2019)

### Work Experience in the past 5 years

Present	Executive Committee, Deputy Managing Director Chularat Hospital Public Company Limited
2016 - Present	Corporate Investment and Risk Management Committee Director Chularat Hospital Public Company Limited
2014 - 2019	Director Cholvaej Hospital Company Limited
2006 - Present	Hospital Director Bangpakong Vejchakij Company Limited
2006 - Present	Director Pinsarakam Company Limited

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -



## Mrs. Wandee Pitsanuvanavech

### Deputy Chief Executive Officer

(Date of Appointment 9 September 2022)

### Administrative Director

(Date of Appointment 1 January 2017)

### Company Secretary

(Date of Appointment 30 November 2012)

Age 52 Years

### Education / Training

- Master of Business Administration (MBA), National Institute of Development Administration (NIDA)
- Bachelor of Business Administration - Accounting, Ramkhamhaeng University
- Director Certification Program (DCP), Class 187/2014, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Class 97/2012, Thai Institute of Directors (IOD)
- Company Secretary Program (DSP), Class 50/2013, Thai Institute of Directors (IOD)
- Company Reporting Program (CRP), Class 7/2013, Thai Institute of Directors (IOD)
- Good Governances for Executive M.D. Program, Class 2, King Prajadhipok's Institute
- Strategic Financial Leadership Program (SFLP), 27-29 May 2019

### Work Experience in the past 5 years

2022 - Present Deputy Chief Executive Officer  
Chularat Hospital Public Company Limited

2017 - 2022	Chief Financial Officer Chularat Hospital Public Company Limited
2017 - Present	Administrative Director Chularat Hospital Public Company Limited
2012 - Present	Company Secretary Chularat Hospital Public Company Limited
2012 - 2017	Deputy Administrative Director Chularat Hospital Public Company Limited
2014 - 2019	Director Cholvaej Hospital Company Limited

### Shareholding in the Company (%)

- None -

### Family Relationship to Management

- None -

### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -





## Mr. Suppachoke Rojcheewin

### Chief Financial Officer

(Date of Appointment 9 September 2022)

Age 41 Years

#### Education / Training

- Bachelor of Accountancy
- CFO Refresher Program, Class 2/2021 (16-17 December 2021)
- CFO Refresher Program 2022 (22,24 November 2022)

#### Work Experience in the past 5 years

2022 - Present Chief Financial Officer  
Chularat Hospital Public Company Limited

2014 - 2022 Finance and Accounting Manager  
Chularat Hospital Public Company Limited

#### Shareholding in the Company (%)

- None -

#### Family Relationship to Management

- None -

#### Regulatory Offense in the past 5 years

- None -

**Possess the qualification of Director according to the law and do not have any prohibited characteristics according to the Notification of Thai SEC Board**

- Yes -

## Roles and Responsibilities of Company Secretary and the Company Secretary Office

### Company Secretary

The Company Secretary shall perform duties as stipulated in Section 89/15 and 89/16 of the Securities and Exchange Act ( No.4) B.E. 2551 effective on August 31, 2008 with responsibility, caution and honesty as well as to comply with the laws, objectives, the Company's Code of Conduct, the Boards' resolution including an Annual General Meeting's resolutions.

The Company's Board of Director approved a resolution to appoint Mrs.Wandee Pisanuvanavech to hold a position of the Company Secretary, effective from November 30, 2012 by the resolution of the Board of Directors meeting no. 7/2012 dated November 30, 2012.

### Roles and Responsibility of Company Secretary and the Company Secretary Office

Company Secretary 's roles and responsibilities are to provide initial advice to Directors related to the laws, rules, regulations, and articles of association of the Company , monitor and ensure the compliance of the Company and the Board of Directors with the relevant laws, rules & regulations, including

corporate governance practices on a regular basis, responsible for information disclosure in accordance with the rules and regulation of the Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC) , including prepare and keep the important documents of the Company as follows ;

1. The registration of Directors.
2. Meeting invitation for the Board of Directors and the Board of Directors' meeting minutes.
3. Meeting invitation for shareholders and shareholders' meeting minutes.
4. The Company's Annual Report.
5. Report of interest of Directors and management members.

Qualification: A person holding a position as a Company Secretary shall complete accounting or legal studies and the trainings related to the duties of Company Secretary.

### Company Secretary Office :

- Phone : 02 033 2900 ext. 3325
- E-mail : [companysecretary@chularat.com](mailto:companysecretary@chularat.com),  
[ir@chularat.com](mailto:ir@chularat.com)

## Directorship of the Directors and Executives in Subsidiaries and Associated companies as of 31 December 2022 are as follows.

