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Opinions of Independent Financial Advisor on Acquisition of  
Investment into Thonburi Rangsit Hospital Project

Of

Thonburi Healthcare Group Public Company Limited

Presented to

Shareholders of Thonburi Healthcare Group Public Company  
Limited



Prepared by



March 17, 2022



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**Abbreviations**

Meaning	Abbreviation																		
Thonburi Healthcare Group Public Company Limited	: The Company or the Business THG or the Seller																		
Ramkhamhaeng Hospital Public Company Limited	: RAM																		
Group of Doctors of Noppasin Takerngdej, MD.	: Group of Doctors																		
Vibhavadi Medical Center Public Company Limited	: VIBHA																		
Thonburi Rangsit Hospital Project	: The Project																		
Dr. Aurchart Kanjanapitak	: Dr. Aurchart																		
Dr. Rukkagee Kanjanapitak	: Dr. Rukkagee																		
Investment in Thonburi Rangsit Hospital Project	: Transaction 1																		
Disposal of land for investment in Thonburi Rangsit Hospital Project	: Transaction 2																		
The Project will operate under a new joint venture company with a registered capital of THB 2,700.00 million, representing 27,000,000 registered shares, with a par value of THB 100 per share, details as follows:	: Joint Venture Company																		
<table><tr><th>List of shareholders in a joint venture company</th><th>Number of shares</th><th>Shareholding (%)</th></tr><tr><td>THG</td><td>8,100,000</td><td>30.00</td></tr><tr><td>RAM</td><td>10,8000,000</td><td>40.00</td></tr><tr><td>Group of Doctors</td><td>5,400,000</td><td>20.00</td></tr><tr><td>VIBHA</td><td>2,700,000</td><td>10.00</td></tr><tr><td>Total</td><td>27,000,000</td><td>100.00</td></tr></table>	List of shareholders in a joint venture company	Number of shares	Shareholding (%)	THG	8,100,000	30.00	RAM	10,8000,000	40.00	Group of Doctors	5,400,000	20.00	VIBHA	2,700,000	10.00	Total	27,000,000	100.00	
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A service that uses specialist doctors to continue to treat patients and use more advanced medical technology than secondary care to treat very complex diseases.	: Tertiary Care and Excellent Center																		
A general treatment to treat common diseases up to the inpatient level, providing specialized treatment services in the primary and secondary branches. and use medical technology at a higher level than the Primary level	: Secondary Care																		
ThreeTree Appraisal Company Limited	: TT																		
Powerland Plus Appraisal Company Limited	: PPA																		
Coronavirus Disease 2019	: COVID-19																		
Discover Management Company Limited	: Independent Financial Advisor or IFA or Discover																		
The Securities and Exchange Commission	: The SEC																		
The Stock Exchange of Thailand	: The Stock Exchange or the SET																		
Market for Alternative Investment	: mai																		
Land and Buildings Tax Act, B.E. 2562	: Land and Building Tax Act																		
Annual general meeting of shareholders	: AGM																		
Shareholders' Agreement	: SHA																		
World Health Organization	: WHO																		
Preventive measures and blocking the infection into the area and measures to prevent outbreaks in the area	: Lock Down																		



Meaning	Abbreviation
Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules for Significant Transactions Qualified as Acquisition or Disposition of Assets dated 31 August 2008 (and as amended), and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (and as amended)	: Announcement on the acquisition or disposition of assets
Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions and the announcement of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions, 2003	: Announcement of Connected Transactions
The Valuers Association of Thailand	: VAT



Opinion of Independent Financial Advisor on Asset Disposal and Connected Transactions of Thonburi Healthcare Group Public Company Limited

March 17, 2022

No. IMAPDM060/2022

Subject: Opinion of Independent Financial Advisor on Asset Disposal and Connected Transactions of Thonburi Healthcare Group Public Company Limited

To: The Board of Directors, Audit Committee and the Shareholders of Thonburi Healthcare Group Public Company Limited

Attachment:

- 1) Summary of information of Thonburi Healthcare Group Public Company Limited
- 2) Summary of information of Ramkhamhaeng Hospital Public Company Limited
- 3) Summary of information of Vibhavadi Hospital Public Company Limited
- 4) Summary of appraisal of THG's land assets prepared by ThreeTree Appraisal Co., Ltd.
- 5) Summary of appraisal of THG's land assets prepared by Powerland Plus Appraisal Co., Ltd.
- 6) Summary of the feasibility study of the Thonburi Rangsit Hospital Project conducted by THG

References:

- 1) Resolution of Board of Directors Meeting of Thonburi Healthcare Group Public Company Limited No. 4/2022, March 8, 2022
- 2) Information Memorandum on Acquisition of Investment in Thonburi Rangsit Hospital Project of Thonburi Healthcare Group Public Company Limited
- 3) Information Memorandum on Disposal of Assets (Land) and Connected Transactions of Thonburi Healthcare Group Public Company Limited
- 4) Draft Annual Registration Statement (Form 56-1) of the Company ending December 31, 2021
- 5) Draft Annual Report 2021 (Form 56-2) of the Company
- 6) Financial statements audited by the Company's certified public accountant for the 12-month period ended December 31, 2019 – 2021.
- 7) THG's asset valuation report was prepared by ThreeTree Appraisal Company Limited dated February 7, 2022.
- 8) THG's asset valuation report was prepared by Powerland Plus Appraisal Company Limited dated February 18, 2022.
- 9) Draft Shareholders' Agreement in Thonburi Rangsit Hospital Project
- 10) Other contract documents and interview with relevant staff of the Company



### Disclaimers

1. In preparing this report, Discover Management Company Limited (“IFA” or “Discover”) has relied on information provided by the information of THG and the information that the Company disclosed to the public or on Securities and Exchange Commission websites (www.sec.or.th), Stock Exchange of Thailand website (www.set.or.th) and other information disclosed to the public including public information from other sources and information from interviewing with the management of the Company.
2. IFA conducted studies using knowledge, competence, and caution by adhering to the professional basis. However, IFA shall not be responsible for profits or losses and any impacts resulting from the Transaction and
3. IFA considered and provided opinion the prevailing market conditions and currently available information. If market conditions and information change in the future, the results of the study in this report may be affected.
4. Due to the epidemic situation of COVID-19 in Thailand and overseas in which the World Health Organization (“WHO”) has announced that the outbreak of COVID-19 is a pandemic and encouraged all countries to increase measures to prevent and control the spread of the disease, resulting in global control and prevention of the outbreak of COVID-19 by using preventive measures and blocking the infection into the area, the lock down and quarantine, which directly affects the operations of the Company. In this regard, IFA made additional assumptions from interviews with the management of the Company, which at present are uncertain and subject to change. Changes in the situation of COVID-19 may have a significant effect on the profitability, performance, and financial statements of the Company.

*Besides the Thai language version of the Analysis of the Opinion of Independent Financial Advisor on Asset Disposal and Connected Transactions of Thonburi Healthcare Group Public Company Limited, IFA has prepared the English translation solely for the convenience of the foreign shareholders. In the event of any inconsistency between the two versions, the Thai language version is the definitive and official document.*



### Executive Summary

As the Company operates its main business in the form of providing medical services and a comprehensive hospital business for a long time by the Company's hospital and affiliated hospitals Located in Bangkok, surrounding areas, and provincial areas, totalling 8 locations and 1 joint venture hospital abroad, covering secondary, tertiary care and rehabilitation hospitals for the elderly, details of which are shown in the table below.

Hospital	Location	Shareholding of THG (%)	Number of registered beds	Treatment Level
Thonburi Hospital	Bangkok Noi District, Bangkok	100.00	435	Tertiary Care <sup>1/</sup>
Thonburi 2 Hospital	Thawi Watthana District, Bangkok	100.00	95	Developing to Tertiary level
Thonburi Bamrungmuang Hospital	Pom Prap Sattru Phai District, Bangkok	99.99	47	Secondary Care <sup>2/</sup>
Thonburi Burana Hospital	Khlong Luang District Pathum Thani Province Jin Wellbeing County Project	99.99	55	Elderly Rehabilitation Hospital
Rajyindee Hospital	Hat Yai District, Songkhla Province	56.91	196	Secondary Care <sup>2/</sup>
Ubonrak Hospital Thonburi	Muang District, Ubon Ratchathani Province	34.52	100	Secondary Care <sup>2/</sup>
Sirivej Hospital Chanthaburi	Mueang Chanthaburi District Chanthaburi Province	31.92	90	Secondary Care <sup>2/</sup>
Thonburi Hospital Thung Song	Thung Song District, Nakhon Si Thammarat Province	51.12	50	Secondary Care <sup>2/</sup>
ARYU International Hospital	Republic of the Union of Myanmar	40.00	96	Secondary Care <sup>2/</sup>

Remarks: 1/ Tertiary Care and Excellent Center is a service that uses specialist doctors to continue to treat patients and use advanced medical technology than Secondary Care to treat very complex diseases.

2/ Secondary Care is a service for general disease treatment up to the inpatient level, providing specialized treatment services in the primary and secondary fields and employing medical technology at a higher level than the primary level.

However, in the area of Khlong Luang District Pathum Thani Province does not have a large private hospital operating a hospital at the tertiary level that can treat patients with complex and specialized diseases, except for Thammasat Chaloem Phrakiat Hospital, which is a government hospital and is the only medical school that has the ability to treat tertiary patients. Additionally, the Company has 20-00-0.8 rai of vacant land located in the area of Jin Wellbeing County Project (a condominium project with Wellness Center under the supervision and management of THG, designed to support the living of the elderly with doctors and nurses providing service 24 hours a day), Phahon Yothin Road, Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province, which currently, the land has not been used for maximum benefit to the Company. Initially, the Company has plans to open a larger hospital in the area, since the initial investment in Jin Wellbeing County, investing in tertiary hospitals requires a large investment, requires advanced technology medical equipment, an efficient hospital management system and rely on medical personnel with specialized knowledge higher than general secondary hospitals. Therefore, the managements of the Comapny discussed with the management of other hospitals, which are leading companies in the hospital business, namely RAM (has affiliated tertiary hospitals) and VIBHA, about the opportunity to establish a tertiary hospital in Rangsit and Pathum Thani district to increase



the opportunity to expand the business and customer base in the area, increasing the ability to compete with other hospital competitors because this area has a dense population. There are also many universities and industrial businesses in the surrounding area and transportation is convenient. In addition, the joint investment with a well-known business partners will strengthen the Company's hospital business. For this reason, the Company's management deems it appropriate to construct Thonburi Rangsit Hospital. THG, RAM, and VIBHA have foreseen the problem of recruiting medical personnel to work in the new project that will be open to future service, since Thailand is currently facing a shortage of medical personnel, especially specialists, therefore THG, RAM, and VIBHA have proposed to the Group of Doctors, who are not related persons to THG have also invested in the Thonburi Rangsit Hospital project as an incentive and an important part in attracting talented doctors to join the project.

For that reason, the Board of Directors Meeting No. 4/2022, convened on March 8, 2022 at 1:00 p.m., where the interested directors, namely Dr Aurchart Kanjanapitak and Ms Rukkagee Kanjanapitak, did not vote in the relevant agenda which the meeting approved to propose to the AGM for approval of the following items:

- 1) Approved to propose to the AGM to invest in Thonburi Rangsit Hospital Project (“**Transaction 1**”) by Thonburi Rangsit Hospital Project under a joint venture company with a total investment of not more than THB 2,700.00 million, which is the construction of a 250-bed tertiary hospital, which will be built on the land title deeds No. 184903, 184904, 184905 and 184906, totalling 4 title deeds, a total area equal to 20-0-0.8 rai or 8,000.8 square wa, which is currently owned by THG.
- 2) Approved to propose to the AGM to consider and approve the sale of land to be used for investment in Thonburi Rangsit Hospital Project (“**Transaction 2**”) at a price of THB 584.00 million, both of which are related transactions.

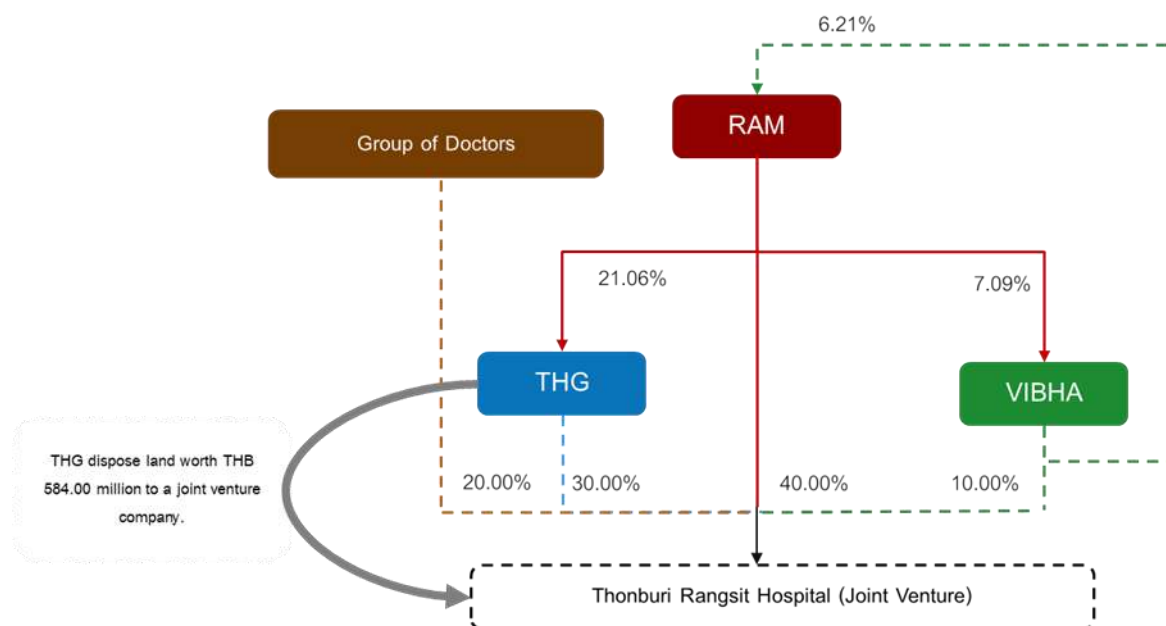
The project will operate under a new joint venture company which has a registered capital of THB 2,700.00 million and has 4 groups of shareholders as follows:

List of shareholders in a joint venture company <sup>1/</sup>	Number of shares	Shareholding (%)
Thonburi Healthcare Group Public Company Limited (“THG”)	8,100,000	30.00
Ramkhamhaeng Hospital Public Company Limited (“RAM”)	10,800,000	40.00
Group of Doctors of Noppasin Takerngdej, MD. <sup>2/</sup> (“Group of Doctors”)	5,400,000	20.00
Vibhavadi Medical Center Public Company Limited (“VIBHA”)	2,700,000	10.00
<b>Total</b>	<b>27,000,000</b>	<b>100.00</b>

Remarks: 1/ Registered capital of THB 2,700.00 million, representing 27,000,000 registered shares, with a par value of THB 100 per share.

2/ Persons in the group of doctors are not major shareholders or are not a director of THG or not connected person in according to the Notification of Connected Transactions.



Shareholder Structure

The investment in Thonburi Rangsit Hospital Project is a joint investment in a newly established company. Together with other investors in the table above, with RAM being the major shareholder and controlling the joint venture to be established, although RAM is still a major shareholder and has some common directors with THG entering into this transaction is not considered a connected transaction. Because such investment is the acquisition of shares of a new joint venture company to be established in the future whereby each investor invests in the common stock of the joint venture at par without share premium and without any shareholder gains or losses benefit from the investment to any party.

It is therefore considered a small size asset acquisition transaction of the Company (for more details please refer to the Information Memorandum of Acquisition of Investment in the Thonburi Rangsit Hospital Project of the Company). However, entering into Transaction 1 with RAM, which is considered a conflict of interest (RAM is a major shareholder of the Company and is a shareholder in a joint venture company at the proportion of 40 percent of the registered capital), the Company has considered that it is necessary and will create overall benefits that are worth to the Company as follows:

- (1) Help maintain the liquidity of the Company and the Company does not need to be more burdened with debt and interest expenses: Since investment in the project requires an investment of THB 2,700 million, the Company does not have enough cash to solely invest in the project (as of December 31, 2021 from the audited consolidated financial statements, the Company has cash and cash equivalents of THB 1,482 million), which might require the Company to loan more money from financial institutions and will result in the Company having to bear a significant increase in burden of debt and interest expenses.
- (2) The Company can negotiate the conditions of investment in the project more than entering into transactions with third parties: Entering into Transaction 1 has conditions connected with Transaction 2. THG is able to negotiate the conditions of entering into both transactions with RAM and other shareholders with good conditions, namely, able to sell the land at a price higher than the appraised value of the two independent property appraisers and if there is a problem that cannot proceed with the project to build Thonburi Rangsit



Hospital, the Company will be able to accept the transfer of the land back from the co-investors according to the conditions of the draft shareholder agreement.

- (3) THG and RAM have always been good partners to support each other's business operations: Although both companies will operate businesses with the same conditions but are not direct competitors because the locations of the hospitals are far apart and currently, there is no province that has affiliated hospitals competing or in the same area (foreign customers) and RAM has Mahesak Hospital (social security customers) who are close to each other but have different customer groups. All joint venture shareholders agree not to operate a hospital or medical facility business, including not to jointly invest with investors or other medical institutions within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, unless Thonburi Hospital Rangsit did not carry out the construction within 1 year from the date of the signing of the agreement between the shareholders. Such conditions should help eliminate conflicts of interest.
- (4) The Company has a joint investor who is a famous hospital operator, has availability of funds and work experience: RAM is a hospital operator who is ready for investment and is experienced in hospital management for a long time. Moreover, RAM is a large hospital administrator with a well-known reputation. There are medical personnel who will be able to support each other in an emergency.
- (5) The Project will be a large private hospital with tertiary care in Rangsit area: Investment in the Project is considered a large hospital with tertiary care. This will help enhance the reputation of the Company from the opening of service in Rangsit area that can take care of patients from complicated diseases.
- (6) It will increase the value and attractiveness of the Jin Wellbeing Country project: The project is a residential project for the elderly. The investment in the Thonburi Rangsti Hospital project will enhance the attractiveness and attract people to buy a condominium unit of the Jin Wellbeing Country project.

For the aforementioned reasons, entering into Transaction 1 with RAM will bring maximum overall benefits to the Company. However, in this joint venture, as RAM is a major shareholder and has a common director, the Company will operate under an emphasis on preventing conflicts of interest that may arise in the future where any transactions that may cause conflicts of interest with the Company must be screened and examined by the Company's Audit Committee before proceeding and the Company has set a policy based on the operations in subsidiaries and associated companies in the principles of corporate good governance of the Company in order to prevent conflicts of interest that may arise from competition in the same business as the Company. The guidelines are summarized as follows:

- 1) Exercise the right to nominate the Company's directors to be a representative in the management supervision and operations of subsidiaries and associated companies
- 2) Follow up on the financial position and operating results in accordance with the plan and jointly proceed with the disclosure of connected transactions and the acquisition or disposition of assets to the Company and shareholders of the Company according to the relevant notification of the Capital Market Supervisory Board and the announcement of the Board of Governors of the Stock Exchange of Thailand
- 3) Directors and executives of the Company in subsidiaries and joint venture companies must disclose and submit information about their interests and those involved in any transaction in other businesses that



may be expected to cause conflicts of interest) where the directors and executives involved must not participate in the approval of matters that he or she has an interest in.

- 4) Directors, executives or related persons of subsidiaries and joint venture companies may make transaction only when the said transaction has been approved by the Board of Directors of the Company or at the shareholders' meeting of the Company according to the size of the transaction calculated in accordance with the rules prescribed in the Notification of Connected Transactions, unless it is a transaction that is a trade agreement in the same manner as a reasonable person would do with a general counterparty and is a commercial agreement approved by the Board of Directors of the Company or in accordance with the principles that the Board of Directors approved

For jointly signing the contract, the agreement between all joint venture partners must be approved by the Board of Directors' meeting of the Company as well as the shareholders' meeting of each company in accordance with the scope of approval authority and the transaction size. If there are more details of the progress of the joint venture company or details of the signing of the main contract related to the establishment of a joint venture company, the land purchase and sale agreement, the Company will inform the shareholders through the website of the Stock Exchange of Thailand immediately.

In addition, the sources of funds for investing in THG's Thonburi Rangsit Hospital project come from 2 parts:

- (1) THG will sell the Company's land According to land title deeds No. 184903, 184904, 184905 and 184906, totaling 4 title deeds, total area equal to 20-0-0.8 rai or 8,000.8 square wa to a joint venture company to pay for shares instead of cash. This is considered the conversion of assets into registered capital at the par value of the joint venture company's shares with a value of THB 584.00 million ("**Land Disposal Transaction**").
- (2) THG will use the working capital within the Company to pay for the shares of the joint venture company for an additional amount of THB 226.00 million because the source of investment in the project is from the sale of the Company's land.

According to land title deeds No. 184903, 184904, 184905 and 184906, totalling 4 title deeds, a total area equal to 20-0-0.8 rai or 8,000.8 square wa for a new joint venture company to be established by disposing of the land this time, totalling THB 584.00 million, which the Company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share, or equivalent to 21.63 percent of the Company's registered capital. As a result, the sale of the said land is considered a disposition of assets of listed companies according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 20/2551.Re: Criteria for Significant Transactions Qualifying as Acquisition or Disposition of Assets dated 31 August 2008 and the amended version and the announcement of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies in the Acquisition or Disposition of Assets 2004 dated October 29, 2004 ("**Notification on Acquisition or Disposition**"). The size of this Asset Disposition Transaction has the maximum transaction size when calculated on the basis of the total value of consideration of 2.45% based on the audited consolidated financial statements of the Company ending December 31, 2021, but when including the disposal of assets in the previous 6 months, the size of the maximum



transaction size is equal to 2.71% based on the total value of consideration criteria. The size of such transaction is therefore considered a small transaction under the approval of the Board of Directors since the transaction size is less than 15.00 percent.

However, the land sale transaction is a transaction with RAM, which is a major shareholder of the Company in the proportion of 21.06% of the registered and paid-up capital. The Company and RAM have two common directors, Dr Aurchart Kanjanapitak and Ms Rukkagee Kanjanapitak, making the land disposal transaction categorized as a connected transaction under the Announcement of connected transactions with a transaction value of more than THB 20 million or 6.63% of the net tangible assets of the Company Based on the audited consolidated financial statements of the Company ending December 31, 2021, which has a transaction size of more than 3% of the net tangible assets of the Company and the Company has no connected transactions during the period 6 months ago. Therefore, entering into an asset disposition transaction, the Company is obliged to comply with the Public Limited Company Act and the Connected Transaction Notification, which stipulates that the Company must appoint an independent financial advisor and request approval for the transaction from the shareholders' meeting with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, not counting the equity of the shareholders who have interests

However, Transaction 1 is a asset acquisition of small transaction size and is not a connected transaction under the scope of the Board of Directors' approval authority (for more details, see Information Memorandum on Acquisition of Investment in the Thonburi Rangsit Hospital Project of the Company). However, since it is a related transaction with the land disposal transaction, therefore, the Board of Directors resolved to propose to the shareholders' meeting to consider and approve the investment in the Thonburi Rangsit Hospital project, along with the approval of the Transaction 2, which is the Asset Disposition Transaction and the connected transaction at the same time. The transaction must be approved by the shareholders' meeting for both transactions at the same time to enter into both such transactions. However, to meet the Acquisition and Dispositifion Notification and the Notification of the Connected Transaction, **IFA will only provide opinions on the disposal of assets in Transaction 2**, but the opinion of IFA will consider the necessity and the relevance of the two items to accompany the presentation of the opinion of IFA report.