Director	The Company or CHG	Subsidiaries											Associated Companies							
		Convenience Hospital	Bangkok Vajirakij Hospital	Chulabhat Hospital	Thai Andon	Cholvaaj	Chulabhat Rayong	Ruampat Chachoengsao	Chulabhat Phraek Sa	Shewarat	Chulabhat Mae Sot	CHG Holding	Ilcon	Panyapol Interholding	Samonkit	Steel Link International	Seameth	Esco-Thai	Moong Pattana International	License2q
1. Mr. Kriengsak Plussind	X	/	/	/	/	/	/	/	/	/	/	/	/,M,C							
2. Dr. Kumpol Plussind	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M	/,C,M								
3. Mr. Apirum Panyapol	/	/	/	/	/	/	/	/	/	/	/	/		/	/	/	/,M,C			
4. Dr. Wichit Siritattamrong	/	/	/	/	/	/	/	/	/	/	/	/								
5. Dr. Suchai Laoveerawat	/,/,///	/	/	/	/	/	/	/	/	/	/	/								
6. Mrs. Kobkul Panyapol	/	/	/	/	/	/	/	/	/	/	/	/		/	/	/	/			
7. Mr. Yanyong Amornpitakul	/																			
8. Ms. Kannikar Plussind	/	/	/	/	/	/	/	/	/	/	/	/						/		
9. Mr. Manit Jeeradit	/,AC																		/,AC	/
10. Mr. Santhat Sanguandikul	/,AC																			
11. Mr. Somyos Yan-ubol	/,AC																			
12. Dr. Pinit Kullavanijaya	/																			
13. Dr. Annop Kanjanasingh								/												
14. Dr. Ronnatrai Rueangweerayut											/									
15. Dr. Yudthana Sanguansakdikosol	/,/,///																			
16. Dr. Chutima Pincharoen	/,/,///																			
17. Mrs. Wandee Pisanuvanavech	/,/,																			
18. Mr. Suppachoke Rojcheewin	/,/,																			

### NOTE :

X is Chairman of the Board of Directors, C is Chief Executive Officer or M is Managing Director, AC is Audit Committee, / is Director, // is Executive Committee, /// is Management

## Attachment 2

## Details of the Directors of Subsidiaries

Attachment 2 : Directorship of Directors of Subsidiaries as of 31 December 2022

## Directors' Directorship

Director	Subsidiary Companies										
	Convenience Hospital	Bangpakong Vejchakij	Chularat Arkanay Hospital	Thai Amdon	Cholvaej	Chularat Rayong	Ruampat hachoengsao	Chularat Phraek Sa	Shewarat	Chularat Mae Sot	CHG Holding
1. Mr. Kriengsak Plussind	/	/	/	/	/	/	/	/	/	/	/
2. Dr. Kumpol Plussind	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //	C, /, //
3. Mr. Apirum Panyapol	/	/	/	/	/	/	/	/	/	/	/
4. Dr. Wichit Siritattamrong	/	/	/	/	/	/	/	/	/	/	/
5. Dr. Suchai Laoveerawat	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/
6. Mrs. Kobkul Panyapol	/	/	/	/	/	/	/	/	/	/	
7. Ms. Kannikar Plussind	/	/	/	/	/	/	/	/	/	/	
8. Mrs. Wandee Pisanuvanavech	//	//	//	//	//	//	//	//	//	//	//

## NOTE :

C is Chief Executive Officer, / is Director, // is Executive Committee

# Attachment **3**

## Details of the Company's Head of Internal Audit and Head of Compliance

### Details of the Company's Head of Internal Audit

The Company has appointed Ms. Khemkulkorn Toomthong as Internal Audit Manager with details as follows.

#### Ms. Khemkulkorn Toomthong

**Internal Audit Manager**

**Age 45 Years**

##### Education

- Bachelor of Business Administration (Accounting),  
Ramkhamhaeng University

##### Training

- Certified Professional Internal Auditors of Thailand (CPIAT)
- Internal Audit Certificate Program (IACP)
- Audit Manager Tools and Techniques
- Internal Audit for Information System
- Risk Assessment for Internal Audit Planning
- COSO Internal Control System (The Committee of Sponsoring Organizations of the Treadway Commission)

##### Work Experience

- |                |  |
|----------------|--|
| 2015 - Present | Internal Audit Manager<br>Chularat Hospital Public Company Limited     |
| 2012 - 2015    | Head of Internal Audit<br>International Laboratory Company Limited     |
| 2011 - 2012    | Head of Internal Audit<br>Giffarine Skyline Unity Company Limited      |
| 2007 - 2011    | Head of Internal Audit<br>Surapon Foods Public Company Limited         |
| 2005 - 2006    | Audit Assistant<br>Akedharmmakit Law and Accounting<br>Company Limited |



## Details of the Company's Head of Compliance

The Company has appointed Mrs. Wandee Pisanuvanavech as the Head of Compliance and Mr. Supparouk Sriyapong as Compliance Officer with details as follows.

### Mrs. Wandee Pisanuvanavech

**Head of Compliance**

**Age 52 Years**

#### Education

- Master of Business Administration (MBA), National Institute of Development Administration (NIDA)
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University

#### Training

- Director Certification Program (DCP), Class 187/2014, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP), Class 97/2012, Thai Institute of Directors (IOD)
- Company Secretary Program (DSP), Class 50/2013, Thai Institute of Directors (IOD)
- Company Reporting Program (CRP), Class 7/2013, Thai Institute of Directors (IOD)
- Good Governances for Executive M.D. Program, Class 2, King Prajadhipok's Institute
- Strategic Financial Leadership Program (SFLP), 27-29 May 2019

#### Work Experience

- |                |  |
|----------------|--|
| 2022 - Present | Deputy Chief Executive Officer<br>Chularat Hospital Public Company Limited |
| 2017 - 2022    | Chief Financial Officer<br>Chularat Hospital Public Company Limited        |
| 2017 - Present | Administrative Director<br>Chularat Hospital Public Company Limited        |
| 2012 - Present | Company Secretary<br>Chularat Hospital Public Company Limited              |
| 2012 - 2017    | Deputy Managing Director<br>Chularat Hospital Public Company Limited       |
| 2014 - 2019    | Executive Committee<br>Cholvaej Hospital Company Limited                   |

### Mr. Supparouk Sriyapong

**Compliance Officer**

**Age 43 Years**

#### Education

- Master of Law, National Institute of Development Administration (NIDA)
- Bachelor of Law, Ramkhamhaeng University
- Medical Law and Medical Case Program, Class 2/2019, Sripatum University
- Extraordinary member of Thai Bar Association
- Member of the Lawyers Council, License to be a lawyer 1355/2005

#### Work Experience

- |                |   |
|----------------|---|
| 2015 - Present | Legal Manager<br>Chularat Hospital Public Company Limited)                  |
| 2005 - Present | Lawyer<br>Chularat Hospital Public Company Limited                          |
| 2005 - 2015    | Head of Legal and Legal Officer<br>Chularat Hospital Public Company Limited |

# Attachment 4

## Assets used in Business Operation and Details on Asset Valuation

### 4.1 Assets used in business operations

#### 4.1.1 Fixed Assets : Land, Building and Equipment

As of 31 December 2022, the Company has Land, building and equipment (NET) at Baht 4,673.81 million with details as follows

Type of Assets	Book Value (Million Baht)	Ownership	Obligation
Land and Land improvement	1,263.10	Owner	Loan Collateral (Partial)
Building and building improvement	1,915.46	Owner	Loan Collateral (Partial)
Medical Tool and Equipment	679.45	Owner	No obligation
Machine and Equipment	54.42	Owner	No obligation
Furniture, Fixture and Office Equipment	161.10	Owner	No obligation
Vehicle	40.98	Owner	Financial Lease (Partial)
Work in process	559.30	Owner	No obligation
<b>Total Book Value - NET</b>	<b>4,673.81</b>		

#### 4.1.2 Details of Land and buildings used in business operation

Assets	Ownership	Obligation
<b>Chularat Suvarnbhumi (Chularat 1)</b> <i>Land:</i> Title Deed Number 7071, 29152, 72117 <ul style="list-style-type: none"> <li>• Total Area : 1-1-12 Rai</li> <li>• Location : Rachathewa, Bangplee, Samutprakarn</li> </ul> <i>Building:</i> 6 floors, approx. usable area 4,000 sq.m.	Owner	No obligation
<b>Chularat 2 Medical Clinic</b> <i>Land:</i> Title Deed Number 10096 <ul style="list-style-type: none"> <li>• Total Area : 0-0-97 Rai</li> <li>• Location : Rachathewa, Bangplee, Samutprakarn</li> </ul> <i>Building:</i> 4 floors, approx. usable area 320 sq.m.	Owner	No obligation

[illegible]