Discover, as an independent shareholder financial advisor appointed by the Company, considers information and documents related to the disposal of assets and connected transactions including interviews with the Company's management as well as methods of setting prices and conditions for entering into the transaction, including considering the reasonableness of entering into the transaction In addition, considering reasons, effects, risk factors, advantages and disadvantages of entering into the transaction, a summary of IFA's opinions are as follows:



### Advantages of the Transaction

1. The Company does not need to use cash for all investments in Transaction 1

From the investment in the Thonburi Rangsit Hospital project in the proportion of 30% of the total project value, the Company will have to use the total investment of THB 810 million, which the sale of land in the value of THB 584 million is part of the investment conditions. The Company will use cash to invest the remaining amount of THB 226 million, enabling the Company to use the money of THB 584 million to seek benefits for investment and expanding business in other ways, which if the Company's land is not sold at this time and choose to use cash to invest in all such projects may cause the Company Significantly decreased financial liquidity or if the Company choose to borrow money from financial institutions to invest in the project. will make the company Increased debt burden and increased interest expenses

2. It is the use of land that is not used for maximum benefit to invest in order to benefit the Company.

As the Company's land currently has a total area of 20-0-0.8 rai or 8,000.08 square wa, on Phaholyothin Road, Rangsit area, is not being used for maximum benefit. The land is the location of 1 office building, and the Company uses some of the land to grow non-toxic vegetable, which did not generate any significant returns or benefits to the Company at the time of establishment of the land is considered a source of prosperity both in commerce and industry. Therefore, the use of land for investment and construction of potential projects in the field of medical services which is the main business of the Company should be able to benefit from land use more cost-effectively than using land without maximizing benefits and does not match the objectives of the Company's business operations

3. The selling price of the land is higher than the appraised value of the independent property appraiser.

Based on information from two independent property appraisers, TT and PPA, both of which have been approved by the Appraisal Association of Thailand ("VAT") and are the capital market appraisal companies and principal appraisers that has been approved by the SEC while the market valuation from TT which is appraised on February 2, 2022, for the land area of 17-0-65.8 rai or 6,865.8 square wa is appraised at THB 563.00 million (THB 82,000 per square wa) and for PPA, estimated on February 18, 2022 on the same land, the appraisal price is at THB 556.13 million (81,000 THB per square wa). Therefore, for the disposal of THG's land this time according to the joint venture shareholder agreement, THG will sell the land for THB 584.00 million (85,059 THB per square wa), which the price is higher than the appraised price from the two independent property appraisers.

4. It is the sale of unused land for maximum benefit in order to reduce the burden of land and building tax.

Based on the land and buildings tax collection rate according to the Land and Buildings Tax Act B.E. 2562, the Company is charged land and buildings tax from the Land Department of THB 1.27 million per year. Therefore, the sale of land that is not properly utilized will help the Company reduce the tax burden under the Land and Buildings Tax Act by approximately THB 1.27 million per year, which will benefit the Company rather than holding unused land for maximum benefit.



5. Help promote the Jin Wellbeing County project, which is the Company's project to be more competitive

The Jin Wellbeing County Project is a project under the Company's investment and management. Within the project, there are 7 low rise condominiums with 5 buildings totaling 494 units, Wellness Center and Rehabilitation Hospital for the elderly, namely Thonburi Burana Hospital, which is a small hospital with 55 beds and focuses on holistic treatment and rehabilitation of the elderly, where if the Company land is sold in front of the project for the construction of Thonburi Rangsit Hospital in the future, it will raise the level of prosperity to the area of the Jin Wellbeing County project and also increase the confidence of the elderly who live in the project which will affect the well-being of the residents or customers who decide to live in the future. It will have a positive effect on supporting each other with the Company's existing business.

However, although the shareholder agreement states that after signing the shareholders agreement, all co-investors agree not to operate hospitals or nursing homes, including not to jointly invest with investors or nursing homes within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital. However, THG has affiliated hospitals located within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, which is Thonburi Burana Hospital, but the aforementioned hospital's target groups are clearly different from Thonburi Rangsit Hospital. Therefore, it can be seen that Thonburi Rangsit Hospital and Thonburi Burana Hospital are not directly competitors.

6. Expand customer groups in Rangsit area, increase competitiveness and help support the hospitals in the group

Currently, the Company has a subsidiary hospital that opened in 2020 in the same area as the land that will be sold, namely Thonburi Burana Hospital. It is located in the Jin Wellbeing County project. However, Thonburi Burana Hospital is a 55-bed hospital and focuses on holistic treatment and rehabilitation of the elderly. Therefore, the sale of land to invest in a 250-bed hospital construction project will enable THG to increase the competitiveness of the hospital business in Rangsit, Pathum Thani completely, and when combined with the services of Thonburi Burana Hospital, which offers treatment services for the elderly who already exist, will support the Company in increasing the competitiveness of hospital services in the aforementioned areas more effectively is the expansion of customer groups in the Rangsit area, which originally were specific patients who used the services of Thonburi Burana Hospital, who can treat only the disease of the elderly and uncomplicated.

7. The Company can recognize the profit in the account from the sale of land on the date of ownership transfer

The sale of land to a new joint venture company at the selling price is worth THB 584.00 million, enabling the Company to recognize the profit in the account. From the disposal of assets before income tax in the amount of THB 36.04 million or accounted for net profit from the disposal of assets after deducting fees and expenses of THB 7.33 million, the calculation details are as follows:

List	THB Million
Value of consideration received from asset disposal	584.00
<u>Less</u> land book value	547.96
Profit from disposal of assets	36.04
<u>Less</u> Estimated fees and expenses incurred from asset disposal <sup>1/</sup>	22.87



List	THB Million
Less estimated corporate income tax of the Company	5.84
Profit from disposal of assets after entering into Transaction 2	7.33

Remarks: 1/ Consists of a transfer fee of 2% from the official appraised price of 3.60 THB million and a specific business tax of 3.3 percent of the selling price of 19.27 THB million.

Source: The Company

8. The Company has the opportunity to receive a return on investment in the Thonburi Rangsit Hospital project in the long term.

Selling land for investment in this project, the Company believes that Thonburi Hospital Rangsit will be able to generate good long-term returns for the Company. If considering the projected return from the project provided by the Company, it is found that the investment in this project will have an internal rate of return (Project IRR) at 16.88%, an internal rate of return on equity (Equity IRR) of 17.13%, and the NPV of the project is 30.00% based on THG's shareholding in the joint venture company at THB 1,418.39 million and the shareholder NPV at 30.00% based on THG's shareholding in the joint venture company at THB 1,366.01 million.

9. It is an investment in accordance with the objectives and strategic plan for the long-term growth of the Company.

Amidst the rapidly changing environment, global economic slowdown and the spread of COVID-19, the Company is aware that the competition in the medical services business may become significantly more intense in the future. Entering into Transaction 1 and Transaction 2 this time will enable the Company to expand the potential of the medical service business, which is the Company's core business to be stronger, will be able to add business value to the Company in the future as well in the long term. Joint investment with a group of alliances that are well-equipped in terms of reputation and strong financial position will give this joint investment in the new hospital an opportunity to grow steadily in the long term, which should cause the Company to have sustainable income and profits in the future directly affecting the shareholders.

#### Disadvantages of the transaction

1. May lose the opportunity to receive compensation for the sole use of the land

If the Company sells the land to a joint venture company according to the conditions of the investment in the Thonburi Rangsit Hospital Project, the Company's sole ownership rights in the land will be forfeited and the land cannot be used to develop businesses directly owned by the Company in the future, especially if in the future the Company sees a good opportunity from using the land for development or investment under the ownership of the Company, the Company will receive a full return from the sole ownership of the land while selling the land to the Company. In this joint venture, the return on the investment that the Company has returned to have a proportion of 30.00 percent in proportion to the shareholding in the joint venture company.



2. May lose the opportunity to sell the land at a higher price in the future

The sale of land for joint investment in the construction of a new hospital will result in the Company losing the opportunity to sell the land at a higher price in the future. If land prices have risen because the land is located in an area with population density, there is an increase in the historical growth of the land due to its proximity to both Department stores, universities, hospitals, airports, expressways, factories and industrial estates coupled with the arrival of the Red Line train project that will be open for service in the near term. Therefore, in the future, the price of this land may be higher than the appraised value from the two independent property appraisers, however, due to the large size of the land and requires high capital to purchase, the Company may take time and may incur additional costs to acquire investors who are interested in purchasing land in the future.

3. If the project cannot be opened, it will cause the Company to have to pay for the transfer of land and other related expenses in vain

From the conditions in the draft agreement, the shareholders of the joint venture company stated that if the joint venture company did not proceed with the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG. The parties agree to transfer the land by having the joint venture company manage the transfer of the said land back to THG. The burden of expenses related to the transfer of the land, the joint venture company must be responsible for all and because of the Company as a percentage of investment in the joint venture company of 30 percent. Therefore, in this case, the Company will incur land transfer costs and related expenses as well in addition to the expenses incurred from the land transfer, in the process of selling of the Company to a joint venture company, the Company is responsible for all expenses

4. In the case of buying land for business development in the future, it may require a higher investment.

After the Company sells the land to the joint venture company, the Company will have no land and vicinity condition of suitable size for investment in projects that require medium to large areas adjacent to the main road in the Rangsit area to develop projects that may generate returns for the Company. Therefore, if the Company has a need to use the land for the construction of its own projects in the future may cause the Company must find a new piece of land that is suitable in terms of price, size and location, which is difficult to buy new land may cause the Company requires a higher investment than before according to the period and prosperity of the land in that area.

5. Lose the opportunity to use the investment of 226.00 THB million for other uses.

In entering into Transaction 1, the investment in Project Thonburi Hospital Rangsit, the Company has to use working capital within the company of THB 226.00 million for additional investment in addition to the sale of land to the joint venture company. However, if there is no investment in the project, the Company can use such cash to expand business development or use as working capital or use to pay off loans to financial institutions to increase interest expenses.



6. The Company will not receive cash from the sale of land.

In entering into Transaction 2, the land disposition, the Company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share, representing a total value of THB 584.00 million. At the same value, the Company may receive a cash return immediately after the sale. The Company can use such cash to expand business development or invest in other projects, according to what the Company want immediately without having to wait for returns from the project's operations that will begin to recognize income in the next 3-4 years

**Advantages of not entering into the transaction**

1. The land is still owned by the Company and the Company can use the land for construction or investment in the future.

In the event that the land sale transaction is not made, the Company will still have the right to decide to utilize the Company's land. If the Company wants to invest the land in the medical business or the hospital's medical-related business in the future or even allocate some of the lands for investment or distribution, it can operate by itself. Although the Company will still have ownership proportional to 30%, the Company will not be able to decide on the use of the land by itself.

2. Does not cause conflicts of interest

If the Company does not enter into the transaction of disposing of land to a joint venture company which is considered as a connected transaction, the Company may have an opportunity to sell the land to third parties in the future, in which the Asset Disposition Transaction with a third party will not be required to comply with the Notification of the Connected Transaction and reduce the risk that there may be a conflict of interest from entering into a transaction with a connected person, both a conflict of interest that is a business that operates similarly and competes, or even in the future if conditions are specified causing the Company to lose benefits, it will cause doubts to the shareholders. However, the Company and its joint venture partners, both RAM and VIBHA, who have common directors, are listed companies in the Stock Exchange of Thailand, each of which has policies and guidelines for preventing conflicts of interest as principles of practice, such as, on the part of the Company, there will be management policies in subsidiaries and associated companies stipulating that directors and stakeholders must submit information on their interests to the Board of Directors for acknowledgment, abstain from voting of directors and executives who have interests, holding audit committee and shareholders' meetings, have opportunities to consider and approve the transaction, depending on the importance and size of the transaction in accordance with the regulations and guidelines on connected transactions, etc.

3. There is no cost incurred in transferring the land.

According to the draft land purchase agreement, for the expenses incurred from the transfer of land ownership on the date of sale, the Company will be responsible for such expenses which will cost approximately THB 28.71 million (according to the estimate of the Company as shown in the table below). In addition, this land sale is a transaction related to the investment in the Thonburi Rangsit Hospital project. If the investment cannot be completed or the investment is cancelled later as stipulated in the agreement, the joint venture company's shareholders must transfer the land sold at this time back to the Company. All co-investors are responsible for the cost of transferring the land back to the Company



in accordance to the shareholding proportion, which the Company has a shareholding ratio of 30 percent. In this case, the Company will have even more expenses. Therefore, if the land is not sold this time, the Company will not have to pay for it.

#### **Disadvantages of not entering into the transaction**

##### **1. Loss of investment opportunity in Thonburi Rangsit Hospital Project**

Since the Company's land is suitable for the location of the new hospital project, if the land is not sold to the joint venture company, it will cause the joint venture not to invest in the project as well because the land is an important factor for those who will come to use the services of the hospital. This will affect the ability to generate income. Therefore, finding new land will make the project's plans change from the original and may affect the investment decision of all joint venture partners who will continue the project. If so, it will cause the Company to lose investment opportunities to expand the Company's business growth, especially under the current economic situation, the investment by the Company alone to build a tertiary care hospital will require a lot of investment. An investment opportunity with a joint venture partner with long experience in hospital business and management. In addition to reducing the burden of investment, it also reduces risks and strengthens business alliances to be more competitive.

##### **2. Lost the opportunity to expand the business for the Company's business in the area**

Investment in Thonburi Rangsit Hospital Project on the land that will be sold, in addition to the goal of attracting medical users from the area of Rangsit and Pathum Thani Province, is also an option and increases the convenience of medical services for residents. Residing in the Jin Wellbeing County project as well as residents of the condominium project. It is a group of people with medium to high status who have the potential to use the services of Thonburi Rangsit Hospital. Investment in such a project is like an extension of the Company's business as well. Therefore, if there is no investment in the Thonburi Rangsit Hospital Project this time will cause the Company to lose the opportunity to directly penetrate the target customers who are the Company's customers.

##### **3. The Company will have to pay tax on land and buildings on the unused land for the maximum benefit of the Company.**

Not selling the land to the joint venture company this time, the Company will have to bear land and building tax of THB 1.27 million per year (refer to the land and building tax calculation form of THG). This is an expense that does not generate a reasonable income to the Company since the said land is unused land for maximum benefit to the Company.

#### **Advantages of making a transaction with a connected person compared to outsiders**

##### **1. The Company still owns the land in the form of shareholders.**

The purpose of this land sale is to use the land as part of the construction of Thonburi Rangsit Hospital. As the Company still owns the land as a joint venture partner, it is similar to the Company is doing business on its own land without selling outright, which if the sale of the land at this time to outsiders most of the time, third parties will use it for all their projects. Therefore, in the future, if the Company has a financial position that continues to grow together with other investors who want to reduce their investment, the Company may expand the investment in the project.



2. Able to negotiate more terms of sale compared to third parties

Negotiation between RAM and the Company executives which is a connected person can contact, coordinate, negotiate and agree faster and more flexible than coordinating with third parties, by having good conditions, the price of the land is higher than the appraised price of the two independent property appraisers and taking part to participate in the investment. If there is a problem that cannot proceed with the project to build Thonburi Rangsit Hospital, the Company was able to accept the transfer of land back from the joint venture under the conditions of the draft shareholder agreement.

3. The Company can also maintain the land environment in the Jin Wellbeing Country project as a comprehensive medical center according to the plan.

This is because the second transaction occurred with a person connected to the Company who has good knowledge and expertise in the medical business and the land that will be sold this time will be used to develop a hospital. This is a business type that is consistent with the use of the Company's land in the adjacent area that was used as the Jin Wellbeing Country Project. According to the Company's original plan, the Company would like to develop all the land in the area to be a comprehensive medical center in the Rangsit district. In this regard, if the Company sells the land to a third party, the third party may use the plot of land to develop into other projects such as factories, department stores, or others that are inconsistent with the Company's plans and may affect the image of the Jin Wellbeing Country project.

**Disadvantages of making transactions with connected persons compared to third parties**

1. It may be suspected that it is a channel for the transfer of benefits to connected persons.

Generally, transactions with connected persons may be suspected of being a channel for transferring benefits to connected persons or causing the Company to be unable to negotiate various conditions for the full benefit of the Company. However, in this case, Board of Directors and executives of the Company understand the rules and be aware of the impact of the transaction with the connected person and will not do any transaction that does not benefit the Company or is a transaction with an inappropriate price because it will send impact on minority shareholders. Therefore, the terms and conditions of the land sale agreement were negotiated for the best benefit to the Company.

2. Incurred expenses and delays in the transaction due to the need to request a resolution of the shareholders' meeting

The sale of land at this time is valued for THB 584.00 million and is a connected transaction which has a transaction size of 6.56% of the net tangible assets of the Company which is higher than 3.00 percent of the net tangible assets of the Company, making this a large transaction that must be approved by the shareholders' meeting before entering into the transaction, arrangement of shareholders' meetings, venue fees, document preparation fees Wages of independent financial advisors and independent property appraisers, etc.



**Advantages of making transactions with third parties**

1. Shareholders will assume that it is a transparent transaction.

Transactions with third parties are assumed that the Company's transaction is a transparent transaction and there is no transfer of benefits from the Company since both parties are not related to each other. Therefore, in negotiating both the buyer and the seller are most likely to maintain their own interests.

**Disadvantages of entering into transactions with third parties**

1. It may take time to negotiate and there may be additional conditions.

Since entering into transactions with third parties, both parties must try to negotiate in order to maintain their interests in order to obtain the best interests of their own parties. Therefore, it may cause the Company to use more time, expenses, and various resources in negotiating various conditions in order to complete the transaction.

**Risk of Asset Disposition Transaction**

1. The risk of losing the opportunity to use the land to generate better returns

This land sale for THB 584.00 million, which the aforementioned land has a total area of 20-0-0.008 rai or 8,000.8 square wa, located on Phaholyothin Road, Rangsit, Pathum Thani are densely populated, has convenient transportation, Therefore, in the future, the value of the land is likely to increase in accordance with the growth of more civilization. This may result in the Company receiving fewer returns from the land in the future. However, from the economy that is in a state of slowdown, the sale of land at very high prices may not be possible to operate in a short period of time may cause the sale of this land to create the return in the hospital business is more worthwhile in the long run than it could be.

2. Risk of impact from the construction of the Project on the Company's business operating in the area

In the sale of the land for the construction of Thonburi Rangsit Hospital is expected to take the construction period of 36-40 months. It is common to cause more or less the impact of construction in the surrounding neighbourhood, and because of the area, some projects are currently in the operation of the Company, namely Jin Wellbeing County, which is a residential condominium for the majority of the elderly population and is located at Thonburi Burana Hospital, a small hospital in the Jin Wellbeing County project area to provide rehabilitation services for elderly patients. Therefore, it is important for the operation process to have the least impact on the environment and to have the construction planned with the least amount of time, even if it causes more inconvenience, the Company expects the impact to be minimal and only for a short period.

3. Risk from disposal of land without receiving cash

Because as of the date of the shareholders' meeting for approval of the investment in the Thonburi Rangsit Hospital Project, the joint venture agreement has not yet been signed and the joint venture company has not yet been established. Since every shareholder must comply with the condition's precedent in the shareholder contract completely. Therefore, the Company is at risk from the gap in the preparation period for project implementation, if during the said period there are changes or unexpected events that affect the ability to operate or construction of the project will expose



the Company with risk of selling the land, which is not paid in cash. However, the investment contract states that if the project cannot happen for any reason, the joint venture company will transfer the purchased land back to the Company.

4. The risk of uncertainty that the contract has not yet been signed

According to the conditions of the Draft Shareholder Agreement between the Joint Ventures and the Draft Agreement to Buy and Sell Land for the Project Operation, every joint venture must obtain approval for the investment transaction from the Board of Directors and their shareholders, according to the scope and authority to approve each party's transaction with the addition of the Company on the disposal of assets (land) that must be approved by the shareholders' meeting of the Company, another transaction signing the Shareholder Agreement And the contract to buy and sell land next, which is expected to occur within the second quarter of 2022. Therefore, the Company still has risk from the uncertainty of the investment in the project.

However, the signing of the Shareholder Agreement and the Land Purchase and Sale Agreement is following the general practice of making important transactions. For the details of the content of the draft shareholder contract that has been presented to all executives for consideration, it is considered a complete contract on the main issues. If there is a change in the conditions, details may be small and insignificant. The Company has asked the shareholders' meeting to authorize the directors of the Company to be the representative to consider the amendment of such details. If there is an issue that is important to the transaction, the Company will immediately disclose it to the Company's shareholders.

5. Risks that may cause conflicts of interest with the Company's major shareholders

From this transaction, RAM is the major shareholder of the Company and have common directors, as well as the Company having common directors with VIBHA, making this land disposition transaction a connected transaction and because the land disposal transaction is related to the investment in Thonburi Rangsit Hospital Project, although the investment in Thonburi Rangsit Hospital Project is not a connected transaction, but because RAM is considered a conflicting party making the sale of this land, it may cause a conflict of interest in the investment of the Thonburi Rangsit Hospital Project which is a connected transaction in the future.

However, for the investment with RAM, which is considered a conflict of interest, the Company has considered that such investment will create overall benefits that are worthwhile for the Company, since the investment of the project require an investment of up to THB 2,700 million. If the Company invests all alone, the Company will need to find more funding sources from borrowing because as of December 31, 2022 from the audited consolidated financial statements, the Company has cash and cash equivalents of THB 1,482 million, which will cause more liabilities to the Company. RAM and THG have been good partners for a long time, which helps the Company to negotiate terms of investment in the project better than entering into transactions with other people. In addition, RAM is a hospital operator who is ready for investment and is experienced in hospital management for a long time. It is also a large hospital with a well known reputation. There are medical personnel who will be able to support each other in an emergency, therefore, this investment should most benefit the Company from a joint venture with RAM under an emphasis on preventing conflicts of interest that may arise in the future. Any transactions that may cause conflicts of interest with the Company must be screened and examined by the Company's Audit Committee before proceeding and has set a policy based on the



operations in subsidiaries and associated companies in the principle of Corporate Good Governance of the Company in order to prevent conflicts of interest that may arise from competition in the same business as the Company. Therefore, the policy to prevent conflicts of interest that the Company is working on will help the Company perform various tasks under the preservation of the maximum benefit to the shareholders as a priority. Therefore, such risks are under the management that the Company can control.