Assets	Ownership	Obligation
<b>(3) Hospital Area – New Building</b> <b>Land:</b> Title Deed Number 34383,57043-57047 <ul style="list-style-type: none"> <li>• Total Area : 0-2-21 Rai</li> <li>• Location : Rachathewa, Bangplee, Samutprakarn</li> </ul> <b>Building:</b> 4 floors, approx. usable area 1,968 sq.m.	Owned by subsidiary	Mortgage as collateral with financial institution. Having credit limit with Building A
<b>(4) Parking Area</b> <b>Land:</b> Title Deed Number 6225,137187-137189 <ul style="list-style-type: none"> <li>• Total Area : 1-1-83 Rai</li> <li>• Location : Rachathewa, Bangplee, Samutprakarn</li> </ul> <b>Building:</b> 4 floors, approx. usable area 4,663 sq.m.	Owned by subsidiary	Mortgage as collateral with financial institution. Having credit limit with Building A
<b>(5) Land</b> <b>Land:</b> Title Deed Number 1088,165104-165105 <ul style="list-style-type: none"> <li>• Total Area : 5-0-0 Rai</li> <li>• Location : Klongrachathewa, Bangplee, Samutprakarn</li> </ul>	Owned by subsidiary	No obligation
<b>Chularat 11 International Hospital</b> <b>Land:</b> Title Deed Number 5281 – 5283, 7171 <ul style="list-style-type: none"> <li>• Total Area : 8-0-10 Rai</li> <li>• Location : Bangwua, Bangpakong, Chachoengsao</li> </ul> <b>Building:</b> 7 floors, approx. usable area 6,695 sq.m. <b>Building:</b> 6 floors, approx. usable area 8,959 sq.m.	Owned by subsidiary	Mortgage as collateral with financial institution. Total credit limit of Baht 105 million
<b>Chularat 12 Medical Clinic (Gateway)</b> Land and commercial building, 2 floors, 1 unit	2-year lease contract Expire 31 December 2023	-
<b>Chularat Interhealth School</b> <b>Land:</b> Title Deed Number 35118 – 35128,35134 <ul style="list-style-type: none"> <li>• Total Area : 0-2-69 Rai</li> <li>• Location : Bangpla, Bangplee, Samutprakarn</li> </ul> <b>Building:</b> 6 floors, approx. usable area 3,456 sq.m.	Owner	Mortgage as collateral with financial institution. Total credit limit of Baht 725 million
<b>Chularat 304 International Hospital</b> <b>Land:</b> Title Deed Number 12781, 46153 <ul style="list-style-type: none"> <li>• Total Area : 21-1-47 Rai</li> <li>• Location : Kroksoomboon, Srimahaphot, Prachinburi</li> </ul> <b>Building:</b> 7 floors, approx. usable area 8,980 sq.m.	Owned by subsidiary	Mortgage Title Deed Number 46153 as collateral with financial institution. Total credit limit of Baht 260 million
<b>Land:</b> Title Deed Number 12, 412, 413, 27524, 28089, 28090 <ul style="list-style-type: none"> <li>• Total Area : 8-2-20 Rai</li> <li>• Location : Kabinburi, Prachinburi</li> </ul>	Owned by subsidiary	No obligation

Assets	Ownership	Obligation
<b>Cholvaej Medical</b>  <i>Land:</i> Title Deed Number 204001,670 <ul style="list-style-type: none"><li>• Total Area : 1-1-24 Rai</li><li>• Location : Bangplasoy, Muang, Chonburi</li></ul> <i>Building 1:</i> Approx. usable area 417.6 sq.m. <i>Building 2:</i> 7 floors, approx. usable area 4,440 sq.m. <i>Land:</i> Title Deed Number 9131 <ul style="list-style-type: none"><li>• Total Area : 0-0-63 Rai</li><li>• Location : Bangplasoy, Muang, Chonburi</li></ul> <i>Building MRI:</i> 3 floors, approx. usable area 216 sq.m.	  Owned by subsidiary      Owned by subsidiary	  Mortgage as collateral with financial institution. Total credit limit of Baht 150 million      No obligation
<b>Ruampat Rayong Hospital</b>  <i>Land:</i> Title Deed Number 7323, 41551, 41552, 41553, 41562, 41563, 41564, 44172, 44175, 44176, 44177, 44178, 78588, 75469, 7322, 75468, 91995-97, 3350 <ul style="list-style-type: none"><li>• Total Area : 1-2-44 Rai</li><li>• Location : Cheung Neu, Muang, Rayong</li></ul> <i>Building A:</i> 6 floors, approx. usable area 1,704 sq.m. <i>Land:</i> Title Deed Number 44173, 44174, 44181, 41560, 41561 <ul style="list-style-type: none"><li>• Total Area : 0-1-24 Rai</li><li>• Location : Tha Pradu, Muang, Rayong</li></ul> <i>Building B:</i> 5 floors, approx. usable area 765 sq.m.	  Owned by subsidiary      Owned by subsidiary	  Mortgage Title Deed Number 75469 as collateral with financial institution. Total credit limit of Baht 0.6 million
<b>Ruampat Chachoengsao Hospital</b>  <i>Land:</i> Title Deed Number 9208 <ul style="list-style-type: none"><li>• Total Area : 6-3-15 Rai</li><li>• Location : Bangteenped, Muang, Chachoengsao</li></ul> <i>Building:</i> 8 floors, approx. usable area 15,497 sq.m.	  Owned by subsidiary	  Mortgage as collateral with financial institution. Total credit limit of Baht 310 million
<b>Chularat Phraeksa Hospital</b>  <i>Land:</i> Title Deed Number 4923 <ul style="list-style-type: none"><li>• Total Area : 10 Rai</li><li>• Location : Phraekasamai, Muang, SAmutprakarn</li></ul> <i>Building:</i> during consideration.	  Owned by subsidiary	  No obligation
<b>Ruampat Mae Sot International Hospital</b>  <i>Land:</i> Title Deed Number 5646, 10156 - 10157, 13323 - 13328, 13623 -13624, 17930 - 17931, 18344 - 18351 <ul style="list-style-type: none"><li>• Total Area : 6-1-35 Rai</li><li>• Location : Maesot-Tak Road (Route 12), Tha Sai Luad, Maesot, Tak</li></ul> <i>Building:</i> under construction	  Owned by subsidiary	  Mortgage Title Deed Number 18344-18351, 17930-17931, 13323-13328, 13623-13624, 10156-10157 and 5646 as collateral with financial institution. Total credit limit of Baht 300 million



### 4.1.3 Property for Investment

As of 31 December 2022, the Company has property for investment - Land awaiting for development, amounting to Million 75.65 Baht, which the Company may develop or sell in the future.

Details	Ownership	Future Plan
<b>Chularat Hospital Public Company Limited</b>	Owner	Asset from the Company's restructuring in the past
1 Land Nor.Sor. 3 Kor.361, Area -1 Rai 1 Ngan 96 sq.wah. Ladya, Muang, Kanchanaburi		
<b>Convenience Hospital Company Limited</b>	Owner	For future expansion project
1 Land Title Deed Number 14117, Area - 3 Rai, 8 sq.wah. Title Deed Number 8988, Area - 319 sq.wah. Phraeksa, Muang, Samutprakarn		
<b>Bangpakong Vejchakij Company Limited</b>	Owner	For future expansion project
1 Land sq.wah, Klongprawet, Ban Pho, Chachoengsao Title Deed Number 15593, Area - 9 Rai 1 Ngan 92		

### 4.1.4 Land and Building Lease Agreement

The Company has leased some land and building from the third parties for business use1/, with details as follows.

Lease Agreement	Party	Duration
<b>1) Chularat 7 Medical Clinic</b> Land and commercial building, 4 floors, 4 units	<ul style="list-style-type: none"> <li>Mr. Fong Yongsaroj (lessor)</li> <li>Convenience Hospital Company Limited (lessee)</li> </ul>	3 years 16 March 2021 - 15 March 2024
<b>2) Chularat 8 Medical Clinic</b> Commercial Building, 4 floors, 2 units	<ul style="list-style-type: none"> <li>Ms. Panporn Chantarachote (lessor)</li> <li>Convenience Hospital Company Limited (lessee)</li> </ul>	2 years 1 January 2022 - 31 December 2023
<b>3) Chularat 8 Medical Clinic</b> Commercial Building, 4 floors, 2 units	<ul style="list-style-type: none"> <li>Ms. Wannee Hamontri (lessor)</li> <li>Convenience Hospital Company Limited (lessee)</li> </ul>	2 years 1 January 2022 - 31 December 2023
<b>4) Chularat 8 Medical Clinic</b> Commercial Building, 4 floors, 4 units	<ul style="list-style-type: none"> <li>Ms. Wareerat Siripichairom (lessor)</li> <li>Ms. Chutima Siripichairom (lessor)</li> <li>Convenience Hospital Company Limited (lessee)</li> </ul>	3 years 1 March 2022 - 28 February 2025
<b>5) Chularat 9 Hospital</b> Land 0-2-21 Rai	<ul style="list-style-type: none"> <li>King Kaew Temple by Mr. Watcharapol Thongdee (Attorney)</li> <li>Convenience Hospital Company Limited (lessee)</li> </ul>	1 year 2 March 2022 - 2 March 2023
<b>6) Chularat 12 Medical Clinic (Gateway)</b> Commercial Building, 2 floors, 1 unit	<ul style="list-style-type: none"> <li>MDX Public Company Limited (Lessor)</li> <li>Bangpakong Vejchakij Company Limited (lessee)</li> </ul>	2 years 1 January 2022 - 31 December 2023

Lease Agreement	Party	Duration
7) 304 Medical Clinic Commercial Building 4 floors, 4 units	<ul style="list-style-type: none"> <li>Mr. Rungsimun Kosawanich (Lessor)</li> <li>Chularat Arkanay Hospital Company Limited (Lessee)</li> </ul>	3 years 17 November 2020 - 16 November 2023

#### 4.1.5 Trademark

The Company has registered its trademarks - Chularat Hospital Group Logo with the Department of Intellectual Property, Ministry of Commerce and was approved to amend its trademark on 26 February 2013. According to the Trademark Act B.E. 2534, trademark registration is valid for a period of not more than 10 years and can be renewed for a period of 10 years upon its maturity

Service Mark	Owner	Product and Service	Registration Number/Country	Period
Chularat Hospital Group Brand	Chularat Hospital Public Company Limited	Service mark for hospital services	Bor. 60474/ Thailand	10 years (Expire on 26 February 2023)

#### 4.1.6 Business License

All hospitals and medical clinics in the group have obtained the necessary licenses for healthcare business from the Ministry of Public Health in accordance with the Medical Facilities Act B.E. 2541, consisting of (1) License to operate healthcare business, provided to a person or a juristic person ("Licensee"), valid for a period of not more than 10 years and can be renewed for a period of not more than 10 years upon expiration and (2) License to

operate medical facilities, provided to physicians responsible for the operation of the hospital ("Operator"), valid for a period of not more than 2 years. The Licensee – a person or a juristic person of both licenses shall possess the qualifications as specified by the Ministry of Public Health. In the event that the operator is not on service or unable to perform his/her duties for more than 7 days, the licensee may assign a qualified person to act on his/her behalf.