#### Appropriateness of the Price for Entering into the Asset Disposition and Connected Transactions

From the appropriate valuation of the land that the Company will dispose of by various methods, the results can be summarized as follows:

Valuation method	Land value according to the appraisal method (THB million)	Value of consideration received (THB million)	Return value Above/(Lower) Assessment Method (THB million)	Higher/(Lower) percentage
1) Book Value approach	547.96	584.00	36.04	6.58%
2) Market Value approach				
- Price appraised by TT	563.00	584.00	21.00	3.73%
- Price appraised by PPA	556.13	584.00	27.87	5.01%

Land valuation by different methods has different advantages and disadvantages. IFA is of the opinion that Land valuation by Book Value Approach is an inappropriate method for valuation of land that the Company will sell because it takes into account the value of the assets in the past and does not take into account the land price in the market condition. At present, the book value may not be able to reflect the appropriate value of the land while the Market Value Approach will be assessed by the independent property appraiser, namely PPA and TT (PPA assessed assets on Feb. 18, TT and TT assessed assets on Feb. 2, 65 for public purposes), both of which are approved appraisers from the Appraisal Association of Thailand ("VAT") and is a capital market asset valuation company and appraiser approved by the SEC Office which is an expert in property valuation especially. In this regard, the independent property appraiser will consider the market value of the land to be compared, taking into account the location of the land, the environment. Trading liquidity and land potential under current market conditions. IFA views that the Market Value Approach is the appropriate method for valuing THG's land in this time, which has a value between THB 563.00 - 556.13 million. Joint venture company worth THB 584.00 million (value of shares that the Company will received according to the par value of the joint venture company without any share premium or share premium arising) which is higher than the market price appraised by the independent property appraiser at THB 21.00 - 27.87 million or equivalent to 3.73% - 5.01 percent. The compensation that the Company will receive the sale of land to the joint venture company in this time is appropriate.

#### Appropriateness of conditions for entering into asset disposal and connected transactions

Considering the reasons and conditions of the transaction, advantages, disadvantages, effects, and risks that may arise from entering into the transaction. IFA is in the opinion that the land disposal is reasonable since this transaction is related to the investment in the Thonburi Rangsit Hospital Project, which requires the Company's land to be used for



construction. The sale of land to the newly established joint venture company is appropriate as most of the conditions are in accordance with the normal trading conditions. It is a normal business investment and there is no condition that will cause the Company or its shareholders to lose benefits, especially in the event that the joint venture company does not operate the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG, the parties agree that the joint venture company will manage the transfer of the land back to THG and the joint venture company will be responsible for all the burden of related expenses from the Company's land transfer.

In summary, IFA is in the opinion that the Company enters into a transaction to dispose of assets (land) to a joint venture company which is a connected person, whereby the Company will receive ordinary shares of the joint venture company as a consideration for the amount of 5,840,000 shares with a par value of THB 100.00 per share, a total value of THB 584.00 million, received as consideration, valued at par value without payment of shares at the price of excess of the registered ordinary shares or share premium and from the price of the land value that will be sold this time is worth THB 584.00 million, a price that is higher than the appraised value from 2 independent property appraisers that are approved appraisers from the Appraisal Association of Thailand ("VAT") and is a capital market asset valuation company and appraiser approved by the SEC, namely PPA and TT. The appraised value of both of them is between THB 556.13 - 563.00 million, which makes the transaction price a reasonable price. Moreover, when considering the reasons and conditions for disposing of the land this time to a new joint venture company be appropriate because most of the conditions are in accordance with the normal trading conditions. consistent with normal business investment and there is no condition that will cause the Company or its shareholders to lose benefit, especially the conditions in the case that the joint venture company does not undertake the construction of Thonburi Rangsit Hospital within one year after the joint venture company receives the land transfer for the construction of Thonburi Rangsit Hospital from THG, the parties agree that the joint venture company will manage the transfer of the said land back to THG and the burden of related expenses from the land transfer. The joint venture company bears all responsibility, which is a condition that protects the interests of the company. and the shareholders of the Company by considering the reasons of entering into the transaction, conditions, suitability of entering into the transaction and considering the advantages and the disadvantages as mentioned above, IFA is in the opinion that the shareholders should vote to approve this transaction.

In entering into this transaction, there is still a risk that shareholders should consider carefully since such risk may affect the Company's future performance. The decision to vote for approval on entering into the transaction is at the discretion of the shareholders of the Company. The shareholders should study the information in various documents, attached to the invitation letter for the 2022 Annual General Meeting of Shareholders for this time for consideration and decision making and voting appropriately.



## 1. Details of Asset Disposal and Connected Transactions

### 1.1. Objectives and Background of Entering into the Transaction

As the Company operates its main business in the form of providing medical services and a comprehensive hospital business for a long time by the Company's hospital and affiliated hospitals Located in Bangkok, surrounding areas, and provincial areas, totalling 8 locations and 1 joint venture hospital abroad, covering secondary, tertiary care and rehabilitation hospitals for the elderly, details of which are shown in the table below.

Hospital	Location	Shareholding of THG (%)	Number of registered beds	Treatment Level
Thonburi Hospital	Bangkok Noi District, Bangkok	100.00	435	Tertiary Care <sup>1/</sup>
Thonburi 2 Hospital	Thawi Watthana District, Bangkok	100.00	95	Developing to Tertiary level
Thonburi Bamrungmuang Hospital	Pom Prap Sattru Phai District, Bangkok	99.99	47	Secondary Care <sup>2/</sup>
Thonburi Burana Hospital	Khlong Luang District Pathum Thani Province Jin Wellbeing County Project	99.99	55	Elderly Rehabilitation Hospital
Rajyindee Hospital	Hat Yai District, Songkhla Province	56.91	196	Secondary Care <sup>2/</sup>
Ubonrak Hospital Thonburi	Muang District, Ubon Ratchathani Province	34.52	100	Secondary Care <sup>2/</sup>
Sirivej Hospital Chanthaburi	Mueang Chanthaburi District Chanthaburi Province	31.92	90	Secondary Care <sup>2/</sup>
Thonburi Hospital Thung Song	Thung Song District, Nakhon Si Thammarat Province	51.12	50	Secondary Care <sup>2/</sup>
ARYU International Hospital	Republic of the Union of Myanmar	40.00	96	Secondary Care <sup>2/</sup>

Remarks: 1/ Tertiary Care and Excellent Center is a service that uses specialist doctors to continue to treat patients and use advanced medical technology than Secondary Care to treat very complex diseases.

2/ Secondary Care is a service for general disease treatment up to the inpatient level, providing specialized treatment services in the primary and secondary fields and employing medical technology at a higher level than the primary level.

However, in the area of Khlong Luang District Pathum Thani Province does not have a large private hospital operating a hospital at the tertiary level that can treat patients with complex and specialized diseases, except for Thammasat Chaloem Phrakiat Hospital, which is a government hospital and is the only medical school that has the ability to treat tertiary patients. Additionally, the Company has 20-00-0.8 rai of vacant land located in the area of Jin Wellbeing County Project (a condominium project with Wellness Center under the supervision and management of THG, designed to support the living of the elderly with doctors and nurses providing service 24 hours a day), Phahon Yothin Road, Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province, which currently, the land has not been used for maximum benefit to the Company. Initially, the Company has plans to open a larger hospital in the area, since the initial investment in Jin Wellbeing County, investing in tertiary hospitals requires a large investment, requires advanced technology medical equipment, an efficient hospital management system and rely on medical personnel with specialized knowledge higher than general secondary hospitals. Therefore, the managements of the Comapny discussed with the management of other hospitals, which are leading companies in the hospital business, namely RAM (has affiliated tertiary hospitals) and VIBHA, about the opportunity to establish a tertiary hospital in Rangsit and Pathum Thani district to increase



the opportunity to expand the business and customer base in the area, increasing the ability to compete with other hospital competitors because this area has a dense population. There are also many universities and industrial businesses in the surrounding area and transportation is convenient. In addition, the joint investment with a well-known business partners will strengthen the Company's hospital business. For this reason, the Company's management deems it appropriate to construct Thonburi Rangsit Hospital. THG, RAM, and VIBHA have foreseen the problem of recruiting medical personnel to work in the new project that will be open to future service, since Thailand is currently facing a shortage of medical personnel, especially specialists, therefore THG, RAM, and VIBHA have proposed to the Group of Doctors, who are not related persons to THG have also invested in the Thonburi Rangsit Hospital project as an incentive and an important part in attracting talented doctors to join the project.

For that reason, the Board of Directors Meeting No. 4/2022, convened on March 8, 2022 at 1:00 p.m., where the interested directors, namely Dr Aurchart Kanjanapitak and Ms Rukkagee Kanjanapitak, did not vote in the relevant agenda which the meeting approved to propose to the AGM for approval of the following items:

- 3) Approved to propose to the AGM to invest in Thonburi Rangsit Hospital Project ("Transaction 1") by Thonburi Rangsit Hospital Project under a joint venture company with a total investment of not more than THB 2,700.00 million, which is the construction of a 250-bed tertiary hospital, which will be built on the land title deeds No. 184903, 184904, 184905 and 184906, totalling 4 title deeds, a total area equal to 20-0-0.8 rai or 8,000.8 square wa, which is currently owned by THG.
- 4) Approved to propose to the AGM to consider and approve the sale of land to be used for investment in Thonburi Rangsit Hospital Project ("Transaction 2") at a price of THB 584.00 million, both of which are related transactions.

The project will operate under a new joint venture company which has a registered capital of THB 2,700.00 million and has 4 groups of shareholders as follows:

List of shareholders in a joint venture company <sup>1/</sup>	Number of shares	Shareholding (%)
Thonburi Healthcare Group Public Company Limited ("THG")	8,100,000	30.00
Ramkhamhaeng Hospital Public Company Limited ("RAM")	10,800,000	40.00
Group of Doctors of Noppasin Takerngdej, MD. <sup>2/</sup> ("Group of Doctors")	5,400,000	20.00
Vibhavadi Medical Center Public Company Limited ("VIBHA")	2,700,000	10.00
<b>Total</b>	<b>27,000,000</b>	<b>100.00</b>

Remarks: 1/ Registered capital of THB 2,700.00 million, representing 27,000,000 registered shares, with a par value of THB 100 per share.

2/ Persons in the group of doctors are not major shareholders or are not a director of THG or not connected person in according to the Notification of Connected Transactions.

The investment in Thonburi Rangsit Hospital Project is a joint investment in a newly established company. Together with other investors in the table above, with RAM being the major shareholder and controlling the joint venture to be established, although RAM is still a major shareholder and has some common directors with THG entering into this transaction is not considered a connected transaction. Because such investment is the acquisition of shares of a new



joint venture company to be established in the future whereby each investor invests in the common stock of the joint venture at par without share premium and without any shareholder gains or losses benefit from the investment to any party.

It is therefore considered a small size asset acquisition transaction of the Company (for more details please refer to the Information Memorandum of Acquisition of Investment in the Thonburi Rangsit Hospital Project of the Company). However, entering into Transaction 1 with RAM, which is considered a conflict of interest (RAM is a major shareholder of the Company and is a shareholder in a joint venture company at the proportion of 40 percent of the registered capital), the Company has considered that it is necessary and will create overall benefits that are worth to the Company as follows:

- (7) Help maintain the liquidity of the Company and the Company does not need to be more burdened with debt and interest expenses: Since investment in the project requires an investment of THB 2,700 million, the Company does not have enough cash to solely invest in the project (as of December 31, 2021 from the audited consolidated financial statements, the Company has cash and cash equivalents of THB 1,482 million), which might require the Company to loan more money from financial institutions and will result in the Company having to bear a significant increase in burden of debt and interest expenses.
- (8) The Company can negotiate the conditions of investment in the project more than entering into transactions with third parties: Entering into Transaction 1 has conditions connected with Transaction 2. THG is able to negotiate the conditions of entering into both transactions with RAM and other shareholders with good conditions, namely, able to sell the land at a price higher than the appraised value of the two independent property appraisers and if there is a problem that cannot proceed with the project to build Thonburi Rangsit Hospital, the Company will be able to accept the transfer of the land back from the co-investors according to the conditions of the draft shareholder agreement.
- (9) THG and RAM have always been good partners to support each other's business operations: Although both companies will operate businesses with the same conditions but are not direct competitors because the locations of the hospitals are far apart and currently, there is no province that has affiliated hospitals competing or in the same area (foreign customers) and RAM has Mahesak Hospital (social security customers) who are close to each other but have different customer groups. All joint venture shareholders agree not to operate a hospital or medical facility business, including not to jointly invest with investors or other medical institutions within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, unless Thonburi Hospital Rangsit did not carry out the construction within 1 year from the date of the signing of the agreement between the shareholders. Such conditions should help eliminate conflicts of interest.
- (10) The Company has a joint investor who is a famous hospital operator, has availability of funds and work experience: RAM is a hospital operator who is ready for investment and is experienced in hospital management for a long time. Moreover, RAM is a large hospital administrator with a well-known reputation. There are medical personnel who will be able to support each other in an emergency.
- (11) The Project will be a large private hospital with tertiary care in Rangsit area: Investment in the Project is considered a large hospital with tertiary care. This will help enhance the reputation of the Company from the opening of service in Rangsit area that can take care of patients from complicated diseases.



- (12) It will increase the value and attractiveness of the Jin Wellbeing Country project: The project is a residential project for the elderly. The investment in the Thonburi Rangsti Hospital project will enhance the attractiveness and attract people to buy a condominium unit of the Jin Wellbeing Country project.

For the aforementioned reasons, entering into Transaction 1 with RAM will bring maximum overall benefits to the Company. However, in this joint venture, as RAM is a major shareholder and has a common director, the Company will operate under an emphasis on preventing conflicts of interest that may arise in the future where any transactions that may cause conflicts of interest with the Company must be screened and examined by the Company's Audit Committee before proceeding and the Company has set a policy based on the operations in subsidiaries and associated companies in the principles of corporate good governance of the Company in order to prevent conflicts of interest that may arise from competition in the same business as the Company. The guidelines are summarized as follows:

- 1) Exercise the right to nominate the Company's directors to be a representative in the management supervision and operations of subsidiaries and associated companies
- 2) Follow up on the financial position and operating results in accordance with the plan and jointly proceed with the disclosure of connected transactions and the acquisition or disposition of assets to the Company and shareholders of the Company according to the relevant notification of the Capital Market Supervisory Board and the announcement of the Board of Governors of the Stock Exchange of Thailand
- 3) Directors and executives of the Company in subsidiaries and joint venture companies must disclose and submit information about their interests and those involved in any transaction in other businesses that may be expected to cause conflicts of interest) where the directors and executives involved must not participate in the approval of matters that he or she has an interest in.
- 4) Directors, executives or related persons of subsidiaries and joint venture companies may make transaction only when the said transaction has been approved by the Board of Directors of the Company or at the shareholders' meeting of the Company according to the size of the transaction calculated in accordance with the rules prescribed in the Notification of Connected Transactions, unless it is a transaction that is a trade agreement in the same manner as a reasonable person would do with a general counterparty and is a commercial agreement approved by the Board of Directors of the Company or in accordance with the principles that the Board of Directors approved

For jointly signing the contract, the agreement between all joint venture partners must be approved by the Board of Directors' meeting of the Company as well as the shareholders' meeting of each company in accordance with the scope of approval authority and the transaction size. If there are more details of the progress of the joint venture company or details of the signing of the main contract related to the establishment of a joint venture company, the land purchase and sale agreement, the Company will inform the shareholders through the website of the Stock Exchange of Thailand immediately.

In addition, the sources of funds for investing in THG's Thonburi Rangsit Hospital project come from 2 parts:



- (3) THG will sell the Company's land According to land title deeds No. 184903, 184904, 184905 and 184906, totaling 4 title deeds, total area equal to 20-0-0.8 rai or 8,000.8 square wa to a joint venture company to pay for shares instead of cash. This is considered the conversion of assets into registered capital at the par value of the joint venture company's shares with a value of THB 584.00 million ("**Land Disposal Transaction**").
- (4) THG will use the working capital within the Company to pay for the shares of the joint venture company for an additional amount of THB 226.00 million because the source of investment in the project is from the sale of the Company's land.

According to land title deeds No. 184903, 184904, 184905 and 184906, totalling 4 title deeds, a total area equal to 20-0-0.8 rai or 8,000.8 square wa for a new joint venture company to be established by disposing of the land this time, totalling THB 584.00 million, which the Company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share, or equivalent to 21.63 percent of the Company's registered capital. As a result, the sale of the said land is considered a disposition of assets of listed companies according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551.Re: Criteria for Significant Transactions Qualifying as Acquisition or Disposition of Assets dated 31 August 2008 and the amended version and the announcement of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies in the Acquisition or Disposition of Assets 2004 dated October 29, 2004 ("**Notification on Acquisition or Disposition**"). The size of this Asset Disposition Transaction has the maximum transaction size when calculated on the basis of the total value of consideration of 2.45% based on the audited consolidated financial statements of the Company ending December 31, 2021, but when including the disposal of assets in the previous 6 months, the size of the maximum transaction size is equal to 2.71% based on the total value of consideration criteria. The size of such transaction is therefore considered a small transaction under the approval of the Board of Directors since the transaction size is less than 15.00 percent.

However, the land sale transaction is a transaction with RAM, which is a major shareholder of the Company in the proportion of 21.06% of the registered and paid-up capital. The Company and RAM have two common directors, Dr Aurchart Kanjanapitak and Ms Rukkagee Kanjanapitak, making the land disposal transaction categorized as a connected transaction under the Announcement of connected transactions with a transaction value of more than THB 20 million or 6.63% of the net tangible assets of the Company Based on the audited consolidated financial statements of the Company ending December 31, 2021, which has a transaction size of more than 3% of the net tangible assets of the Company and the Company has no connected transactions during the period 6 months ago. Therefore, entering into an asset disposition transaction, the Company is obliged to comply with the Public Limited Company Act and the Connected Transaction Notification, which stipulates that the Company must appoint an independent financial advisor and request approval for the transaction from the shareholders' meeting with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, not counting the equity of the shareholders who have interests

The Board of Directors, therefore, proposes to the shareholders' meeting to consider and approve the entering into the transaction of the Company's land disposition, which is considered an asset disposition transaction, at the same



time as the consideration and approval of entering into connected transactions including approval to propose to the shareholders' meeting to consider and approve the delegation of powers to the Company's directors and/or the President and/or persons assigned by the Executive Director and/or the President (a) determination of terms, conditions and other details related to entering into the transaction for the sale of such land; (b) entering into an agreement, including amending and signing of documents and contracts; related to entering into the land sale transaction; and (c) signing various permit application documents and evidences necessary and relevant to entering into such land disposition transaction, as well as contacting and submitting an application for permission, such documents and evidence to government agencies or related agencies and have the power to perform any other necessary and appropriate actions in connection with the aforementioned land disposition transaction under at the discretion. As a result, the Company's various actions in connection with the transaction of land disposition are accomplished in accordance with the objectives and in the best interests of the shareholders and the Company by complying with the law and/or related regulations under the conditions if the shareholders' meeting approves to enter into the aforementioned transaction

However, Transaction 1 is a asset acquisition of small transaction size and is not a connected transaction under the scope of the Board of Directors' approval authority (for more details, see Information Memorandum on Acquisition of Investment in the Thonburi Rangsit Hospital Project of the Company). However, since it is a related transaction with the land disposal transaction, therefore, the Board of Directors resolved to propose to the shareholders' meeting to consider and approve the investment in the Thonburi Rangsit Hospital project, along with the approval of the Transaction 2, which is the Asset Disposition Transaction and the connected transaction at the same time. The transaction must be approved by the shareholders' meeting for both transactions at the same time to enter into both such transactions. However, to meet the Acquisition and Dispositifion Notification and the Notification of the Connected Transaction, IFA will only provide opinions on the disposal of assets in Transaction 2, but the opinion of IFA will consider the necessity and the relevance of the two items to accompany the presentation of the opinion of IFA report.

## 1.2. Date of the Transaction

Within 2 months after approval of the disposal of assets (land) and connected transactions from the 2022 Annual General Meeting of Shareholders which will be held on April 28, 2022

## 1.3. Parties and Scope of Interests of Related Persons

Buyer : The joint venture company to be established consists of 4 joint venture partners:

- 1) THG
- 2) RAM
- 3) Group of Doctors of Noppasin Takerngdej, MD.<sup>1/</sup>
- 4) VIBHA

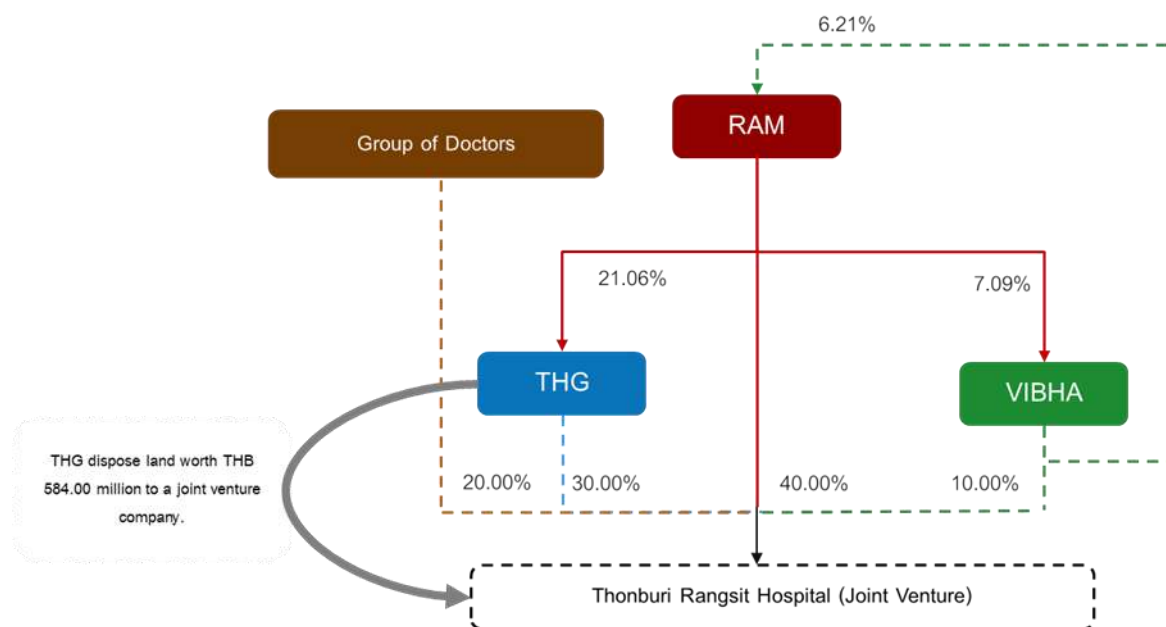
Remarks 1/ Persons in the Group of Doctors are not major shareholders or not directors of THG or are not connected persons according to the Connected Transaction Notifications.

Seller : THG

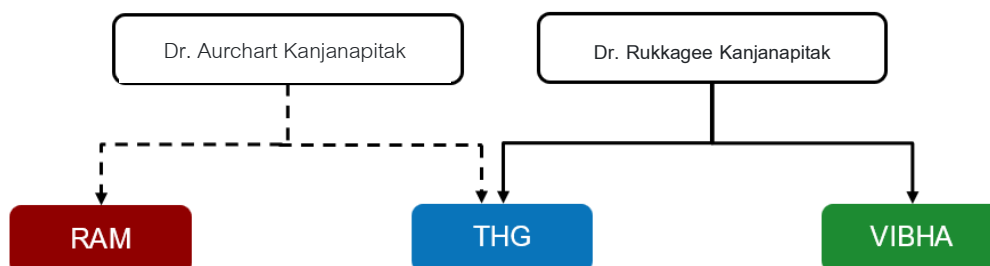


Relationship nature : RAM is a major shareholder of THG. RAM and VIBHA share directorship with THG and are therefore considered as connected persons of the Company in accordance with the criteria stipulated in the Connected Transaction Notification.

#### Shareholder Structure



#### Director Relationship Structure



Source : The Stock Exchange of Thailand and the List of Shareholders of the Company (as of February 28, 2022)

Related Persons	Relationship and Description	Shareholding in the Company as of 23 Mar. 2022,
Joint Venture Company	<ul style="list-style-type: none"> <li>RAM is a major shareholder and has control of THG.</li> <li>THG have Joint directors with RAM and VIBHA</li> </ul>	-
RAM	<ul style="list-style-type: none"> <li>RAM is a major shareholder in the newly established joint venture company with 40% of the shareholding</li> <li>RAM is a major shareholder of THG</li> <li>Joint directors with THG, Dr. Aurchart Kanjanapitak</li> <li>Is the shareholder of VIBHA with 7.09% of the shareholding</li> </ul>	178,489,544 shares With 21.06% of the shareholding
VIBHA	<ul style="list-style-type: none"> <li>VIBHA is a shareholder in the newly established joint venture company with 10 percent of the shareholding</li> </ul>	-



Related Persons	Relationship and Description	Shareholding in the Company as of 23 Mar. 2022,
	<ul style="list-style-type: none"> <li>Joint directors with THG, Dr. Rukkagee Kanjanapitak</li> </ul>	
Dr. Aurchart Kanjanapitak	<ul style="list-style-type: none"> <li>Director and shareholder of THG</li> <li>Director and shareholder RAM with 0.945% of the shareholding.</li> <li>Shareholder of VIBHA with 1.29% of the shareholding</li> </ul>	14,259,500 shares with 1.68% of the shareholding
Dr. Rukkagee Kanjanapitak	<ul style="list-style-type: none"> <li>Director of THG</li> <li>Shareholder of RAM with 1.76% of the shareholding</li> <li>Director of VIBHA</li> </ul>	-

Source: List of shareholders of the Company as of March 23, 2022 and www.set.or.th as of February 11, 2022

However, RAM is a major shareholder of the newly established joint venture company with 21.06 percent of the shareholding. The Company and RAM have two common directors, Dr. Aurchart Kanjanapithak and Ms. Rukkajee Kanjanapithak. Additionally, there is 1 common director with VIBHA, namely Ms. Rukkajee Kanjanapithak. Therefore the Asset Disposition Transaction (land) is considered a connected transaction.

#### 1.4. Type and the Transaction Size Calculation

The Company will sell deed land no. 184903, 184904, 184905 and 184906 for a total of 4 deeds, totalling 20-0-0.8 rai or 8,000.8 square meters to the joint venture to use for investment in Thonburi Rangsit Hospital projects ("Land Disposal Transaction"). The disposition of this land is to pay for shares instead of cash, which is the conversion of assets to registered capital equal to the par value of joint venture shares, amounted to THB 584.00 million and the Company, therefore, will receive 5,840,000 shares of the joint venture in return for the par value of THB 100.00 per share or 21.63% of the paid-up registered capital of THB 2,700.00 million of the joint venture. However, the Company will hold a 30.00% stake in the joint venture, of which 8.37% of the shareholding will be paid from the cash of THB 226.00 million by the Company.

##### 1.4.1. Disposition of Assets (land)

The sale of land totalled THB 584.00 million. As a result, the disposition of such land is deemed to be the transaction of disposal of the assets of the listed company as announced by the Capital Market Supervisory Board No. 20/2008. Re: Criteria for making significant transactions deemed to be acquisition or disposition of assets dated August 31, 2008, and amended and announced by the Board of Directors of the Stock Exchange of Thailand Disclosure and operation of listed companies in the acquisition or disposition of assets B.E. 2544 dated October 29, 2004 (the "Notice of Acquisition or Disposition") The maximum total transaction size when calculated based on the total value of the reciprocal is 2.45% based on the Company's audited consolidated financial statements ended December 31, 2021.



The calculation of the size of the item to which the asset will be acquired is as follows:

- Based on the financial statements for the year ended 31 December 2021

Description	(Unit: THB Million)
Total Asset (1)	23,798.73
Non-Tangible Asset (2)	336.14
Total Liabilities (3)	14,180.74
Non-controlling shareholders' equity (4)	470.66
<b>Net Tangible Asset (NTA = (1) – (2) – (3) – (4))</b>	<b>8,811.19</b>

- Information on return for entering into the Transaction

In this transaction, the joint venture must issue ordinary shares of the joint venture in return for the Company of 5,840,000 shares with a par value of THB 100.00 per share with a share value equal to the land price of THB 584.00 million, or 21.63% of the issued and paid-up capital of the joint venture of THB 2,700.00 million. (Please consider the details of the project to be operated under a joint venture company in addition to Clause 1.11 Details of Assets to be Acquired in Return for Disposition of Land)

Method	Calculation Formula (THB Million)	Transaction Size
1. Net Tangible Assets (NTA)	It cannot be calculated because it is the sale of land to pay for the shares of the joint venture company.	-
2. Net profit method (4 latest Quarter)	It cannot be calculated because the joint venture will be established after the approval of the shareholders.	-
3. Consideration method	Total consideration (584) x 100 / Total assets of the Company (23,798.73) <sup>1/</sup>	2.45
4. Value of newly issued shares as consideration method	It cannot be calculated because no shares are issued to pay for this transaction.	-

Remarks: Based on the financial statements for the year ended December 31, 2021.

The size of the disposition of assets in the previous 6 months will make the maximum transaction size is 2.71% of the total value of the consideration, which is a small transaction size under the approval authority of the Board of Directors because the transaction size is less than 15.00 percent.

#### 1.5. Calculating the Size of Connected Transactions

RAM is a major shareholder of the newly established joint venture company with 21.06 percent of the shareholding. The Company and RAM have two common directors, Dr. Aurchart Kanjanapithak and Ms. Rukkajee Kanjanapithak. Additionally, there is 1 common director with VIBHA, namely Ms. Rukkajee Kanjanapithak. Therefore the Asset Disposition Transaction (land) is considered a connected transaction, as announced by the Capital Market Supervisory Board no. 21/2008. Re: Criteria for connected transactions and announcement of the Board of Directors of the Stock Exchange of Thailand Disclosure and operation of listed companies in connected transactions B.E. 2543 (2003)



accounted for 6.63% of the Company's net tangible assets, based on the Company's audited consolidated financial statements ended December 31, 2021 with the following details:

Criterion	Calculation Formula (THB million)	Transaction size (%)
Asset Value Criteria	Total Value of Consideration (584.00) /Company NTA (8,811.19) <sup>1/</sup>	6.63

However, the Company does not have any other connected transactions that have occurred in the 6 months before the date of the settlement of this transaction that has not been approved by the Shareholders' Meeting, as a result, the transaction size is equal to 6.63% of the Company's net tangible assets (NTA), which have a combined transaction size of more than 3% of the net tangible asset value of the Company. Therefore, to acquire assets, the Company is obliged to comply with the Public Limited Companies Act and announce connected transactions, which requires the Company to be obliged to:

- 1) Prepare a report and disclose information regarding the disposition of assets and connected transactions of the Company to the SET immediately with at least information in accordance with the announcement of connected transactions.
- 2) Appoint an independent financial advisor to perform various related functions, including providing opinions as defined in the notification of connected transactions by submitting IFA's opinion report to shareholders for consideration along with the delivery of the invitation to the shareholders' meeting. In this regard, the Company has appointed Discover Management Co., Ltd. ("IFA" or "**Independent Financial Advisor**"), a financial advisor approved by the Securities and Exchange Commission (the "SEC"), as an independent financial advisor to comment on shareholders' opinions on the acquisition of assets and connected transactions.
- 3) Hold a meeting of shareholders of the Company to approve the disposition of such assets and connected transactions by sending a letter of shareholders' meeting to shareholders at least fourteen days before the shareholders' meeting date and must be approved by the shareholders' meeting with a vote of at least three-quarters of the total number of votes of shareholders who come to the meeting and have the right to vote without counting equity of shareholders who have a stake.

#### 1.6. Total Value of Consideration and Payment Method

In this sale of land, the Company will receive 5,840,000 shares of a joint venture company with a par value of THB 100.00 per share or 21.63% of the associated company's paid-up capital of THB 2,700.00 million, which THG will transfer the land to the joint venture company after the completion of the joint venture agreement and a joint venture company has been established. This is expected to occur no later than 2 months from the date that the shareholders' meeting approves the transaction.



### 1.7. Total Value of Disposed Assets and Criteria used to Determine the Value of Consideration

The value of the disposed of assets is priced at THB 584.00 million or appraised equally to the par value of the joint venture company that will invest in the Thonburi Rangsit Hospital project, which is valued at THB 584.00 million, with no share premium. The criteria for consideration were established from the negotiation between the buyer and the seller, together with the reference method of determining the market value using the Market Approach to assess the market value of the land based on ownership conditions, suitability of land use or to develop the growth of the environment around the land, such selling value is higher than the appraised value of the two independent property appraisers, which are approved by the Appraisal Association of Thailand ("VAT") and is a capital market asset valuation company and principal appraiser approved by the SEC, namely ThreeTree Appraisal Company Limited ("TT") and Powerland Plus Appraisal Company Limited ("PPA") with the land value between THB 556.13 – 563.00 million.

### 1.8. Conditions for Entering into the Transaction

Entering into a transaction to dispose of assets (land) to a joint venture company to be used as part of the investment project of Thonburi Rangsit Hospital, with the key condition is that the Company must be approved to enter into the transaction of acquiring shares of a joint venture company in the proportion of 30 percent at the same time. Therefore, if any item is not approved by the shareholders' meeting, it will be deemed that both agenda items will be cancelled since both items are connected transactions, in which the Asset Disposition Transaction (land) is a connected transaction, the Company, therefore, must be approved by the shareholders' meeting with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting. and have the right to vote not counting the shareholders' equity with interests

### 1.9. Summary of the Draft Agreement Relating to the Land Disposition Transaction

#### 1.9.1. Summary of the Draft Agreement of the Land Disposition Transaction

Counterparties	<ol style="list-style-type: none"> <li>Thonburi Healthcare Group Public Company Limited</li> <li>Joint venture company to be established under Transaction 1</li> </ol>
Buyer	Joint venture company to be established under Transaction 1
Seller	Thonburi Healthcare Group Public Company Limited
Land to buy and sell	Land title deed no. 184903, 184904, 184905 and 184906, totaling 4 title deeds, total area equal to 20-0-00.8 rai or 8,000.8 square wa, located in the Jin Wellbeing County project, on Phaholyothin Road (Thor Lor. 1), at km 36+. 550 Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province
Trading price	The parties agree to buy and sell the land under this contract at a total fixed price of THB 584,000,000 (five hundred and eighty-four million baht). The said price includes transfer fees, taxes, stamp duties and other expenses related to the transfer.
Land payment	The purchaser agrees to pay the land price to the seller on the date of registration of the transfer of land ownership under this contract within the period that the buyer deems appropriate to inform the seller by paying the share price according to the par value of the joint venture company THB 584,000,000. - (Five hundred and eighty-four million baht only)
Taxes and other duties	The seller agrees to pay the transfer fee and stamp duty, income tax and specific business tax.



1.9.2. Shareholders' Agreement

Parties	<div><div></div><div><div>1.</div><div>Thonburi Healthcare Group Public Company Limited (“THG”)</div></div><div><div>2.</div><div>Ramkhamhaeng Hospital Public Company Limited (“RAM”)</div></div><div><div>3.</div><div>Group of Doctors of Noppasin Takerngdej, MD</div></div><div><div>4.</div><div>Vibhavadi Medical Center Public Company Limited (“VIBHA”)</div></div></div>																		
บริษัทร่วมทุน	<div><div></div><div><div>The parties will jointly establish a limited company in accordance with Thai law under the terms and conditions of this contract, with a registered and paid-up capital of THB 2,700,000,000,000 (two thousand seven hundred million baht), divided into 27,000,000 ordinary shares, worth THB 100 per share, the proportion of the parties' participation in the parties will be as follows</div><table><tr><th>List of shareholders in a joint venture company</th><th>Number of shares</th><th>Shareholding (%)</th></tr><tr><td>Thonburi Healthcare Group Public Company Limited (“THG”)</td><td>8,100,000</td><td>30.00</td></tr><tr><td>Ramkhamhaeng Hospital Public Company Limited (“RAM”)</td><td>10,800,000</td><td>40.00</td></tr><tr><td>Group of Doctors of Noppasin Takerngdej, MD (“Group of Doctors”)</td><td>5,400,000</td><td>20.00</td></tr><tr><td>Vibhavadi Medical Center Public Company Limited (“VIBHA”)</td><td>2,700,000</td><td>10.00</td></tr><tr><td>Total</td><td>27,000,000</td><td>100.00</td></tr></table></div></div>	List of shareholders in a joint venture company	Number of shares	Shareholding (%)	Thonburi Healthcare Group Public Company Limited (“THG”)	8,100,000	30.00	Ramkhamhaeng Hospital Public Company Limited (“RAM”)	10,800,000	40.00	Group of Doctors of Noppasin Takerngdej, MD (“Group of Doctors”)	5,400,000	20.00	Vibhavadi Medical Center Public Company Limited (“VIBHA”)	2,700,000	10.00	Total	27,000,000	100.00
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Vibhavadi Medical Center Public Company Limited (“VIBHA”)	2,700,000	10.00																	
Total	27,000,000	100.00																	
Objectives	<div><div></div><div><div>The parties wish to invest in the establishment of a new hospital. For the expansion of hospital business and service network of each party in Rangsit under the name "Thonburi Hospital Rangsit " (the "Project" or "Company" or "Joint Venture Company") on land according to deeds no. 184903, 184904, 184905 and 184906, totaling 4 deeds, totaling 8,000.8 sq.wah located in km. 36+550, Khlong One Subdistrict. Khlong Luang District, Pathum Thani Province</div></div></div>																		
Scope of Joint Venture	<div><div></div><div><div>Under the pre-enforcement terms of this contract. The parties' joint venture is jointly implemented through the joint venture to construct projects on land totalling approximately 38,200 square meters of living space consisting of or in accordance with the agreements of the parties and joint ventures.</div><div><div>a.</div><div>80 outpatient rooms</div></div><div><div>b.</div><div>250 inpatient beds</div></div><div><div>c.</div><div>5 operating rooms</div></div><div><div>d.</div><div>25 ICU beds</div></div><div><div>e.</div><div>1 lab room</div></div><div><div>f.</div><div>1 MRI room</div></div><div><div>g.</div><div>1 CT SCAN room</div></div></div><div><div>However, the number of examination rooms Laboratories, inpatient rooms can be adjusted as appropriate.</div></div></div>																		
Participation and cooperation of the parties to the joint venture	<div><div></div><div><div>Under the pre-compulsory terms of the contract and the terms of this Agreement, the Parties agree to manage and/or provide and/or perform the following actions to participate in and form a joint venture company with a stake in the joint venture and the following details:</div><div><div>1)</div><div>THG will take a stake in the joint venture of 8,100,000 shares or 30.00% of the registered and paid-up capital of the joint venture and THG will:</div></div></div></div>																		



	<ul style="list-style-type: none"> <li>- The land will be transferred to the joint venture to pay for shares in lieu of cash, with land amounting to 584 THB million, which THG will receive in return for 5,840,000 shares at par value of THB 100 per share, and</li> <li>- The remaining shares will be paid in cash not exceeding 226 THB million. THG will receive 2,226,000 shares of the joint venture in return at a par value of THB 100 per share.</li> </ul> <p>2) RAM will take 10,800,000 shares in the joint venture or 40.00% of the registered and paid-up capital of the joint venture, where RAM will pay for shares in cash not exceeding THB 1,080 million by doing so RAM will receive 10,800,000 shares of the joint venture at a par value of THB 100 per share.</p> <p>3) Group of Doctors will take a stake in the joint venture of 5,400,000 shares or 20.00% of the joint venture's registered and paid-up capital, with Group of Doctors paying no more than THB 540 million in cash. By doing so Group of doctors will receive 5,400,000 shares of the joint venture in return at a par value of THB 100 per share.</p> <p>4) VIBHA will take a stake in the joint venture of 2,700,000 shares or 10.00% of the joint venture's registered and paid-up capital, where VIBHA will pay up to THB 270 million in cash. By doing so VIBHA will receive 2,700,000 shares of the joint venture at a par value of THB 100 per share.</p>
Conditions Precedents	<p>The joint venture and establishment shall apply if the pre-mandatory conditions under this Agreement are successful or written exemptions from all parties of this Agreement.</p> <p>1) Internal approval of the parties each party is approved by the resolution of the directors' meeting. and/or the shareholders' meeting in accordance with the Company's regulations or related legal regulations. To enter and perform the duties of the parties in accordance with this Agreement.</p> <p>2) Meeting of Directors and Shareholders before or on the date of a joint venture, it has been approved by the Board of Directors. and shareholders of THG and other parties, if necessary, in the following agendas:</p> <ol style="list-style-type: none"> <li>1. Approval of transfer and disposition of land for joint investment in the project</li> <li>2. Approval of legalization and participation in this agreement</li> <li>3. Approval of legal proceedings connected to the parties or persons connected to THG in connection with this Agreement</li> <li>4. Approval of the establishment of joint ventures and acquisition of shares of associates</li> <li>5. Approval of agenda and other related matters and necessary for the parties to enter into contracts and invest in projects under this Agreement.</li> </ol> <p>3) Conditions precedent of the Group of Doctors by Dr Noppasin Takerngdej</p> <p>The Group of Doctors by Dr Noppasin Takerngdej has presented evidence or confirmation information of the doctors in the Group of Doctors by Dr Nopasin Each to other shareholders in the Stock Exchange of Thailand. The following matter</p> <ol style="list-style-type: none"> <li>A. Have never had a history of being a prohibited person or a person who lacks qualifications to be a director and executive in a listed company of the SEC</li> <li>B. Not being a connected person with other groups of joint venture partners or shareholders controller in the contractual parties of this Agreement in accordance with the definition of the Notification of the Connected Person of the SEC</li> <li>C. Appointment of Dr Noppasin Takerngdej to act on his behalf in all matters relating to this contract, joint ventures, and other related acts, including but not limited to signing to bind the parties to the contract. In this edition, the joint venture has the obligation to perform the duties specified in this contract or in relation to the joint venture</li> </ol>



Conditions Subsequent	<ol style="list-style-type: none"> <li>1) After signing the agreement between shareholders, all investors agree not to operate the hospital or medical facility, as well as not to invest with other investors or medical facilities within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, unless Thonburi Rangsit Hospital does not undertake construction and opening within 1 year from the date of signing the agreement between shareholders unless the written consent of all parties is obtained.</li> <li>2) If the joint venture does not undertake the construction of Thonburi Rangsit Hospital or is unable to continue its business for any reason, within the specified period, after the joint venture receives the transfer of land for the construction of Thonburi Rangsit Hospital from THG, the parties agree to transfer the land back by having the joint venture manage the transfer of such land back to THG by the associated expenses of the land transfer. The joint venture is entirely responsible.</li> </ol>
Directors and Board of Directors	<ol style="list-style-type: none"> <li>1) The parties acknowledge that all nominations and appointments of directors must come from the parties in accordance with the maximum proportion of the shareholding.</li> <li>2) If the board position is vacant for any reason. Parties that nominate departing directors will have the right to nominate a new director instead of the position. For the appointment of a replacement director, nominated in proportion to the proportions specified in accordance with the shareholding.</li> <li>3) If there is a change in the percentage of the shareholding structure as stipulated in the contract, each party's right to nominate a person to be appointed as a director and other rights under this contract will be adjusted. according to the percentage of shareholding and this contract will be amended by the parties to comply with the modification and in accordance with such rights as soon as possible</li> </ol>

#### 1.10. Details of Disposition of Assets

Deed land no. 184903, 184904, 184905 and 184906 totaling 4 deeds, totaling 20-0-00.8 rai or 8,000.8 sq.wah located at Jin Wellbeing Country project next to Phahonyothin Road (TAL1). Km. 36+550 Tumbol Khlong One Khlong Luang District, Pathum Thani Province, with the following summary details:

##### 1.10.1. Asset Information to be disposed

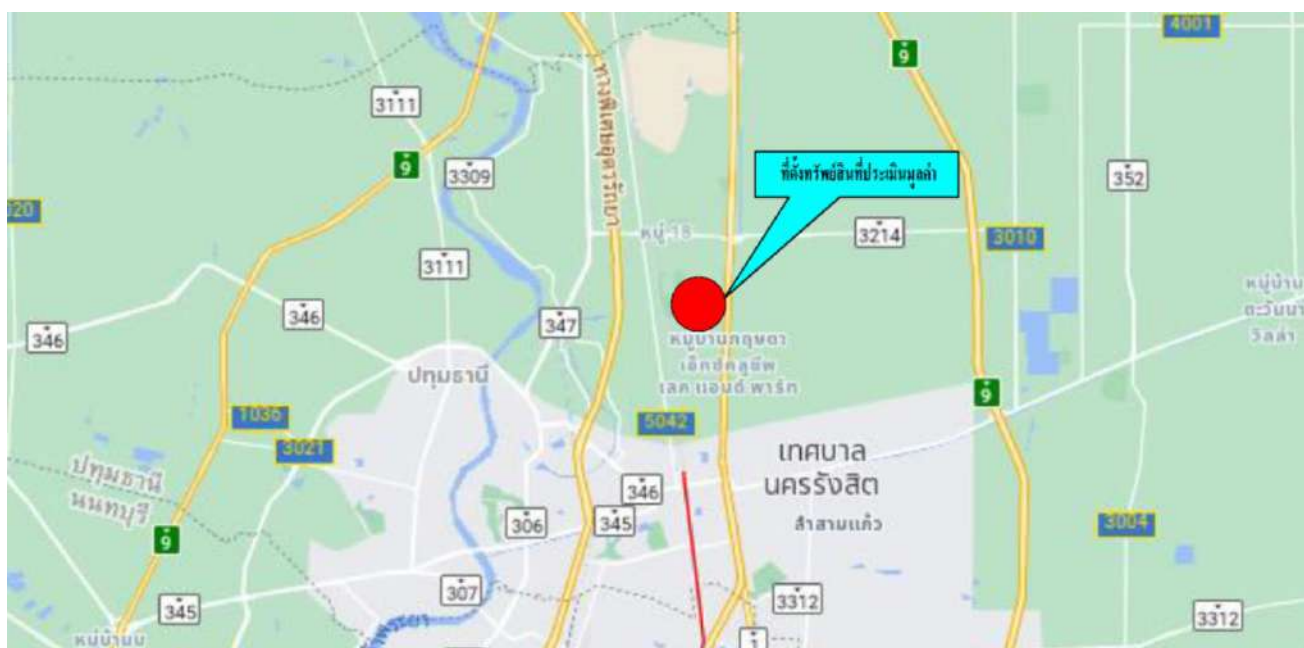
Asset Type	The property valued as land with buildings (land-specific valuation) consists of title deeds no. 184903, 184904, 184905 and 184906, totaling 4 title deeds, totaling 20-0-00.8 rai or 8,000.8 square meters Land title deed no. 184906, area 5-1-17.0 rai or 2,117.0 sq.wah, is the condition of Jin Wellbeing County Project Road and has registered some of the surrender obligations to other plots of land. (By obligation) approximately 2-3-35.0 rai or 1,135.0 sq.wah.
Each Deed space and details	Deed no. 184903 Land area 5 Rai 2 Ngan 79.2 sq.wah Land Number 184904 Area 6 Rai 2 Ngan 3.2 Sq.wah Land number 184905 area 2 rai 2 ngan 1.4 sq.wah Land Number 184906 Area 5 Rai 1 Ngan 17.0 Sq.wah
Location	Jin Wellbeing County Project Area next to Phahonyothin Road (T.T.1) Km. 36+550 Tumbol Khlong One Khlong Luang District, Pathum Thani Province
Current land exploitation	Most of the land is vacant, with buildings including: <ol style="list-style-type: none"> <li>1. Single Storey Worker Building</li> <li>2. Organic vegetable growing plot</li> <li>3. The pond is approximately 45.00 x 58.00 meters deep and about 1.00 meters deep.</li> </ol>



	4. Pond size about 18.00 x 63.00 meters About 1.00 meters deep
Neighborhood characteristics and general environment	The general environment along Phahonyothin Road, during the nearby location of the property, is one of the most prosperous locations in commercial, residential and industrial areas, including residential projects, shops, commercial buildings, restaurants, hospitals, shopping malls, automobile showrooms, industrial plants, gas stations, markets, office buildings, banks, universities, golf courses, government office locations and empty land, etc. Land development has done a lot of projects most of them are used in commercial and residential land, which is a good location next to the road, convenient transportation principles, supported by public transport. Future prosperity includes the Red Line (Bang Sue – Rangsit) and the Tollway Elevated Expressway. Transportation will be more convenient, and the prosperity will be greater, respectively.
Transportation to the area	Access to property location Takes Phahonyothin Road (Tal 1) as the main road route, travelling from Rangsit Junction towards bang khan junction (Khlung Luang) via Soi Khlung Luang. 21 (Soi Hongsakul) to the point of the area. Km. 36+550 The property is found on the left-hand side. Project name Jin Wellbeing County Main Road and Road passing in front of property location is Phahonyothin Road (TAL 1) is a public utility, the condition is a paved and concrete, reinforced steel. Size 10 channels to – 5 channels per side There is a separate island, road, traffic surface about 60.00 meters wide, with electricity, roads, footpaths, and sewers.
Legal rights holders	THG
Obligations and mortgage obligations	Free of obligations and mortgage obligations
Any obligated	The land area is the road of the burden of the surrender of deed no. 184906 total area 2-3-35 rai or 1,135.00 sq.wah

#### 1.10.2. Location and condition of the property

The area of the Jin Wellbeing County project, on Phaholyothin Road (Thor Lor. 1), at km 36+550, Khlung Nueng Subdistrict Khlung Luang District Pathum Thani Province





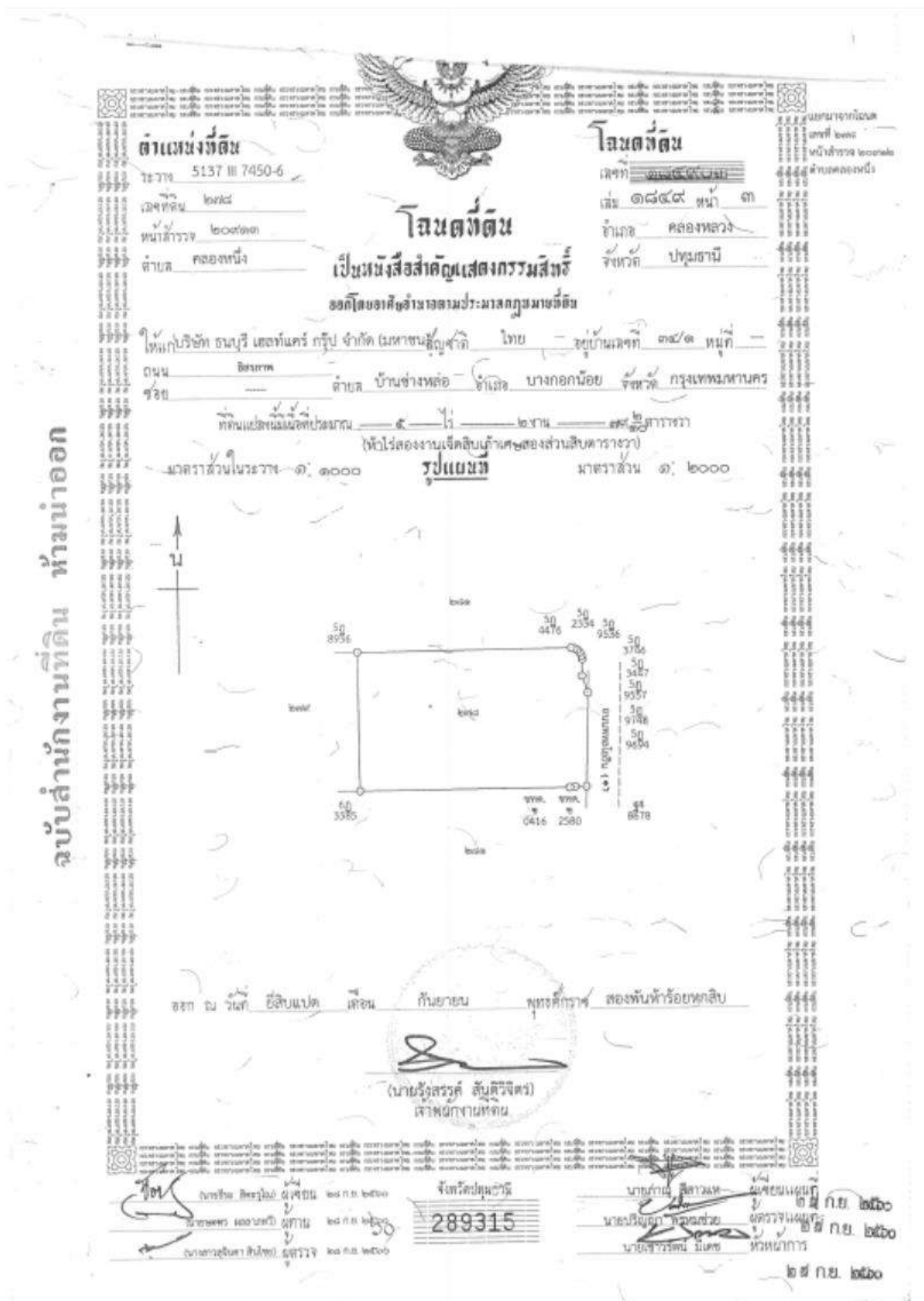








1.10.3.1. Title deed, plot 184903





## 1.10.3.2. Title deed, plot 184904

(น.ส.ด.จ.)


**ตำแหน่งที่ดิน**

รพท. 5137 III 7450-6

เลขที่ดิน ๒๕๙๙

หน้าสำรวจ ๒๐๐๗๔๙

ตำบล คลองโพธิ์



**โฉนดที่ดิน**

เป็นหนังสือสำคัญแสดงกรรมสิทธิ์

ออกโดยอธิบดีอานาจตามประมวลกฎหมายที่ดิน

**โฉนดที่ดิน**

เลขที่ ๒๘๙๙๐๐๐

เนื้อที่ ๑๘๙๙๙ ไร่ ๔

อำเภอ คลองโพธิ์

จังหวัด ปทุมธานี

ที่ดิน บวรวิทย์ อนุบุรี เมธวณิชกร ทรัพย์ จำกัด (มหาชน) สัญชาติ ไทย อยู่บ้านเลขที่ ๓๙/๑ หมู่ ๓

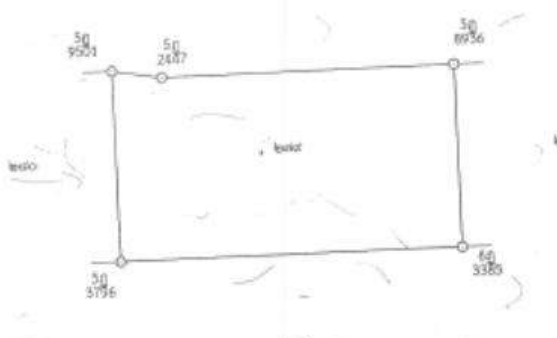
ถนน ชัยรพท. ตำบล บ้านช้างหลือ อำเภอ บางกอกน้อย จังหวัด กรุงเทพมหานคร

หรือ

ที่ดินแปลงโฉนดที่ดินเลขที่ ๒๕๙๙๙ ไร่ ๔

(หักไว้สองงานสามเศษสองส่วนสิบตารางวา)

มาตราส่วนในรพท. ๑: ๑๐๐๐ **รูปแปลง** มาตราส่วน ๑: ๒๐๐๐



ออก ณ วันที่ ๒๕๙๙๙ เดือน เดือน กันยายน พุทธศักราช ๒๕๙๙๙

(นายวิจิตร สันติวิจิตร)  
เจ้าพนักงานที่ดิน

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙

เลขที่ ๒๘๙๙๐๐๐

๒๘๙๙๐๐๐

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙

นายวิจิตร สันติวิจิตร ๒๕ ก.ย. ๒๕๙๙



## 1.10.3.3. Title deed, plot 184905

(น.ด.๕ จ.)


**ตัวเน้งที่ดิน**

เลขที่ดิน 5137 III 7450-6, ๕

เลขที่ดิน ๒๘๐

หน้าสำรวจ ๒๐๐๗๕

ตำบล คลองหนึ่ง



**โฉนดที่ดิน**

เป็นหนังสือสำคัญแสดงกรรมสิทธิ์

ออกโดยอาศัยอำนาจตามประมวลกฎหมายที่ดิน

**โฉนดที่ดิน**

เลขที่ ๒๘๕๕๕๕

เล่ม ๑๘๕๕๕ หน้า ๕

อำเภอ คลองหลวง

จังหวัด ปทุมธานี

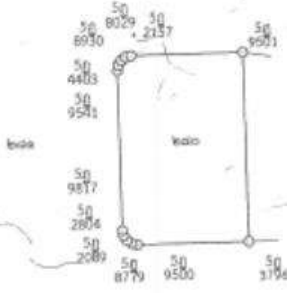
ให้แก่วรรณ อนุสรณ์ เอศวินทร์ กรู๊ป จำกัด (มหาชน) สัญชาติ ไทย อยู่บ้านเลขที่ ๓๘/๑ หมู่ ๑

ถนน สีตภาพ ตำบล บ้านช้างหล่ง อำเภอ บางกอกน้อย จังหวัด กรุงเทพมหานคร

ที่ดินแปลงมีเนื้อที่ประมาณ ๒ ไร่ ๑ งาน ๑๑ ตารางวา

(สองไร่สองงานหนึ่งเศษสี่ส่วนสิบตารางวา)

มาตราส่วนในระนาบ ๑: ๑๐๐๐ **รูปแผนที่** มาตราส่วน ๑: ๒๐๐๐



จาก น.ว.น. ยี่สิบแปด เดือน กันยายน พุทธศักราช สองพันห้าร้อยหกสิบ

(นายวิสูตร ตันศิริจิตร)  
เจ้าพนักงานที่ดิน

นายวิสูตร ตันศิริจิตร ๕๕ ปี ๒๐ ก.ย. ๒๕๒๐

นายวิสูตร ตันศิริจิตร ๒๐ ก.ย. ๒๕๒๐

นายวิสูตร ตันศิริจิตร ๒๐ ก.ย. ๒๕๒๐

จังหวัดปทุมธานี

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นายวิสูตร ตันศิริจิตร ๒๐ ก.ย. ๒๕๒๐

นายวิสูตร ตันศิริจิตร ๒๐ ก.ย. ๒๕๒๐

นายวิสูตร ตันศิริจิตร ๒๐ ก.ย. ๒๕๒๐



[illegible]




### 1.11. Details of Assets to be Acquired in Return for Disposal of Land

In entering into the Asset Disposal and Connected Transaction, the Company will receive consideration in the amount of 5,840,000 ordinary shares of the joint venture company to be established with a par value of THB 100.00 per share or 21.63% of the paid-up capital of THB 2,700.00 million and there is no payment for shares at the premium of the registered shares (Share premium). The joint venture company will invest in the construction project of Thonburi Rangsit Hospital, details are summarized as follows.

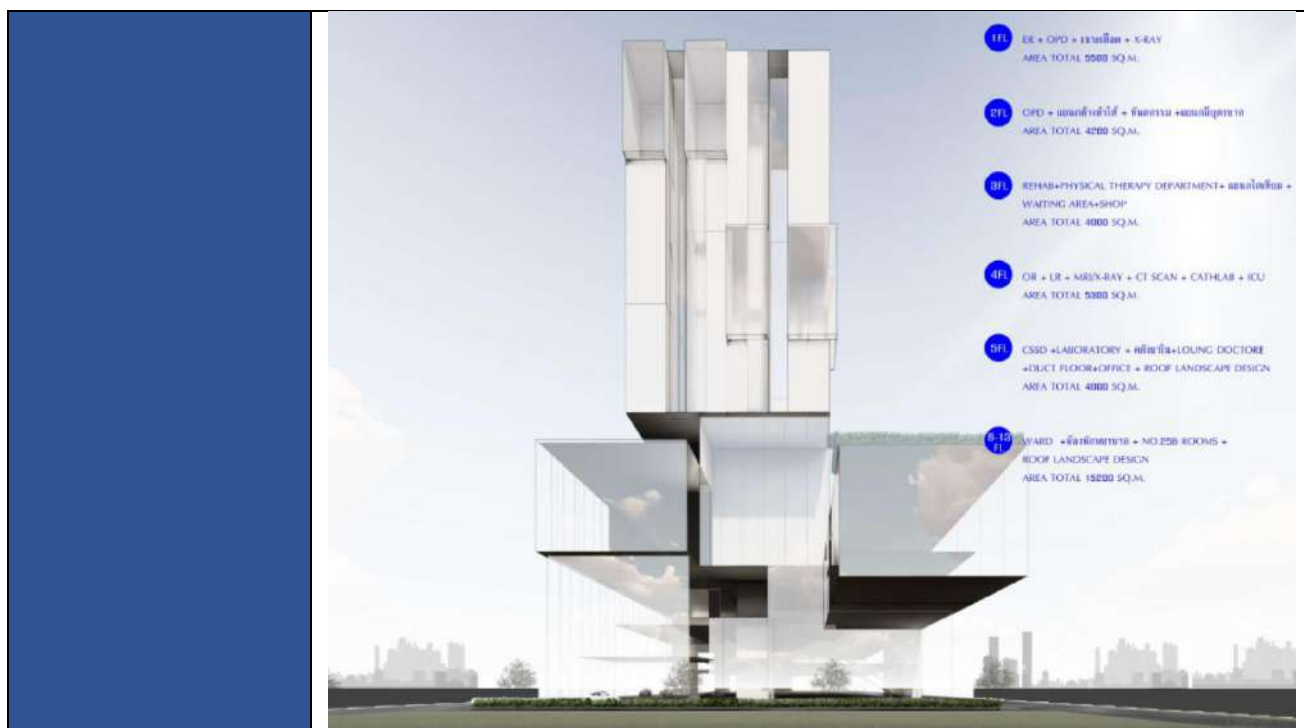
#### ■ Business information of Thonburi Hospital Rangsit Project

Type of Business	The joint venture company will construct Thonburi Rangsit Hospital on land title deeds nos. 184903, 184904, 184905 and 184906, totaling 4 title deeds, total area equal to 20-0-0.8 rai or 8,000.8 square wah, located at the Jin Wellbeing Country project on Phaholyothin Road (ThorLor.1), at km 36+.550 Khlong Nueng Sub-district, Khlong Luang District Pathum Thani Province, where the aforementioned land is currently owned by THG. The joint venture company will construct Thonburi Rangsit Hospital with a total usable area of approximately 38,200 square meters, consisting of:  1) 80 outpatient examination rooms 2) 250 inpatient beds 3) 5 operating rooms 4) 25 ICU beds 5) 1 lab room 6) 1 MRI room 7) 1 CT SCAN room 8) Parking building for 215 cars			
Investment details		List	THB million	
		Land	584.00	
		Buildings and structures	1,487.50	
		Medical equipment and equipment	450.00	
		Working capital	178.50	
		Total	2,700.00	
Location	Located in the Jin Wellbeing Country project, on Phaholyothin Road (ThorLor.1), at km 36+.550 Khlong Nueng Sub-district, Khlong Luang District, Pathum Thani Province			
List of shareholders	List of shareholders in a joint venture company		Number of shares	Shareholding (%)
	Thonburi Healthcare Group Public Company Limited (“THG”)		8,100,000	30.00
	Ramkhamhaeng Hospital Public Company Limited (“RAM”)		10,8000,000	40.00
	Group of Doctors of Noppasin Takerngdej, MD (“Group of Doctors”)		5,400,000	20.00
	Vibhavadi Medical Center Public Company Limited (“VIBHA”)		2,700,000	10.00
	Total		27,000,000	100.00
Registered Capital	THB 2,700,000,000			
Par Value	THB 100.00 per share			



<p>List of Board of Directors of the Joint Venture</p>	<ol style="list-style-type: none"> <li>1) Dr. Aurchart Kanjanapitak <sup>1/</sup></li> <li>2) Dr.Siripong Luengvarinkul , MD. <sup>1/</sup></li> <li>3) Dr. Pitchaya Somburanasin, MD. <sup>1/</sup></li> <li>4) Mr. Talit Chuen-im <sup>1/</sup></li> <li>5) Dr.Tanatip Suppradit, MD. <sup>2/</sup></li> <li>6) Ms.Nalin Vanasin <sup>2/</sup></li> <li>7) Mr.Chalermkul Apibunyopas <sup>2/</sup></li> <li>8) Dr.Noppasin Takerngdej, MD. <sup>3/</sup></li> <li>9) Mr.Phitjit Wiriyamettakul <sup>4/</sup></li> </ol> <p>Remarks:</p> <p>1/ Representing the directors from RAM</p> <p>2/ Representing the directors from THG</p> <p>3/ Representing the directors from the Group of Doctor</p> <p>4/ Representing the directors from VIBHA</p>
<p>Illustration</p>	 <ul style="list-style-type: none"> <li>1FL ER + OPD + Emergency + X-RAY AREA TOTAL 2500 SQ.M.</li> <li>2FL OPD + Ambulance Waiting + Waiting Room + Ambulance Bay AREA TOTAL 4200 SQ.M.</li> <li>3FL REHAB+PHYSICAL THERAPY DEPARTMENT + Waiting Area + Shop AREA TOTAL 4000 SQ.M.</li> <li>4FL OR + ER + MR/CT-RAY + CT SCAN + Cath Lab + ICU AREA TOTAL 5200 SQ.M.</li> <li>5FL CSSD + LABORATORY + Waiting Area + LOUNG DOCTORE +DUCT FLOOR+OFFICE + ROOF LANDSCAPE DESIGN AREA TOTAL 4000 SQ.M.</li> <li>6-12 FL WARD + Ambulance Waiting + NO.250 ROOMS + ROOF LANDSCAPE DESIGN AREA TOTAL 19200 SQ.M.</li> </ul>





Source: THG

#### ■ Timeline of the Thonburi Rangsit Hospital Project

No.	Procedures	Estimated Schedule
1.	Request the approval of the transaction from THG at the Shareholders' Meeting	April 28, 2022
2.	Sign the Shareholders' Agreement	By Quarter 2/2022
3.	Establish a joint venture company and proceed with the land transfer and share payment.	By Quarter 2/2022
4.	Design and implementation of environmental impact assessment (EIA) and building permit application	By December 2022
5.	Bidding for construction contractors, including pile work building structure, and building engineering system	By Quarter 1/2023
6.	Construction operations include pile work building structure, building engineering system (The building engineering system will begin construction in 2023) interior, and landscape	By Quarter 2/2023
7.	Permission related to building opening and hospital opening	By Quarter 1/2025
8.	Preparing for launch operations	By Quarter 1/2025
9.	Thonburi Rangsit Hospital open for service	By Quarter 2/2025

Source: THG

## 2. Summary of Thonburi Healthcare Group Public Company Limited

- Please consider Attachment 1 -

## 3. Summary of Ramkhamhaeng Hospital Public Company Limited

- Please consider Attachment 2 -



4. Summary of Vibhavadi Hospital Public Company Limited

- *Please consider Attachment 3 -*



## 5. Opinion of IFA Regarding the Reasonableness of Asset Disposal and Connected Transactions

### 5.1. Objectives and Necessity of Entering into the Transaction

Because the Company has vacant land of 20-00-0.8 rai located in the area of Jin Wellbeing County Project, Phahon Yothin Road, Khlong Nueng Subdistrict, Khlong Luang District Pathum Thani Province and currently, the land has not been used for maximum benefit to the Company. Initially, the Company had a plan to open a large hospital in the area since the initial investment in the Jin Wellbeing County project. The landscape requires large investments, uses high-tech medical tools, requires an efficient hospital management system, and relies on medical personnel with higher specialized knowledge than hospitals. Therefore, the Company's management has discussed with the management of other hospitals that are leading companies in the hospital business, namely RAM (which has a tertiary hospital in its network) and VIBHA, about the opportunity to establishment of tertiary hospitals in Rangsit and Pathum Thani areas under a joint venture company to increase business expansion opportunities and increase competitiveness with other hospital competitors. For that reason, the Board of Directors' meeting has approved to propose to the AGM for approval to invest in Thonburi Rangsit Hospital Project. Thonburi Rangsit Hospital Project has a total investment value of not more than THB 2,700.00 million and is classified as a 250-bed tertiary hospital that will be built on land title deeds No. 184903, 184904., 184905 and 184906, totalling 4 title deeds, a total area equal to 20-0-0.8 rai or 8,000.8 square wa, currently owned by THG and approved to propose to the general meeting of shareholders to consider and approve the disposal of the land to be used for investment in Thonburi Rangsit Hospital Project

### 5.2. The Impact of Entering into the Asset Disposition Transaction

#### 5.2.1. Impact on Accounting

List	Financial statements As of 31 Dec. 20	Increase / (Decrease) from transaction	Predict the impact that will occur after the Transaction 2	Changes (%)
<b>Effect on the statement of financial position</b>				
Investments in associates	708.93	584.00	1,292.93	82.38%
Land, buildings, and equipment	9,775.82	(547.96) <sup>1/</sup>	9,227.86	-5.61%

Remarks: 1/ The land to be disposed of has the book value according to the financial statements as of Dec. 31, 2021, amounting to THB 547.96 million.