Hospital	License to operate medical business	License to operate medical facility
1. Chularat Suvarnabhumi (Chularat 1)	<ul style="list-style-type: none"> <li>Start 22 November 2019</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
2. Chularat 2 Medical Clinic	<ul style="list-style-type: none"> <li>Start 1 January 2019</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
3. Chularat 3 Hospital	<ul style="list-style-type: none"> <li>Start 30 April 2018</li> <li>Valid until 31 December 2027</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
4. Chularat 5 Medical Clinic	<ul style="list-style-type: none"> <li>Start 26 February 2020</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
5. Chularat 7 Medical Clinic	<ul style="list-style-type: none"> <li>Start 19 December 2018</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
6. Chularat 8 Medical Clinic	<ul style="list-style-type: none"> <li>Start 19 December 2018</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>

Hospital	License to operate medical business	License to operate medical facility
7. Chularat 9 Hospital	<ul style="list-style-type: none"> <li>Start 1 April 2020</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
8. Chularat 11 Hospital	<ul style="list-style-type: none"> <li>Start 1 April 2020</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2022</li> <li>Valid until 31 December 2023</li> </ul>
9. Chularat 12 Medical Clinic (Gateway)	<ul style="list-style-type: none"> <li>Start 11 September 2017</li> <li>Valid until 31 December 2026</li> </ul>	<ul style="list-style-type: none"> <li>Start 13 September 2021</li> <li>Valid until 31 December 2022</li> </ul>
10. Cholvaej Hospital	<ul style="list-style-type: none"> <li>Start 11 September 2020</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2022</li> <li>Valid until 31 December 2023</li> </ul>
11. Chularat 304 International Hospital	<ul style="list-style-type: none"> <li>Start 28 October 2019</li> <li>Valid until 31 December 2027</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2022</li> <li>Valid until 31 December 2023</li> </ul>
12. Ruampat Rayong Hospital	<ul style="list-style-type: none"> <li>Start 4 April 2019</li> <li>Valid until 31 December 2028</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2021</li> <li>Valid until 31 December 2022</li> </ul>
13. Ruampat Chachoengsao Hospital	<ul style="list-style-type: none"> <li>Start 4 February 2020</li> <li>Valid until 31 December 2027</li> </ul>	<ul style="list-style-type: none"> <li>Start 1 January 2022</li> <li>Valid until 31 December 2023</li> </ul>
14. 304 Medical Clinic	<ul style="list-style-type: none"> <li>Start 12 January 2021</li> <li>Valid until 31 December 2030</li> </ul>	<ul style="list-style-type: none"> <li>Start 12 January 2021</li> <li>Valid until 31 December 2022</li> </ul>

## 4.2 Investment Policy in Subsidiaries and Associated Companies

### 4.2.1 Details of investment as of 31 December 2022

The Company has invested in 9 subsidiaries: Convenience Hospital Company Limited, Bangpakong Vejchakij Company Limited, Thai Amdon Company Limited, Chularat Arkanay Hospital Company Limited, Ruampat Chachoengsao Hospital Company Limited, Chularat Phraek Sa Hospital Company Limited, Shewarat Hospital Company Limited, Ruampat Mae Sot International Company Limited and CHG Holding Company Limited with shareholding details and investment value as follows.

Company	Nature of Business	Shareholding (%)	Investment Value (Cost Price) as of 31 December 2022 (Million Baht)
Convenience Hospital Company Limited	Healthcare - Hospital	100	500.00
Bangpakong Vejchakij Company Limited	Healthcare - Hospital	100	810.75
Thai Amdon Company Limited	Import and supply medical devices	100	200.68
Chularat Arkanay Hospital Company Limited.	Healthcare - Hospital	70	210.00
Ruampat Chachoengsao Hospital Company Limited	Healthcare - Hospital	64.58	290.86
Chularat Phraek Sa Hospital Company Limited	Healthcare - Hospital	100	1.00
Shewarat Hospital Company Limited	Healthcare - Hospital	100	1.00
Ruampat Mae Sot International Company Limited	Healthcare - Hospital	90	360.00
CHG Holding Company Limited	Investment	100	143.00
<b>Total</b>			<b>2,517.29</b>

The Company has invested in two (2) associated companies held by CHG Holding Co., Ltd., namely Medcurry Co., Ltd and Arincare Co., Ltd., with details of shareholding (%) and investment value as follows:

Company	Nature of Business	Shareholding (%)	Investment Value (Cost Price) as of 31 December 2022 (Million Baht)
Medcurry Company Limited	Health Technology	25.00	50.00
Arincare Company Limited	Pharmacy Information System (Pharmacy Platform)	25.02	92.87
<b>Total</b>			<b>142.87</b>

#### 4.2.2 Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in businesses supporting the Company's operations, having growth potential and good operating performance, which will help increasing the Company's profitability. The Company focus on long-term investment in companies in healthcare business in order to enhance its competitiveness, as well as expanding its service network to cover the potential areas especially in Samut Prakan province and the eastern area. The Company's investment proportion shall be large enough to allow the Company to participate in the management and determine the business plan and directions. In addition to the existing subsidiaries, the Company has a policy to invest more in the future. However, any investment in subsidiaries and associated companies must be approved by the Board of Directors prior to proceeding.