Source: The Company

From the above table, after entering into the transaction, the Company will have assets in the list of investments in associates immediately increase in the amount of THB 584.00 million or an increase of 82.38%, while the number of assets of land, buildings and office equipment decreases by THB 547.96 million according to the book value of the land or a decrease of 5.61% compared to the financial statements ending December 31, 2021

List	THB million
<b>Impact on the Income Statement</b>	
Value of consideration received from asset disposal	584.00
<u>Less</u> book value of land	547.96



List	THB million
Profit from disposal of assets	36.04
<u>Less</u> estimated fees and expenses incurred from asset disposal <sup>1/</sup>	22.87
<u>Less</u> estimated corporate income tax of the Company	5.84
<b>Profit from disposal of assets after entering into transaction 2</b>	<b>7.33</b>

Remarks: 1/ Consists of a transfer fee of 2% from the official appraised price of 3.60 THB million and a specific business tax of 3.3 percent of the selling price of THB 19.27 million.

Source: the Company

While the Company will recognize accounting profit from disposal of assets before deducting transfer expenses of THB 36.04 million and after deducting transfer expenses, the Company will recognize profit from selling land in the amount of 7.33 THB million

### 5.3. Advantages and Disadvantages of the Asset Disposition Transaction

#### 5.3.1. Advantages of the Transaction

##### 5.3.1.1. The Company does not need to use cash for all investments in Transaction 1

The joint investment in the project of the Company with an investment proportion of 30.00 percent or an investment limit of not more than THB 810.00 million has 2 sources of funds, namely 1) the land-to-capital conversion with a value of THB 584.00 million by the Company. The company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share or equivalent to 21.63% of the joint venture company as consideration and 2) the Company will use working capital within the Company as an additional investment amounting to THB 226.00 million, which the Company will receive shares of the joint venture company as a consideration in the amount of 2,260,000 shares with a par value of THB 100.00 per share or equivalent to 8.37% of the joint venture company as a consideration. Although the Company has cash and cash equivalents at the end of December 31, 2021, amounting to approximately THB 1,482 million, which is sufficient for investment in the project but disposing of the Company's land that is currently not being used for maximum benefit. As part of this investment, the Company will save cash and cash equivalents of THB 584.00 million, which the Company can use to find benefits for investment and expand business in other ways. However, if the Company does not sell the land at this time and choose to use cash to invest in all such projects may cause the Company to have a significant decrease in financial liquidity or if the Company choose to loan from financial institutions to invest in the project, it will cause the Company to have more interest expenses and will burden the Company with more debt. From the financial statements ending December 31, 2021, the Company's interest-bearing debt to equity ratio (D/E Ratio) is 1.12 times. Loaning from financial institutions in the amount of 584.00 THB million will increase the D/E Ratio of the Company to 1.19 times.

##### 5.3.1.2. It is the use of land that is not used for maximum benefit to invest in order to benefit the Company.

As the Company's land currently has a total area of 20-0-0.8 rai or 8,000.08 square wa, on Phaholyothin Road, Rangsit area, is not being used for maximum benefit. Some areas of the land have been used to grow non-toxic vegetables which have not generated any significant returns or benefits for the Company for a long time while the location of the land is considered a densely populated area. It has convenient transportation, close to major roads. It is a district



with many important places such as airports, shopping malls, banks and universities. In addition, the area is a commercial and industrial area with many residential projects taking place. With all these factors, it is a good supporting factor in bringing the said land to develop the business. Therefore, using the land for investment and construction of potential projects in the field of medical services, which is the Company's main business, should cause to benefit from the use of land more cost-effectively than the use of land without the maximum benefit and does not match the objectives of the Company's business operations.

5.3.1.3. The selling price of the land is higher than the appraised value of the independent property appraiser.

Based on information from two independent property appraisers, TT and PPA, both of which have been approved by the Appraisal Association of Thailand ("VAT") and are the capital market appraisal companies and principal appraisers that has been approved by the SEC said that the official appraisal price of the land is THB 22,500 per square wa, totalling a government appraisal at a price of about THB 180,018,000 , while the market valuation from TT which is appraised on February 2, 2022, for the land area of 17-0-65.8 rai or 6,865.8 square wa (by deducting the area of the servitude road, 2-3-35 rai or 1,135 square wa) is appraised at THB 563.00 million (THB 82,000 per square wa) and for PPA, estimated on February 18, 2022 on the same land, the appraisal price is at THB 556.13 million (81,000 THB per square wa). Therefore, for the disposal of THG's land this time according to the joint venture shareholder agreement, THG will sell the land for THB 584.00 million (85,059 THB per square wa), which the price is higher than the appraised price from the two independent property appraisers.

5.3.1.4. It is the sale of unused land for maximum benefit in order to reduce the burden of land and building tax.

Based on the land and buildings tax collection rate according to the Land and Buildings Tax Act B.E. 2562, the Company is charged land and buildings tax from the Land Department of THB 1.27 million per year (referring to the land and building tax calculation form of THG), but due to the impact of the COVID-19 epidemic, the government has issued land and building tax reduction measure at the rate of 90 percent of the land and building tax between 2020 - 2021, thus the Company has to pay a tax of Land and buildings are estimated at THB 0.13 million per year. However, in 2022, the government has already repealed the aforementioned assistance measures and made landholders pay taxes as stipulated in the Land and Buildings Tax Act in full amount.

Therefore, the sale of land that is not properly utilized will help the Company reduce the tax burden under the Land and Buildings Tax Act by approximately THB 1.27 million per year, which will benefit the Company rather than holding unused land for maximum benefit.

5.3.1.5. Help promote the Jin Wellbeing County project, which is the Company's project to be more competitive

The Jin Wellbeing County Project is a project under the Company's investment and management. Within the project, there are 7 low rise condominiums with 5 buildings totaling 494 units, Wellness Center and Rehabilitation Hospital for the elderly, namely Thonburi Burana Hospital, which is a small hospital with 55 beds and focuses on holistic treatment and rehabilitation of the elderly, both physically and mentally, focusing on caring for bedridden patients with Alzheimer's stroke supports the treatment of common diseases. But it will not support the treatment of difficult cases such as surgery,



with doctors and nurses taking care of them 24 hours a day. Both projects are under the supervision of THG. The Company has started selling condominiums in such projects since in 2018, but from the economic condition that has not recovered well. In addition to the outbreak of COVID-19, the project still has rooms for those who are interested in investing where if the Company land is sold in front of the project for the construction of Thonburi Rangsit Hospital in the future, it will raise the level of prosperity to the area of the Jin Wellbeing County project and also increase the confidence of the elderly who live in the project which will affect the well-being of the residents or customers who decide to live in the future. It can be seen that the project has more facilities to care and live and in accordance with the Company's business strategy plan. It will have a positive effect on supporting each other with the Company's existing business.

However, although the shareholder agreement states that after signing the agreement between the shareholders, all co-investors agree not to operate hospitals or nursing homes, including not to jointly invest with investors or nursing homes within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, unless Thonburi Rangsit Hospital does not carry out construction within 1 year from the date of signing the agreement between the shareholders, or unless the written consent of all parties has been obtained. However, THG has affiliated hospitals located within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, which is Thonburi Burana Hospital, but the aforementioned hospital is a medium-sized hospital that focuses on treating and rehabilitating the elderly which has been operating since 2020, whose target groups are clearly different from Thonburi Rangsit Hospital, which will focus on treating tertiary patients. Therefore, it can be seen that Thonburi Hospital Rangsit and Thonburi Burana Hospital are not directly competitors.

5.3.1.6. Expand customer groups in Rangsit area, increase competitiveness and help support the hospitals in the group

Currently, the Company has a subsidiary hospital that opened in 2020 in the same area as the land that will be sold, namely Thonburi Burana Hospital. It is located in the Jin Wellbeing County project. However, Thonburi Burana Hospital is a 55-bed hospital and focuses on holistic treatment and rehabilitation of the elderly, both physically and mentally, focusing on caring for bedridden patients with Alzheimer's stroke (a different group of customers from this project investment). Therefore, the sale of land to invest in a 250-bed hospital construction project will enable THG to increase the competitiveness of the hospital business in Rangsit, Pathum Thani completely, whether it is the service of the brain and nervous system center Gastrointestinal and Liver Center, Ear, Nose and Throat Center, Health Check-up Center Pediatric Clinic, Heart Center, Bone Center, Surgery Clinic internal medicine clinics, etc., and when combined with the services of Thonburi Burana Hospital, which offers treatment services for the elderly who already exist, will support the Company in increasing the competitiveness of hospital services in the aforementioned areas more effectively is the expansion of customer groups in the Rangsit area, which originally were specific patients who used the services of Thonburi Burana Hospital, who can treat only the disease of the elderly and uncomplicated. But the services of Thonburi Rangsit Hospital will be able to treat other diseases that are more complicated or specialized, which can refer to patients more easily and provide convenience to the service users.



5.3.1.7. The Company can recognize the profit in the account from the sale of land on the date of ownership transfer

The sale of land to a new joint venture company at the selling price is worth THB 584.00 million, enabling the Company to recognize the profit in the account. From the disposal of assets before income tax in the amount of THB 36.04 million or accounted for net profit from the disposal of assets after deducting fees and expenses of THB 7.33 million, the calculation details are as follows:

List	THB Million
Value of consideration received from asset disposal	584.00
<u>Less</u> land book value	547.96
Profit from disposal of assets	36.04
<u>Less</u> Estimated fees and expenses incurred from asset disposal <sup>1/</sup>	22.87
<u>Less</u> estimated corporate income tax of the Company	5.84
<b>Profit from disposal of assets after entering into Transaction 2</b>	<b>7.33</b>

Remarks: 1/ Consists of a transfer fee of 2% from the official appraised price of 3.60 THB million and a specific business tax of 3.3 percent of the selling price of 19.27 THB million.

Source: The Company

5.3.1.8. The Company has the opportunity to receive a return on investment in the Thonburi Rangsit Hospital project in the long term.

Selling land for investment in this project, the Company believes that Thonburi Hospital Rangsit will be able to generate good long-term returns for the Company as 3 out of 4 co-investors are leading hospital operators with good reputation and expertise in the hospital business and listed on the stock exchange as well. The construction area of the project is appropriate, prosperity of the surrounding area, and there is no tertiary hospital that is a private hospital in that area. If considering the projected return from the project provided by the Company, it is found that the investment in this project will have an internal rate of return (Project IRR) at 16.88%, an internal rate of return on equity (Equity IRR) of 17.13%, and the NPV of the project is 30.00% based on THG's shareholding in the joint venture company at THB 1,418.39 million and the shareholder NPV at 30.00% based on THG's shareholding in the joint venture company at THB 1,366.01 million (shareholders can consider a summary of financial assumptions of Thonburi Hospital Rangsit can be found in Attachment 6: Summary of the Project Feasibility Study of Thonburi Hospital Rangsit by Thonburi Healthcare Group Public Company Limited.)

Return projections provided by THG	
Net Present Value of FCFF (THB Million)	4,727.95
Total present value of net project cash flows (NPV of FCFF) at 30.00 percent (THB Million)	1,418.39
Total net present value of net cash flows of shareholders (NPV of FCFE)	4,553.35
Total net present value of net shareholder cash flows (NPV of FCFE) at 30.00 percent (THB million)	1,366.01
Internal rate of return of the project (Project IRR)	16.88%
Internal rate of return on shareholders (Equity IRR)	17.13%
Project pay back period (Year)	13.00
Shareholders pay back period (Year)	13.00



5.3.1.9. It is an investment in accordance with the objectives and strategic plan for the long-term growth of the Company.

Amidst the rapidly changing environment, global economic slowdown and the spread of COVID-19, the Company is aware that the competition in the medical services business may become significantly more intense in the future. Entering into Transaction 1 and Transaction 2 this time will enable the Company to expand the potential of the medical service business, which is the Company's core business to be stronger, will be able to add business value to the Company in the future as well in the long term. Joint investment with a group of alliances that are well-equipped in terms of reputation and strong financial position will give this joint investment in the new hospital an opportunity to grow steadily in the long term, which should cause the Company to have sustainable income and profits in the future directly affecting the shareholders.

**5.3.2. Disadvantages of the Transaction**

5.3.2.1. May lose the opportunity to receive compensation for the sole use of the land

If the Company sells the land to a joint venture company according to the conditions of the investment in the Thonburi Rangsit Hospital Project, the Company's sole ownership rights in the land will be forfeited and the land cannot be used to develop businesses directly owned by the Company in the future, especially if in the future the Company sees a good opportunity from using the land for development or investment under the ownership of the Company, the Company will receive a full return from the sole ownership of the land while selling the land to the Company. In this joint venture, the return on the investment that the Company has returned to have a proportion of 30.00 percent in proportion to the shareholding in the joint venture company.

5.3.2.2. May lose the opportunity to sell the land at a higher price in the future

The sale of land for joint investment in the construction of a new hospital will result in the Company losing the opportunity to sell the land at a higher price in the future. If land prices have risen because the land is located in an area with population density, there is an increase in the historical growth of the land due to its proximity to both Department stores, universities, hospitals, airports, expressways, factories and industrial estates coupled with the arrival of the Red Line train project that will be open for service in the near term. Therefore, in the future, the price of this land may be higher than the appraised value from the two independent property appraisers, however, due to the large size of the land and requires high capital to purchase, the Company may take time and may incur additional costs to acquire investors who are interested in purchasing land in the future.

5.3.2.3. If the project cannot be opened, it will cause the Company to have to pay for the transfer of land and other related expenses in vain

From the conditions in the draft agreement, the shareholders of the joint venture company stated that if the joint venture company did not proceed with the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG. The parties agree to transfer the land by having the joint venture company manage the transfer of the said land back to THG. The burden of expenses related to the transfer of the land, the joint venture company must be responsible for all and because of the



Company as a percentage of investment in the joint venture company of 30 percent. Therefore, in this case, the Company will incur land transfer costs and related expenses as well in addition to the expenses incurred from the land transfer, in the process of selling of the Company to a joint venture company, the Company is responsible for all expenses

5.3.2.4. In the case of buying land for business development in the future, it may require a higher investment.

After the Company sells the land to the joint venture company, the Company will have no land and vicinity condition of suitable size for investment in projects that require medium to large areas adjacent to the main road in the Rangsit area to develop projects that may generate returns for the Company. Therefore, if the Company has a need to use the land for the construction of its own projects in the future may cause the Company must find a new piece of land that is suitable in terms of price, size and location, which is difficult to buy new land may cause the Company requires a higher investment than before according to the period and prosperity of the land in that area. However, currently, the Company still has vacant land waiting for development in the upper areas in the Thonburi area, if it is necessary to use the land for construction and invest in the Company's business, the land may be used for management benefit

5.3.2.5. Lose the opportunity to use the investment of 226.00 THB million for other uses.

In entering into Transaction 1, the investment in Project Thonburi Hospital Rangsit, the Company has to use working capital within the company of THB 226.00 million for additional investment in addition to the sale of land to the joint venture company. However, if there is no investment in the project, the Company can use such cash to expand business development or use as working capital or use to pay off loans to financial institutions to increase interest expenses. However, for investment in this project, the Company uses cash to invest approximately 27.90 percent of the total investment from the amount of THB 810.00 million that the Company invests in the Thonburi Rangsit Hospital project and accounted for 15.25 percent compared to cash and equivalents of the Company as shown in the audited financial statements as of December 31, 2021, which amounted to THB 1,482 million. Therefore, if in the future the Company wants to invest or use the money in working capital for other business developments, the Company still has good financial liquidity.

5.3.2.6. The Company will not receive cash from the sale of land.

In entering into Transaction 2, the land disposition, the Company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share, representing a total value of THB 584.00 million. At the same value, the Company may receive a cash return immediately after the sale. The Company can use such cash to expand business development or invest in other projects, according to what the Company want immediately without having to wait for returns from the project's operations that will begin to recognize income in the next 3-4 years



#### 5.4. Advantages and Disadvantages of not Entering into the Asset Disposition Transaction

##### 5.4.1. Advantages of not entering into the Transaction

###### 5.4.1.1. The land is still owned by the Company and the Company can use the land for construction or investment in the future.

In the event that the land sale transaction is not made, the Company will still have the right to decide to utilize the Company's land. If the Company wants to invest the land in the medical business or the hospital's medical-related business in the future or even allocate some of the lands for investment or distribution, it can operate by itself. Although the Company will still have ownership proportional to 30%, the Company will not be able to decide on the use of the land by itself. However, this land sale investment is part and has conditions for the construction of Thonburi Rangsit Hospital only. This is considered as an extension of the Company's core business and in accordance with the Company's operating objectives.

###### 5.4.1.2. Does not cause conflicts of interest

If the Company does not enter into the transaction of disposing of land to a joint venture company which is considered as a connected transaction, the Company may have an opportunity to sell the land to third parties in the future, in which the Asset Disposition Transaction with a third party will not be required to comply with the Notification of the Connected Transaction and reduce the risk that there may be a conflict of interest from entering into a transaction with a connected person, both a conflict of interest that is a business that operates similarly and competes, or even in the future if conditions are specified causing the Company to lose benefits, it will cause doubts to the shareholders. However, the Company and its joint venture partners, both RAM and VIBHA, who have common directors, are listed companies in the Stock Exchange of Thailand, each of which has policies and guidelines for preventing conflicts of interest as principles of practice, such as, on the part of the Company, there will be management policies in subsidiaries and associated companies stipulating that directors and stakeholders must submit information on their interests to the Board of Directors for acknowledgment, abstain from voting of directors and executives who have interests, holding audit committee and shareholders' meetings, have opportunities to consider and approve the transaction, depending on the importance and size of the transaction in accordance with the regulations and guidelines on connected transactions, etc.

###### 5.4.1.3. There is no cost incurred in transferring the land.

According to the draft land purchase agreement, for the expenses incurred from the transfer of land ownership on the date of sale, the Company will be responsible for such expenses which will cost approximately THB 28.71 million (according to the estimate of the Company as shown in the table below). In addition, this land sale is a transaction related to the investment in the Thonburi Rangsit Hospital project. If the investment cannot be completed or the investment is cancelled later as stipulated in the agreement, the joint venture company's shareholders must transfer the land sold at this time back to the Company. All co-investors are responsible for the cost of transferring the land back to the Company in accordance to the shareholding proportion, which the Company has a shareholding ratio of 30 percent. In this case, the Company will have even more expenses. Therefore, if the land is not sold this time, the Company will not have to pay for it.



Expenses for the transfer of land ownership in Khlong Nueng Subdistrict Khlong Luang District Pathum Thani

Province, 4 plots of THG

	Details	Appraisal price (THB/Sq.wa)	Total (THB)
1	Land appraisal price, title deed 184903, land area 5-2-79.20 rai	22,500.00	51,282,000.00
	Land appraisal price, title deed 184904, land area 6-2-3.20 rai	22,500.00	58,572,000.00
	Land appraisal price, title deed 184905, land area 2-2-1.40 rai	22,500.00	22,531,500.00
	Land appraisal price, title deed 184906, land area 5-1-17.00 rai	22,500.00	47,632,500.00
	<b>Including government appraisal price, land area 20-0-00.80 rai (8,000.80 sq m.)</b>		<b>180,018,000.00</b>
2	Trading price		584,000,000.00
3	Transfer fee 2% of the appraised value		3,600,360.00
4	3.3% specific business tax (higher price)		19,272,000.00
5	1 %corporate income tax (higher price)		5,840,000.00
	<b>Total transfer costs</b>		<b>28,712,360.00</b>

**5.4.2. Disadvantages of not entering into the Transaction****5.4.2.1. Loss of investment opportunity in Thonburi Rangsit Hospital Project**

Since the Company's land is suitable for the location of the new hospital project, if the land is not sold to the joint venture company this time, it will cause the joint venture not to invest in the project as well because the land is an important factor for those who will come to use the services of the hospital. This will affect the ability to generate income. Therefore, finding new land will make the project's plans change from the original and may affect the investment decision of all joint venture partners who will continue the project. If so, it will cause the Company to lose investment opportunities to expand the Company's business growth, especially under the current economic situation, the investment by the Company alone to build a tertiary care hospital will require a lot of investment. An investment opportunity with a joint venture partner with long experience in hospital business and management. In addition to reducing the burden of investment, it also reduces risks and strengthens business alliances to be more competitive.

**5.4.2.2. Lost the opportunity to expand the business for the Company's business in the area**

Investment in Thonburi Rangsit Hospital Project on the land that will be sold, in addition to the goal of attracting medical users from the area of Rangsit and Pathum Thani Province, is also an option and increases the convenience of medical services for residents. Residing in the Jin Wellbeing County project as well as residents of the condominium project. It is a group of people with medium to high status who have the potential to use the services of Thonburi Rangsit Hospital. Investment in such a project is like an extension of the Company's business as well. Therefore, if there is no investment in the Thonburi Rangsit Hospital Project this time will cause the Company to lose the opportunity to directly penetrate the target customers who are the Company's customers.



5.4.2.3. The Company will have to pay tax on land and buildings on the unused land for the maximum benefit of the Company.

Not selling the land to the joint venture company this time, the Company will have to bear land and building tax of THB 1.27 million per year (refer to the land and building tax calculation form of THG). This is an expense that does not generate a reasonable income to the Company since the said land is unused land for maximum benefit to the Company.

**5.5. Advantages and Disadvantages of Entering into Transactions with Connected Persons Compared to Third Parties**

**5.5.1. Advantages of Entering into Transactions with Connected Persons Compared to Third Parties**

5.5.1.1. The Company still owns the land in the form of shareholders.

The purpose of this land sale is to use the land as part of the construction of Thonburi Rangsit Hospital. As the Company still owns the land as a joint venture partner, it is similar to the Company is doing business on its own land without selling outright, which if the sale of the land at this time to outsiders most of the time, third parties will use it for all their projects. Therefore, in the future, if the Company has a financial position that continues to grow together with other investors who want to reduce their investment, the Company may expand the investment in the project.