#### 4.2.3 Supervision of Subsidiaries and Associated Companies

For investments in subsidiaries and associated companies, the Company has a policy to assign its representatives to join as directors of such companies in accordance with the investment proportion to jointly determine the policy and to supervise the management as considered appropriate and with the mutual agreement.

### 4.3 Details of Asset Valuation

- None -

## Attachment **5**

### Corporate Governance Policy and Code of Conduct (Full version prepared by the Company)

The Company has disclosed the Corporate Governance Policy and Code of Conduct in 56-1 One Report under “Corporate Governance Policy” and details publicly shown on the Company’s website ([www.chularat.com](http://www.chularat.com)) under “Corporate Governance”.

#### Corporate Governance Policy (Full Version)

<https://investor.chularat.com/th/corporate-governance/cg-report-and-download>

#### Code of Conduct (Full Version)

<https://investor.chularat.com/th/corporate-governance/cg-report-and-download>

**For more information,  
please scan the  
QR code.**





# Attachment 6

## Report of the Audit Committee

Dear Shareholders of Chularat Hospital Public Company Limited,

The Board of Directors has appointed the Audit Committee of Chularat Hospital Public Company Limited, which consists of three independent directors qualified under the rules of the Stock Exchange of Thailand (SET). Two Audit Committee members are the persons with sufficient knowledge and experience to be responsible to review the reliability of financial statements. The Audit Committee comprises of:

- |                             |                 |
|-----------------------------|-----------------|
| 1. Mr. Manit Jeeradit       | Chairman of the |
|                             | Audit Committee |
| 2. Mr. Somyos Yan-ubol      | Audit Committee |
| 3. Mr. Santhat Sanguandikul | Audit Committee |

Ms. Khemkulkorn Toomthong is the Secretary to the Audit Committee.

In 2022, the Audit Committee had a total of 5 meetings in which all Audit Committee have attended. There was a meeting with the auditor without management attended the meeting. In each meeting, there was an agenda with the auditor; the internal audit manager attended the meeting and acted as the secretary of the Audit Committee in order to facilitate the performance of the Audit Committee to be in accordance with the Charter of the Audit Committee. The Audit Committee has summarized the meeting result in the report of Audit Committee and presented to the Board of Directors for acknowledgement.

Base on the performance of 2022, the Audit Committee concluded the opinions with key information as follows:

1. The Audit Committee has reviewed the quarterly financial statements and the annual financial statements 2022 of the Chularat Hospital Public Company Limited and its subsidiaries on significant issues by querying and gathering comments from management and the auditors regarding an accuracy, completeness and reliability of the financial statements and adequate disclosure of information. The Audit Committee has agreed with the auditor that the financial statements have been prepared correctly in accordance with generally accepted accounting standards.
2. The Internal Control system of the Company is appropriate and effective as it should be.
3. The related transactions or the transactions with conflicts of interest appeared in 2022 were considered as usual as normal business and reasonable for the interests of the Company, including adequate disclosure of information according to the requirements of the Stock Exchange of Thailand (SET).

4. The Company acted in accordance with the framework of the law under the Securities and Exchange Commission (SEC) as well as other laws and regulations related to the business of the Company.
5. For the fiscal period ended 31 December 2022, the certified public accountant to audit the financial statements of the Company is Ms. Kosum Cha-Em, Certified Public Accountant No. 6011. The Company has considered the performance of the auditor in the past fiscal periods, and agreed that EY Office Limited is a professional who operates independently and has understanding towards the business of the Company. Therefore, the Board of Directors

of the Company has proposed to the Annual General Meeting of Shareholders to appoint EY Office Limited to be the Auditor of the Company for another year. The Board of Directors has proposed Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313 or Mr. Vorapoj Amnuaypanich, Certified Public Accountant No. 4640 or Mr. Kritsada Lerdwana, Certified Public Account No. 4958 of EY Office Limited to be the auditors of the Company for 2023 with their total remuneration of Baht 1.60 million.

The Audit Committee has performed the duties and responsibilities assigned by the Board of Directors with caution in order to fully benefit the shareholders and all stakeholders of the Company.

On behalf of the Audit Committee,



**(Mr. Manit Jeeradit)**

Chairman of the Audit Committee  
Chularat Hospital Public Company Limited

# Attachment 7

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

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, the separate financial statements of the Company and the financial information in the Annual Report (56-1 One Report). The said financial statements for the year ended December 31, 2022 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis. Where judgement and estimates were required, these were made with careful and reasonable consideration, and adequate disclosure have been made in the notes to the financial statements to show the financial position, operating results and cash flow in accurate and transparency manner for the benefits of shareholders and general investors and was audited by a certified public accountant from EY Office Limited, who gave an unqualified opinion. The Company has provided the supported information and document so that the auditor can verify and give opinions according to auditing standards.

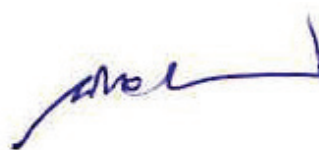
The Board of Directors has established an internal control system, risk management system and appropriate and effective governance to reasonably ensure that the financial information is accurate, complete and sufficient to maintain the Company's assets and prevent risk as well as to prevent frauds or materially irregular operations.

The Board of Directors has appointed the Audit Committee where all members are independent directors who are responsible for reviewing the accounting policies, the quality of the financial statements, the internal control system, the internal audit and risk management system. Risk Management Committee has participated in the assessment and considered the disclosure of connected transactions in a complete, adequate and appropriate manner. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee which is presented in this Annual Report (56-1 One Report).

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can reasonably assure the creditability of the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the year ended December 31, 2022, by adhering to generally accepted accounting standards and complying with relevant laws and regulations.

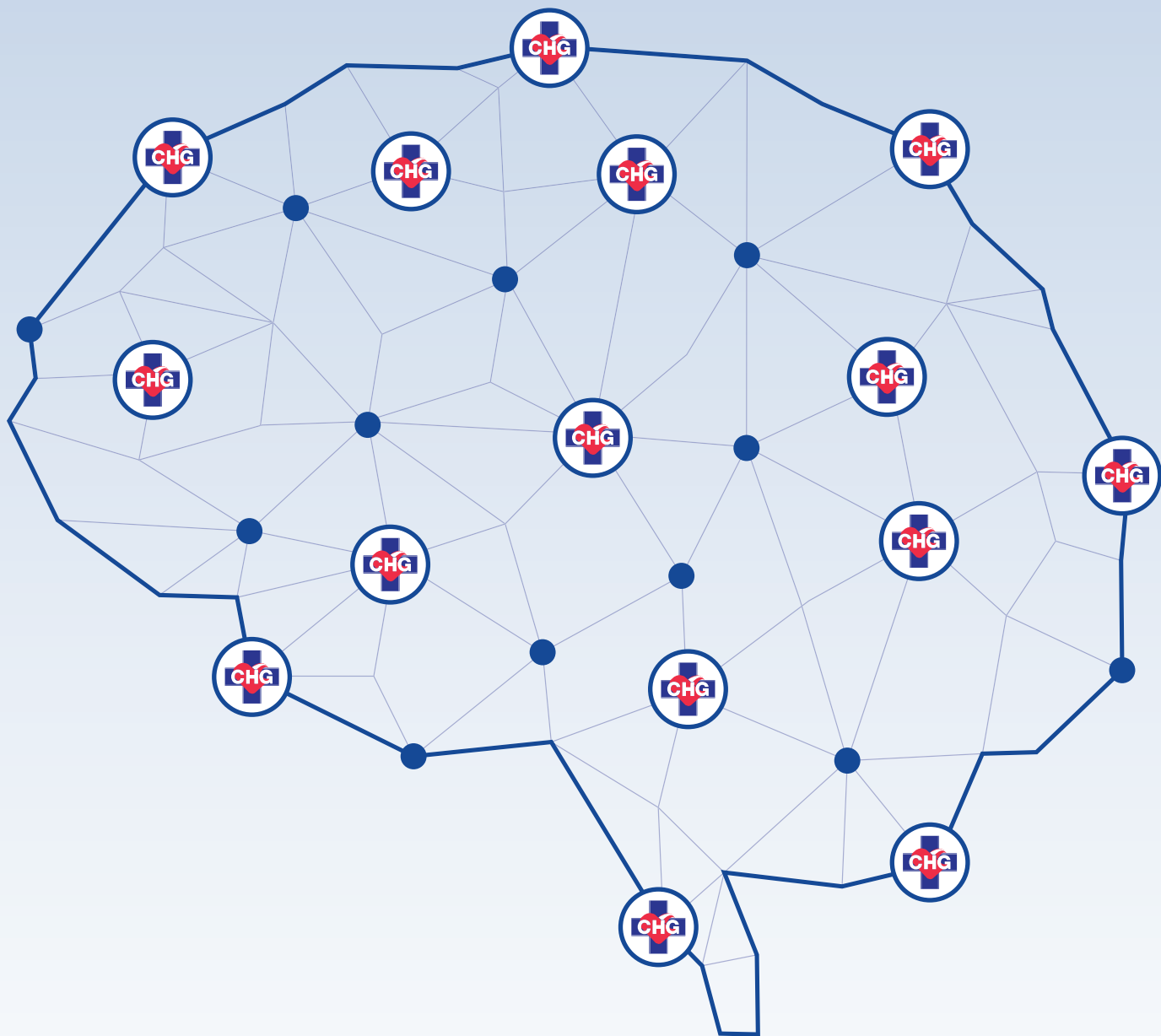


**Mr. Kriangsak Plussind**  
Chairman of the Boards



**Dr. Kumpol Plussind**  
Managing Director





Chularat hospital Public Company Limited  
[www.chularat.com](http://www.chularat.com)