5.5.1.2. Able to negotiate more terms of sale compared to third parties

Negotiation between RAM and the Company executives which is a connected person can contact, coordinate, negotiate and agree faster and more flexible than coordinating with third parties, by having good conditions, the price of the land is higher than the appraised price of the two independent property appraisers and taking part to participate in the investment. If there is a problem that cannot proceed with the project to build Thonburi Rangsit Hospital, the Company was able to accept the transfer of land back from the joint venture under the conditions of the draft shareholder agreement.

5.5.1.3. The Company can also maintain the land environment in the Jin Wellbeing Country project as a comprehensive medical center according to the plan.

This is because the second transaction occurred with a person connected to the Company who has good knowledge and expertise in the medical business and the land that will be sold this time will be used to develop a hospital. This is a business type that is consistent with the use of the Company's land in the adjacent area that was used as the Jin Wellbeing Country Project. According to the Company's original plan, the Company would like to develop all the land in the area to be a comprehensive medical center in the Rangsit district. In this regard, if the Company sells the land to a third party, the third party may use the plot of land to develop into other projects such as factories, department stores, or others that are inconsistent with the Company's plans and may affect the image of the Jin Wellbeing Country project.

**5.5.2. Disadvantages of Entering into Transactions with Connected Persons Compared to Third Parties**

5.5.2.1. It may be suspected that it is a channel for the transfer of benefits to connected persons.

Generally, transactions with connected persons may be suspected of being a channel for transferring benefits to connected persons or causing the Company to unable to negotiate various conditions for the full benefit of the Company. However, in this case, Board of Directors and executives of the Company understand the rules and be aware of the impact of the transaction with the connected person and will not do any transaction that does not benefit the



Company or is a transaction with an inappropriate price because it will send impact on minority shareholders. Therefore, the terms and conditions of the land sale agreement were negotiated for the best benefit to the Company.

**5.5.2.2. Incurred expenses and delays in the transaction due to the need to request a resolution of the shareholders' meeting**

The sale of land at this time is valued for THB 584.00 million. If calculating the size of the Asset Disposition Transaction from the audited financial statements of the year 2021, this transaction will have a transaction size of 2.45% based on the total value of consideration basis and if not, this connected transaction will be considered a small transaction by the Board of Directors. It can be operated by itself which will make the process of land disposition proceed faster and do not incur additional related costs from entering into the transaction, but since it is a connected transaction which has a transaction size of 6.56% of the net tangible assets of the Company which is higher than 3.00 percent of the net tangible assets of the Company, making this a large transaction that must be approved by the shareholders' meeting before entering into the transaction, arrangement of shareholders' meetings, venue fees, document preparation fees Wages of independent financial advisors and independent property appraisers, etc.

**5.5.3. Advantages of Entering into Transactions with Third Parties**

**5.5.3.1. Shareholders will assume that it is a transparent transaction.**

Transactions with third parties are assumed that the Company's transaction is a transparent transaction and there is no transfer of benefits from the Company since both parties are not related to each other. Therefore, in negotiating both the buyer and the seller are most likely to maintain their own interests.

**5.5.4. Disadvantages of Entering into Transactions with Third Parties**

**5.5.4.1. It may take time to negotiate and there may be additional conditions.**

Since entering into transactions with third parties, both parties must try to negotiate in order to maintain their interests in order to obtain the best interests of their own parties. Therefore, it may cause the Company to use more time, expenses, and various resources in negotiating various conditions in order to complete the transaction.

**5.6. Risk of Asset Disposition Transaction**

**5.6.1. The risk of losing the opportunity to use the land to generate better returns**

This land sale for THB 584.00 million, which the aforementioned land has a total area of 20-0-0.008 rai or 8,000.8 square wa, located on Phaholyothin Road, Rangsit, Pathum Thani are densely populated, has convenient transportation, both expressways and electric train projects that are about to be opened in the near term. Therefore, in the future, the value of the land is likely to increase in accordance with the growth of more civilization, which may cause the future of such land to be preferred by other investors who want to develop the land as a residence or a new shopping mall or invest in any project that is appropriate for the area, or the Company may see opportunities for other business developments that generate good income according to the development of the world that has changed the sale of such land now. This may result in the Company receiving fewer returns from the land in the future. However, from the economy that is in a state of slowdown, the sale of land at very high prices may not be possible to operate in a short period of time,



coupled with the uncertainty in politics and government policies at the moment, such as the taxation of land and buildings from unused land, which may cause the sale of this land to create the return in the hospital business is more worthwhile in the long run than it could be.

#### **5.6.2. Risk of impact from the construction of the Project on the Company's business operating in the area**

In the sale of the land for the construction of Thonburi Rangsit Hospital, size 250 beds, which is expected to take the construction period of 36-40 months, it is common to cause more or less the impact of construction in the surrounding neighbourhood, whether it is the noise impact of the construction, the impact of smoke and dust, and the impact of using the route to moving construction, machinery and equipment, etc. and because of the area, some projects are currently in the operation of the Company, namely Jin Wellbeing County, which is a residential condominium for the majority of the elderly population and is located at Thonburi Burana Hospital, a small hospital in the Jin Wellbeing County project area to provide rehabilitation services for elderly patients may affect the demand for services or the decision to stay in the Jin Wellbeing County project, including those who live may be uncomfortable because the elderly are in need of rest and tranquillity. It is important to the satisfaction of service users as a priority, therefore, there is a way to prevent and mitigate such impacts by procuring professional project contractors with a system to block the construction area completely for the patient. It is important for the operation process to have the least impact on the environment and to have the construction planned with the least amount of time, even if it causes more inconvenience, the Company expects the impact to be minimal and only for a short period.

#### **5.6.3. Risk from disposal of land without receiving cash**

Because as of the date of the shareholders' meeting for approval of the investment in the Thonburi Rangsit Hospital Project, the joint venture agreement has not yet been signed and the joint venture company has not yet been established. Since every shareholder must comply with the condition's precedent in the shareholder contract completely. the joint venture must be approved by the shareholders' meeting. Therefore, if the shareholders' meeting has approved the investment transaction in Thonburi Rangsit Hospital, the joint venture agreement will be signed, and the Company establishment will be established, in which the Company will have to sell and transfer the land to the joint venture company first and receive compensation from the sale of ordinary shares of the new joint venture company in the proportion of 21.63% equal to the value of the land disposition. Therefore, the Company is at risk from the gap in the preparation period for project implementation, if during the said period there are changes or unexpected events that affect the ability to operate or construction of the project will expose the Company with risk of selling the land, which is not paid in cash. However, the investment contract states that if the project cannot happen for any reason, the joint venture company will transfer the purchased land back to the company.

#### **5.6.4. The risk of uncertainty that the contract has not yet been signed**

According to the conditions of the Draft Shareholder Agreement between the Joint Ventures and the Draft Agreement to Buy and Sell Land for the Project Operation, every joint venture must obtain approval for the investment transaction from the Board of Directors and their shareholders, according to the scope and authority to approve each party's transaction with the addition of the Company on the disposal of assets (land) that must be approved by the



shareholders' meeting of the Company, another transaction Signing the Shareholder Agreement And the contract to buy and sell land next, which is expected to occur within the second quarter of 2022. Therefore, the Company still has risk from the uncertainty of the investment in the project. In addition, there may be a change in some conditions that will occur before the signing of the contract because, at present, the sale of land for investment in the project has not been signed in any way, therefore it does not affect the performance of the project compulsory between every joint venture under the law.

However, the signing of the Shareholder Agreement and the Land Purchase and Sale Agreement is following the general practice of making important transactions. For the details of the content of the draft shareholder contract that has been presented to all executives for consideration, it is considered a complete contract on the main issues. If there is a change in the conditions, details may be small and insignificant. The Company has asked the shareholders' meeting to authorize the directors of the Company to be the representative to consider the amendment of such details. If there is an issue that is important to the transaction, the Company will immediately disclose it to the Company's shareholders.

#### **5.6.5. Risks that may cause conflicts of interest with the Company's major shareholders**

From this transaction, RAM is the major shareholder of the Company and have common directors, as well as the Company having common directors with VIBHA, making this land disposition transaction a connected transaction and because the land disposal transaction is related to the investment in Thonburi Rangsit Hospital Project, although the investment in Thonburi Rangsit Hospital Project is not a connected transaction, but because RAM is considered a conflicting party making the sale of this land, it may cause a conflict of interest in the investment of the Thonburi Rangsit Hospital Project which is a connected transaction in the future.

However, for the investment with RAM, which is considered a conflict of interest, the Company has considered that such investment will create overall benefits that are worthwhile for the Company, since the investment of the project require an investment of up to THB 2,700 million. If the Company invests all alone, the Company will need to find more funding sources from borrowing because as of December 31, 2022 from the audited consolidated financial statements, the Company has cash and cash equivalents of THB 1,482 million, which will cause more liabilities to the Company. RAM and THG have been good partners for a long time, which helps the Company to negotiate terms of investment in the project better than entering transactions with other people. In addition, RAM is a hospital operator who is ready for investment and is experienced in hospital management for a long time. It is also a large hospital with a well known reputation. There are medical personnel who will be able to support each other in an emergency, therefore, this investment should most benefit the Company from a joint venture with RAM under an emphasis on preventing conflicts of interest that may arise in the future. Any transactions that may cause conflicts of interest with the Company must be screened and examined by the Company's Audit Committee before proceeding and has set a policy based on the operations in subsidiaries and associated companies in the principle of Corporate Good Governance of the Company in order to prevent conflicts of interest that may arise from competition in the same business as the Company. Therefore, the policy to prevent conflicts of interest that the Company is working on will help the Company perform various tasks under the preservation of the maximum benefit to the shareholders as a priority. Therefore, such risks are under the management that the Company can control.



## 6. Opinion of IFA on the Appropriateness of the Price and Conditions for Entering into the Asset Disposal and Connected Transaction

### 6.1. Appropriateness of the Price for Entering into the Asset Disposition and Connected Transactions

In considering the appropriateness of the land price to be disposed of, IFA will consider the appraisal of the land to be disposed of by 2 methods, which are:

- 1) Book Value Approach
- 2) Market Value Approach

#### 6.1.1. Book Value Approach

The valuation by this method shows the value of the assets which appear in the book of the assets at any moment, here is the valuation from the book value of the assets according to the Company's financial statements that have been audited as of December 31, 2021 which can be summarized as follows:

Asset	Value (THB million)
Land, total area 20-0-0.008 rai or 8,000.8 square wa	547.96
<b>Total value</b>	<b>547.96</b>

Source: The Company's Internal Financial Statements

The valuation of assets by the Book Value Approach will obtain the value of the assets to be disposed of at **THB 547.96 million.**

#### 6.1.2. Market Value Approach

For the Market Value Approach, the Company will hire an independent property appraiser to appraise the land to be in line with the current market value. Two asset appraisal companies in the capital market and key appraisers who have been approved by the SEC to assess the value of the land to be entered into the transaction are as follows:

- 1) ThreeTree Appraisal Company Limited ("TT") No. PPA/GL-13/65 dated February 7, 2022
- 2) Powerland Plus Appraisal Company Limited ("PPA") No. PPA/GL-13/65 dated February 18, 2022







For the essence of the valuation of the land to be sold this time, the two independent property appraisers can be summarized as follows:

##### 6.1.2.1. TT's independent asset appraisal report

In this land asset appraisal, TT uses a Market Approach method by analyzing the market trading value to compare with the appraised assets. From the search for assets that are similar to the land that will be purchased to consider similar or different from the appraised assets







As for the valuation method by TT, it surveyed the market of 5 plots of vacant land with an asking price between THB 80,000 – 140,000 per square wa to determine the property's value by scoring based on the quality factor. Assets that affect value include the physical nature of the land, land shape, land condition, land size, optimal and best use, location, prosperous environment, legal constraints and potential, etc. Each factor is weighted differently (Weighted Quality Score) and adjusted the bid price/trading price as appropriate. The market data collected and compared in the asset valuation can be summarized as follows.



Description	Appraised project	Market data 1	Market data 2
Photo			
Plot of land			
Type	Land with buildings	Empty land	Land with buildings
Amount (unit)	4 Title deeds	1 plot	1 plot
Location	On Phaholyothin Road (Thor Lor.1), at km 34+550	On Phaholyothin Road (Thor Lor.1), at km 34+550	Next to Phaholyothin Road (Thor Lor. 1), at km 37+200
GPS coordinates. - (LAT/LONG)	GPS.1 - 14.029640 100.615550, GPS.2 - 14.030360, 100.612750	14.015556, 100.616000	14.034028, 100.615778
Land area (rai)	20-0-0.8 Rai	38-0-13.0 Rai	4-3-17.0 Rai
Land area (square wa)	8,000.8 square wa	15,213.0 square wa	1,917.0 square wa
Characteristics of the plot of land	Rectangle	Rectangular	Rectangular
Land size (width x depth)	100.00 x 322.00 m.	125.00 x 480.00 m.	38.00 x 216.00 m.
Land condition	It has been developed for land reclamation.	It has been developed for land reclamation.	It has been developed for land reclamation.
Floor level (meters)	About 0.30 meters higher than the road	Equal to the road	Equal to the road
Road conditions passing in front of the land	Tarmac 60.00 m.	Tarmac 60.00 m.	Tarmac 60.00 m.
Utilities	Electricity, water supply, telephone, and sewer	Electricity, water supply, telephone, and sewer	Electricity, water supply, telephone, and sewer
Environment	Residential, Commercial, and Industrial	Residential, Commercial, and Industrial	Residential, Commercial, and Industrial
Restrictions on town planning	Orange area	Purple area	Orange area
Land use	Medium-density residential land	Industrial and warehouse land/Green space/Rural and agricultural land	Medium-density residential land
Development potential	Moderate	Moderate	Moderate
Offering price/buy-sell (per square wah)	-	THB 86,250	THB 104,000
Offering price/buy-sell (per rai)	-	THB 34,500,000	THB 41,600,000
Sales situation	-	Offer for sale	Offer for sale
Date received information	-	February 2, 2022	February 2, 2022
Informant	-	Mr. Tarinee (Agent - Broker)	Khun Phat (Agent - Broker)
Contact number	-	099-036-2977	095-960-7777



Description	Appraised project	Market data 1	Market data 2
Remarks	-	-	No building cost

Description	Market data 3	Market data 4	Market data 5
Photo			
Plot of land			
Type	Empty land	Empty land	Empty land
Amount (unit)	1 plot	1 plot	1 plot
Location	Next to Phaholyothin Road (Thor Lor. 1), at km 34+700 / next to AQ Cedi Phahonyothin-Rangsit project	Adjacent to Phahon Yothin Road (Thor Lor. 1), at km 41+130 / next to Soi Nanthaphon	Next to Poonsap Rangsit Project
GPS coordinates. - (LAT/LONG)	14.059278, 100.616667	14.071500, 100.617972	14.017806, 100.619667
Land area (rai)	2-1-47.2 Rai	1-2-91.0 Rai	2-2-20.0 Rai
Land area (square wa)	947.2 square wah	691.0 square wah	1,020.0 square wah
Characteristics of the plot of land	Rectangle	L-shaped	Rectangular
Land size (width x depth)	40.00 x 90.00 m.	12.00 x 52.00 m.	50.00 x 60.00 m.
Land condition	It has been developed for land reclamation.	It has been developed for land reclamation.	It has been developed for land reclamation.
Floor level (meters)	Equal to the road	Equal to the road	Equal to the road
Road conditions passing in front of the land	Tarmac 60.00 m.	Tarmac 60.00 m.	Concrete 8.00 m.
Utilities	Electricity, water supply, telephone, and sewer	Electricity, water supply, telephone, and sewer	Electricity, water supply, telephone, and sewer
Environment	Residential, Commercial, and Industrial	Residential, Commercial, and Industrial	Residential, Commercial, and Industrial
Restrictions on town planning	Orange area	Red area	Purple area
Land use	Medium-density residential land	Commercial land	Industrial and warehouse land/Green space/Rural and agricultural land
Development potential	Moderate	Moderate	Moderate
Offering price/buy-sell (per square wah)	THB 140,000	THB 100,000	THB 80,000



Description	Market data 3	Market data 4	Market data 5
Offering price/buy-sell (per rai)	THB 56,000,000	THB 40,000,000	THB 32,000,000
Sales situation	Offer for sale	Offer for sale	Offer for sale
Date received information	February 2, 2022	February 2, 2022	February 2, 2022
Informant	Ms. Jariya (agent - broker)	Meechai (Agent – Broker)	Mr. Sukrit (Agent – Broker)
Contact number	081-312-5967	082-456-9315	095-956-8585, 02-521-5485
Photo	-	Land on both sides of the road	-

Land amount 4 title deeds, land area in the appraisal 17-0-65.8 rai (6,865.8 square wa)

Weighted Quality Score Table							
Description	(unit)	property	Comparison				
			1	2	3	4	5
Land size	(Sq. Wah.)	8,000.8	15,213.0	1,917.0	947.2	691.0	1,020.0
- Width approx.	(m)	100.00	125.00	38.00	40.00	12.00	50.00
- Approximate average depth	(m)	322.00	480.00	216.00	90.00	52.00	60.00
- Width to depth ratio	-	0.31	0.26	0.18	0.44	0.23	0.83
- Level of land	(m)	0.30	0.00	0.00	0.00	0.00	0.00
Offer price	(THB/Sq.wa.)	-	86,250	104,000	140,000	100,000	80,000
Odds / price reduction / preliminary adjustments	(THB)	-	-6,250	-22,000	-58,000	-18,000	-11,000
Calculated as the initial adjustment price.	(THB)	-	80,000	82,000	82,000	82,000	69,000
Adjusted according to the period of time in the event that there are already bought-sold	(year)	-	0	0	0	0	0
Percent	(%)	-	0%	0%	0%	0%	0%
Total price adjusted over time	(THB)	-	0	0	0	0	0
Considered the price after the adjustment.	(THB)	-	80,000	82,000	82,000	82,000	69,000

Factor	Weight (%)	Property	Comparison				
			1	2	3	4	5
Location	20%	10	10	10	10	10	8
General environment	20%	9	9	9	9	9	6
Land size/Physical characteristics	10%	8	8	8	8	8	8
The shape of the land/land level	20%	8	7	7	7	7	7
Transportation in and out/right to use the road	10%	10	10	10	10	10	8
Various basic utilities/roads passing through the land	10%	9	9	9	9	9	8
Legal restrictions	0%	7	7	7	7	7	7
Suitability for maximum utilization	10%	7	7	8	9	7	7
Development Potential/Prosperity Trend	0%	8	8	8	8	8	8
Liquidity in buying / selling	0%	7	7	7	7	7	7
Weighted Score Total	100%	880	860	870	880	860	730
Proportion of points compared to assets		1.0000	1.0233	1.0115	1.0000	1.0233	1.2055
The price has been adjusted according to the quality score level.		-	81,860	82,943	82,000	83,907	83,178



Factor	Weight (%)	Property	Comparison				
			1	2	3	4	5
Mathematical Formulas (IF, ABS)		201	20	10	1	20	150
Proportion		1.0000	0.0995	0.0498	0.0050	0.0995	0.7463
Inverse		242.5400	10.0500	20.1000	201.0000	10.0500	1.3400
Weighted Rating		100.00%	4.14%	8.29%	82.87%	4.14%	0.55%
The value obtained from the weighting		82,158	3,392	6,874	67,956	3,477	460
Appraised value per square wah (rounded off) (THB)							82,000.00
accounted for per rai (THB)							32,800,000.00
RSQ							98.02%





As a conclusion, the appraisal price of the land is priced at THB 32,800,000 per rai or THB 82,000 per square wa, representing a total value of THB 562,995,600.

Summary of TT's appraisal results	
Property details	Property Value (THB)
Land: Title Deed No. 184903, 184904, 184905 and 184906, totaling 4 title deeds, land area in appraisal 17-0-65.8 rai or 6,865.8 square wa. valuation Price THB 82,000 per square wah	562,995,600.00
<b>Total current market value of the property</b>	<b>562,995,600.00</b>

#### 6.1.2.2. PPA's independent asset appraisal report

In valuing the property of land and buildings (appraisal only for land), PPA chooses the Market Approach by analyzing the market trading value to compare with the appraised assets. From the search for assets that are close to the land that will be purchased, the similarity or different from the appraised property is taken into account.



As for the method used by PPA to assess, it has surveyed 4 vacant land market data, which has an asking price of between 85,000 – 140,000 THB per square wa to be used to analyze the value of the property by scoring based on the quality factors of the property that affect the value. The physical characteristics of the land, the shape of the land, the condition of the land, the size of the land, the best and best use, the location, the prosperous environment, the legal constraints and the potential, etc., are weighted differently for each factor. (Weighted Quality Score) and then adjust the bid price/purchase price as appropriate. The market data collected and compared in the asset valuation can be summarized as follows.

Description	Appraised project	Market data 1	Market data 2
Photo			
Plot of land		-	



Description	Appraised project	Market data 1	Market data 2
Type	Land with buildings	Empty land	Empty land
Amount (unit)	4 Title deeds	1 plot	1 plot
Location	On Phaholyothin Road (Thor Lor.1), at km 34+550	On Phaholyothin Road (Thor Lor. 1), at km 34+700	On Phaholyothin Road (Thor Lor. 1), at km 41+100
GPS coordinates. - (LAT/LONG)	GPS.1 - 14.029640 100.615550, GPS.2 - 14.030360, 100.612750	-	-
Land area (rai)	20-0-0.8 Rai	2-1-47.2 Rai	1-2-91.0 Rai
Land area (square wah)	8,000.8 square wah	947.2 square wah	691.0 square wah
Characteristics of the plot of land	Rectangle	Rectangle	It resembles an ax, with a broad face on a small road.
Land size (width x depth)	100.00 x 322.00 m.	42.00 x 90.00 m.	12.00 x 83.00 m.
Land condition	It has been developed for land reclamation.	It has been developed for land reclamation.	It has been developed for land reclamation.
Floor level (meters)	Equal to the road	The level is higher than the road 0.30 meters.	Equal to the road
Road conditions passing in front of the land	Tarmac 60.00 m.	Tarmac, size 10 traffic lanes	Tarmac, size 10 traffic lanes
Utilities	Electricity, water supply, telephone, and sewer	Electricity, water supply, and telephone	Electricity, water supply, and telephone
Environment	Residential, Commercial, and Industrial	Commercial and residential	Commercial and residential
Restrictions on town planning	Orange area	Pink area	Pink area
Land use	Medium-density residential land	Commercial and residential land	Commercial and residential land
Development potential	Moderate	Moderate	Moderate
Offering price/buy-sell (per square wah)	-	THB 140,000	THB 100,000
Offering price/buy-sell (per rai)	-	THB 56,000,000	THB 40,000,000
Sales situation	-	Offer for sale	Offer for sale
Date received information	-	February 18, 2022	February 18, 2022
Informant	-	Ms. Jariya (agent - broker)	Mr. Tarinee (Agent - Broker)
Contact number	-	081-312-5967	099-036-2977
Remarks	-	Location, environment, shape of the land plot and physical characteristics close to the property but a smaller plot Liquidity is better than assets	Location, environment, close to the property but a smaller plot of land As for the property, it has better characteristics as a plot of land and physical characteristics.



Description	Market data 3	Market data 4
Photo		
Plot of land	-	-
Type	Empty land	Empty land
Amount (unit)	1 plot	1 plot
Location	On Phaholyothin Road (Thor Lor. 1), at km 37+900	Next to Phaholyothin Road (Thor Lor. 1), at km 34+000
GPS coordinates. - (LAT/LONG)	-	-
Land area (rai)	38-0-13.0 Rai	13-0-40.0 Rai
Land area (square wah)	15,213.0 square wah	512.0 square wah
Characteristics of the plot of land	Rectangle	Trapezoid
Land size (width x depth)	125.00 x 502.00 m.	24.00 x 512.00 m.
Land condition	It has been developed for land reclamation.	It has been developed for land reclamation.
Floor level (meters)	The level is higher than the road 0.30 meters.	About 0.20 m below the road
Road conditions passing in front of the land	Tarmac, size 10 traffic lanes	Tarmac, size 10 traffic lanes
Utilities	Electricity, water supply, telephone	Electricity, water supply, telephone
Environment	Commercial and residential	Commercial and residential
Restrictions on town planning	Pink area	Pink area
Land use	Commercial and residential land	Commercial and residential land
Development potential	Moderate	Moderate
Offering price/buy-sell (per square wah)	THB 86,250	THB 85,000
Offering price/buy-sell (per rai)	THB 34,500,000	THB 445,400,000
Sales situation	Offer for sale	Offer for sale
Date received information	February 18, 2022	February 18, 2022
Informant	Khun Jariya (agent - broker)	Mr. Kasikan (Agent - Broker)
Contact number	081-312-5967	091-798-7924
Remarks	The location is closer to the Rangsit area, which is more prosperous than the surroundings. The shape of the land plot and the physical characteristics are close to the property but it is a larger plot of land.	The location is closer to the Rangsit area, which is more prosperous. but the shape of the land plot and the physical characteristics are inferior to the property



Land amount 4 title deeds, land area in the appraisal 17-0-65.8 rai (6,865.8 square wa)

Weighted Quality Score Table					
Description	(Unit)	Property	Comparison		
			2	3	4
Land size		6,865.8	691.0	15,213.0	5,240.0
- Width approx.	(m)	100.00	125.00	38.00	40.00
- Approximate average depth	(Sq. Wah.)	322.00	480.00	216.00	216.00
- Width to depth ratio	(m)	0.31	0.26	0.18	0.44
- Level of land	(m)	0.30	0.00	0.00	0.00
Offer price	-	-	100,000	86,250	85,000
Odds / price reduction / preliminary adjustments	(m)	-	-25,000	-8,625	-8,500
Calculated as the initial adjustment price.	(THB/Sq.wa.)	-	75,000	77,625	76,500
Adjusted according to the period of time in the event that there are already bought-sold	(THB)	-	0	0	0
Percent	(THB)	-	0%	0%	0%
Total price adjusted over time	(year)	-	0	0	0
Considered the price after the adjustment.	(%)	-	75,000	77,625	76,500

Factor	Weight (%)	Property	Comparison		
			2	3	4
Surrounding condition	15%	9	8	9	9
Location	15%	9	9	9	9
Transportation	15%	8	7	9	9
Current use of the land	10%	1	1	1	1
Utilities	10%	9	9	9	9
Environment	5%	8	7	8	8
Characteristics of the plot of land / land area	5%	8	4	6	6
Physical characteristics of the land	5%	8	7	8	7
Opportunities for maximum utilization of land	5%	9	6	7	7
Legal regulations	5%	6	6	6	6
Liquidity in buying / selling	10%	8	6	6	6
Weighted Score Total	100%	765	670	740	735
Proportion of points compared to assets		1.0000	1.14179	1.03378	1.04082
The price has been adjusted according to the quality score level.		-	85,634	80,247	79,623
Mathematical Formulas (IF, ABS)		201	2 0	1 0	1
Proportion		1.0000	1.14179	1.03378	1.04082
Inverse		81,835	85,634	80,247	79,623
Weighted Rating		100.00%	20%	40%	40%
The value obtained from the weighting		81,075	17,127	32,099	31,849
Appraised value per square wah (rounded off)			81,000.00		
Per rai			32,400,000.00		
RSQ			98.02%		



In conclusion, the land appraisal price was THB 32,400,00 per rai or THB 81,000 per square wa, totaling THB 556,129,800.

Summary of PPA's property valuation results	
Property details	Property Value (THB)
Land: Title Deed No. 184903, 184904, 184905 and 184906, totaling 4 title deeds, land area in appraisal 17-0-65.8 rai or 6,865.8 square wa. Price THB 81,000 per square wah	556,129,800
<b>Total current market value of the property</b>	<b>556,129,800</b>

According to the land appraisal of the two independent property appraisers by the Market Value Approach, the value is between THB 563.00 - 556.13 million.

#### 6.1.3. Summary of IFA's opinion regarding the appropriateness of the price of land disposal

From the appropriate valuation of the land that the Company will sell by various methods, the results can be summarized as follows:

Valuation method	Land value according to the appraisal method (THB million)	Value of consideration received (THB million)	Return value Above/(Lower) Assessment Method (THB million)	Higher/(lower) percentage
1) Book Value approach	547.96	584.00	36.04	6.58%
2) Market Value approach				
- Price appraised by TT	563.00	584.00	21.00	3.73%
- Price appraised by PPA	556.13	584.00	27.87	5.01%

Land Valuation by various methods has different advantages and disadvantages. IFA is in the opinion that the book value approach is not appropriate for the valuation of the land that the Company will sell because it takes into account the value of the assets in the past and does not take into account the price of the land in the current market conditions, it may result in the book value being unable to reflect the appropriate value of the land. On the other hand, the Market Value Approach is appraised by the independent property appraisers which has been approved by the Appraisal Association of Thailand ("VAT") and is a capital market asset appraisal company and approved by the SEC who is specialized in property valuation. The market price of the land to be compared, which considers the location of the land, the environment, trading liquidity and land potential under current market conditions. IFA views that the Market Value Approach is the appropriate method for valuing THG's land in this time, which has a value between THB 563.00 - 556.13 million. Joint venture company worth THB 584.00 million (value of shares that the Company will received according to the par value of the joint venture company without any share premium or share premium arising) which is higher than the market price appraised by the independent property appraiser at THB 21.00 - 27.87 million or equivalent to 3.73% - 5.01 percent. The compensation that the Company will receive the sale of land to the joint venture company in this time is appropriate.



## 6.2. Appropriateness of the Conditions for Entering into the Asset Disposition Transaction and Connected Transaction

### 6.2.1. Assessment of the Appropriateness of the Conditions of Entering into the Transaction

#### 6.2.1.1. Terms of settlement

Since the sale of land is a transaction related to the approval to propose to the general meeting of shareholders to consider and approve the investment in Thonburi Rangsit Hospital Project, where the sale of land at this time is worth a total of THB 584.00 million, the Company will receive shares of the joint venture company in the amount of 5,840,000 shares, with a par value of THB 100.00 per share, equal to the sale value of the land. However, the expenses incurred from the transfer of land ownership by the parties to the joint venture will be jointly responsible for the proportion of their shareholding in the joint venture company to be established in which the Company will be responsible for such expenses in the proportion of 30% of the shareholding.

However, if the request for approval for the investment in Thonburi Rangsit Hospital Project is not approved by the shareholders' meeting, this land sale transaction will be cancelled. The payment under the Draft Shareholder Agreement of the Joint Venture states that the Joint Venture Company will issue such ordinary shares to the Company. After the sale of land in this transaction has been approved by the shareholders' meeting and a joint venture company has been established with the transfer of the land to the joint venture company during the same period for a period of time. Estimated time for land settlement is as follows:

Order	Action steps	Estimated schedule
1.	Request approval from the shareholders' meeting of THG	April 28, 2022
2.	Signing of an agreement between the shareholders ("Shareholders' Agreement")	Within the second quarter of 2022
3.	Establish a joint venture company as well as conducting the transfer of land and pay for shares	Within the second quarter of 2022

IFA is of the opinion that such payment terms is reasonable due to the uncertainty of the two transaction approvals from the shareholders' meeting, the settlement and the transfer of land, therefore, has to be done after the approval of the transaction by establishing a joint venture company and transferring the land during the same period for payment of shares is therefore appropriate.

#### 6.2.1.2. Other conditions

From the shareholder agreement of the joint venture company that is related to the conditions for the sale of land of the Company and the agreement to buy and sell land between the joint venture company and the Company, there are conditions for entering into the transaction that is appropriate and beneficial to THG. IFA is in the opinion that the conditions for entering into this transaction are appropriate. The details are as follows.

Important conditions	Reasonableness
<b>Shareholder Agreement</b>	
1) Each party has been approved by the resolutions of the Board of Directors' meeting and/or the shareholders' meeting in accordance with the Company's Articles of	There is reasonableness in accordance with the framework of regulations and guidelines for making important transactions that the Company has to



Important conditions	Reasonableness
<p>Association or related laws in entering and performing duties of the parties under this Agreement</p>	<p>perform from being a listed company on the Stock Exchange of Thailand.</p>
<p>2) Subject to the conditions precedent of the contract and the terms of the contract, the parties agree to manage and/or supply and/or do the following In order to join to invest and establish a joint venture company with the proportion of investment in the joint venture company and the details are as follows:</p> <p><u>THG will acquire 8,100,000 shares in a joint venture company.</u> or accounted for 30.00 percent of the registered and paid-up capital of the joint venture company, where THG</p> <ul style="list-style-type: none"> <li>- will transfer the land to a joint venture company to pay for shares instead of cash, with the land valued at THB 584 million, which THG will receive 5,840,000 shares of the joint venture company at a par value of THB 100 per share: and</li> <li>- will pay the remaining shares in cash in the amount of not more than THB 226 million. THG will receive 2,226,000 shares of the joint venture company at a par value of THB 100 per share.</li> </ul> <p><u>RAM will acquire 10,800,000 shares in a joint venture company.</u> or accounted for 40.00 percent of the registered and paid-up capital of the joint venture company, where RAM will pay for shares in cash of not more than THB 1,080 million and RAM will receive 10,800,000 shares of the joint venture company at the value Par THB 100 per share</p> <p><u>Doctors Group will hold shares in a joint venture company totaling 5,400,000 shares.</u> or accounted for 20.00% of the registered and paid-up capital of the joint venture company wherein the Group of Doctors will pay the shares in cash in the amount of not more than THB 540 million and the doctor group will receive 5,400,000 shares of the joint venture company at a par value of THB 100 per share</p> <p>3) <u>VIBHA will acquire 2,700,000 shares in a joint venture company</u> or representing 10.00 percent of the registered and paid-up capital of the joint venture, where VIBHA will pay for shares in cash of not more than THB 270 million and VIBHA will receive 2,700,000 shares of the joint venture company at the value of Par THB100 per share</p>	<p>The consideration that the Company will receive in the amount of THB 584.00 million is reasonable as it is higher than the appraised value of 2 independent property appraisers and also higher than the cost of land plus all expenses in land transfer.</p> <p>In this regard, the value of the shares received by the Company is at par value without adding a premium on shares, which is in accordance with the same practice as other shareholders who pay for their equity at par value.</p>
<p>4) Prior to or on the date of the joint venture, it has been approved by the Board of Directors and shareholders of THG and other parties, if necessary, in all of the following agendas:</p> <ul style="list-style-type: none"> <li>- Approval of the transfer and disposal of land for joint investment in the project</li> <li>- Approval of entering into a juristic act and participating in this contract</li> <li>- Approval of entering into a juristic act that is a connected transaction with a contractual party or a person connected with THG related to this contract</li> <li>- Approval of the establishment of a joint venture company and the acquisition of shares of a joint venture company</li> <li>- Approval on agenda and other matters related and necessary for the parties to enter into a contract and jointly invest in the project under this contract</li> <li>- The Group of Doctors by Dr. Noppasin Takerngdej has presented evidence or information which confirms the physicians in the Group of Doctors by each</li> </ul>	<p>As it is an important transaction, it is necessary to comply with the conditions of the transaction in order to be in order, step by step, in accordance with the rules and to protect the interests of the joint venture.</p>



Important conditions	Reasonableness
<p>individual Dr. Noppasin Takerngdej to other shareholders such as never having a history of being a prohibited person, not being a person connected with other group of joint venture partners or shareholders with controlling power in the counterparty of this agreement under the definition of the SEC's connected person notification etc.</p>	
<p>5) If the Joint Venture Company does not construct Thonburi Rangsit Hospital within 1 year after the Joint Venture Company accepts the transfer of land for construction of Thonburi Rangsit Hospital from THG, the parties agree that the Joint Venture Company will manage the transfer of the said land back to THG by the burden of expenses related to the transfer of land The joint venture company is responsible for all.</p>	<p>It is reasonable to enter the transaction because the land disposal transaction has a clear objective to invest in the project. Therefore, if the project does not operate, the joint venture company will have to transfer the land back to the company, equal to that Company assets have not been lost, which is a condition that protects the interests of the Company and its shareholders, while the burden of the transfer costs incurred is appropriate because it is a fraction of the shareholding.</p>
<p>6) After signing an agreement between the shareholders, all joint venture investors agree not to operate a hospital or medical facility business, including not to jointly invest with investors or other medical institutions within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, unless Thonburi Rangsit Hospital does not carry out the construction within 1 year from the date of signing the agreement between the shareholders unless the written consent of all parties has been obtained.</p>	<p>It is a condition to prevent potential conflicts of interest and to prevent business competition between connected persons in the joint venture company. This is a good condition and important for eliminating conflicts of interest.</p>
<p>7) Board of Directors</p> <ol style="list-style-type: none"> <li>1) The parties acknowledge that all nominations and appointments of directors must come from the counterparty in proportion to their shareholding.</li> <li>2) If the position of the Board of Directors is vacant for any reason, the party nominating the retiring director has the right to nominate a new director to replace such position. For the appointment of replacement directors who have been nominated in proportion to their respective shareholdings</li> <li>3) If there is a change in the percentage of the shareholding structure as stipulated in the contract, each party's right to nominate a person to be appointed as a director and other rights under this agreement will be prorated. This percentage of shareholding and this Agreement will be amended by the parties to reflect such modifications and rights as soon as possible.</li> </ol>	<p>The proportion of directors' appointment is reasonable as it is in accordance with the shareholding proportions that are normal business conditions.</p>
Land purchase and sale agreement	



Important conditions	Reasonableness
1) The parties agree to buy and sell the land under this contract at a total fixed price of THB 584,000,000 (five hundred and eighty-four million baht). The price includes transfer fees, taxes, stamp duties, and other expenses related to the transfer	The condition of the sale of land is usually based on an agreement between the buyer and the seller, which is a normal condition. However, since the sale price of the land is already higher than the appraised value of the two independent property appraisers. The difference is higher than the price of the independent property appraiser at THB 21.00 - 27.87 million or 3.73% - 5.01 percent. Therefore, this price includes the transfer costs that the company is responsible for.
2) The purchaser agrees to pay the land price to the seller on the date of registration of the transfer of land ownership under this contract within the period that the buyer deems appropriate to notify the seller by paying the share price according to the par value of the joint venture company THB 584,000,000. -(Five hundred and eighty-four million baht only)	The transfer period is the same period as the payment of the land price. It is considered to be in accordance with the general conditions without any loss of benefits to each other.
3) The seller agrees to pay the transfer fee and stamp duty, income tax and specific business tax.	It is a condition that is agreed upon between the buyer and the seller by including the selling price that is higher than the appraised value. Therefore, it is a general condition that is reasonable.

From the conditions of entering into the Asset Disposition Transaction (land), IFA views that the conditions in both the payment of land and other conditions are beneficial to the Company, is reasonable, and appropriate in accordance with the general principles' requirements.

#### 6.2.2. Summary of the Appropriateness of the Conditions for entering into the Asset Disposition Transaction (Land)

Considering the reasons and conditions of the transaction, advantages, disadvantages, effects, and risks that may arise from entering into the transaction. IFA is in the opinion that the land disposal is reasonable since this transaction is related to the investment in the Thonburi Rangsit Hospital Project, which requires the Company's land to be used for construction. The sale of land to the newly established joint venture company is appropriate as most of the conditions are in accordance with the normal trading conditions. It is a normal business investment and there is no condition that will cause the Company or its shareholders to lose benefits, especially in the event that the joint venture company does not operate the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG, the parties agree that the joint venture company will manage the transfer of the land back to THG and the joint venture company will be responsible for all the burden of related expenses from the Company's land transfer.



## 7. Summary of Independent Financial Advisor's Opinion on Asset Disposition and Connected Transaction

Discover, as an independent shareholder financial advisor appointed by the Company, considers information and documents related to the disposal of assets and connected transactions including interviews with the Company's management as well as methods of setting prices and conditions for entering into the transaction, including considering the reasonableness of entering into the transaction. In addition, considering reasons, effects, risk factors, advantages and disadvantages of entering into the transaction, a summary of IFA's opinions are as follows:

### **Advantages of the Transaction**

#### 1. The Company does not need to use cash for all investments in Transaction 1

From the investment in the Thonburi Rangsit Hospital project in the proportion of 30% of the total project value, the Company will have to use the total investment of THB 810 million, which the sale of land in the value of THB 584 million is part of the investment conditions. The Company will use cash to invest the remaining amount of THB 226 million, enabling the Company to use the money of THB 584 million to seek benefits for investment and expanding business in other ways, which if the Company's land is not sold at this time and choose to use cash to invest in all such projects may cause the Company significantly decreased financial liquidity or if the Company choose to borrow money from financial institutions to invest in the project, will make the company increased debt burden and increased interest expenses.

#### 2. It is the use of land that is not used for maximum benefit to invest in order to benefit the Company.

As the Company's land currently has a total area of 20-0-0.8 rai or 8,000.08 square wa, on Phaholyothin Road, Rangsit area, is not being used for maximum benefit. The land is the location of 1 office building, and the Company uses some of the land to grow non-toxic vegetable, which did not generate any significant returns or benefits to the Company at the time of establishment of the land is considered a source of prosperity both in commerce and industry. Therefore, the use of land for investment and construction of potential projects in the field of medical services which is the main business of the Company should be able to benefit from land use more cost-effectively than using land without maximizing benefits and does not match the objectives of the Company's business operations.

#### 3. The selling price of the land is higher than the appraised value of the independent property appraiser.

Based on information from two independent property appraisers, TT and PPA, both of which have been approved by the Appraisal Association of Thailand ("VAT") and are the capital market appraisal companies and principal appraisers that has been approved by the SEC while the market valuation from TT which is appraised on February 2, 2022, for the land area of 17-0-65.8 rai or 6,865.8 square wa is appraised at THB 563.00 million (THB 82,000 per square wa) and for PPA, estimated on February 18, 2022 on the same land, the appraisal price is at THB 556.13 million (81,000 THB per square wa). Therefore, for the disposal of THG's land this time according to the joint venture shareholder agreement, THG will sell the land for THB 584.00 million (85,059 THB per square wa), which the price is higher than the appraised price from the two independent property appraisers.

#### 4. It is the sale of unused land for maximum benefit in order to reduce the burden of land and building tax.

Based on the land and buildings tax collection rate according to the Land and Buildings Tax Act B.E. 2562, the Company is charged land and buildings tax from the Land Department of THB 1.27 million per year. Therefore, the sale



of land that is not properly utilized will help the Company reduce the tax burden under the Land and Buildings Tax Act by approximately THB 1.27 million per year, which will benefit the Company rather than holding unused land for maximum benefit.

5. Help promote the Jin Wellbeing County project, which is the Company's project to be more competitive

The Jin Wellbeing County Project is a project under the Company's investment and management. Within the project, there are 7 low rise condominiums with 5 buildings totaling 494 units, Wellness Center and Rehabilitation Hospital for the elderly, namely Thonburi Burana Hospital, which is a small hospital with 55 beds and focuses on holistic treatment and rehabilitation of the elderly, where if the Company land is sold in front of the project for the construction of Thonburi Rangsit Hospital in the future, it will raise the level of prosperity to the area of the Jin Wellbeing County project and also increase the confidence of the elderly who live in the project which will affect the well-being of the residents or customers who decide to live in the future. It will have a positive effect on supporting each other with the Company's existing business.

However, although the shareholder agreement states that after signing the shareholders agreement, all co-investors agree not to operate hospitals or nursing homes, including not to jointly invest with investors or nursing homes within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital. However, THG has affiliated hospitals located within a radius of 10 kilometers from the location of Thonburi Rangsit Hospital, which is Thonburi Burana Hospital, but the aforementioned hospital's target groups are clearly different from Thonburi Rangsit Hospital. Therefore, it can be seen that Thonburi Rangsit Hospital and Thonburi Burana Hospital are not directly competitors.

6. Expand customer groups in Rangsit area, increase competitiveness and help support the hospitals in the group

Currently, the Company has a subsidiary hospital that opened in 2020 in the same area as the land that will be sold, namely Thonburi Burana Hospital. It is located in the Jin Wellbeing County project. However, Thonburi Burana Hospital is a 55-bed hospital and focuses on holistic treatment and rehabilitation of the elderly. Therefore, the sale of land to invest in a 250-bed hospital construction project will enable THG to increase the competitiveness of the hospital business in Rangsit, Pathum Thani completely, and when combined with the services of Thonburi Burana Hospital, which offers treatment services for the elderly who already exist, will support the Company in increasing the competitiveness of hospital services in the aforementioned areas more effectively is the expansion of customer groups in the Rangsit area, which originally were specific patients who used the services of Thonburi Burana Hospital, who can treat only the disease of the elderly and uncomplicated.

7. The Company can recognize the profit in the account from the sale of land on the date of ownership transfer

The sale of land to a new joint venture company at the selling price is worth THB 584.00 million, enabling the Company to recognize the profit in the account. From the disposal of assets before income tax in the amount of THB 36.04 million or accounted for net profit from the disposal of assets after deducting fees and expenses of THB 7.33 million, the calculation details are as follows:



List	THB Million
Value of consideration received from asset disposal	584.00
<u>Less</u> land book value	547.96
Profit from disposal of assets	36.04
<u>Less</u> Estimated fees and expenses incurred from asset disposal <sup>1/</sup>	22.87
<u>Less</u> estimated corporate income tax of the Company	5.84
<b>Profit from disposal of assets after entering into Transaction 2</b>	<b>7.33</b>

Remarks: 1/ Consists of a transfer fee of 2% from the official appraised price of 3.60 THB million and a specific business tax of 3.3 percent of the selling price of 19.27 THB million.

Source: The Company

8. The Company has the opportunity to receive a return on investment in the Thonburi Rangsit Hospital project in the long term.

Selling land for investment in this project, the Company believes that Thonburi Hospital Rangsit will be able to generate good long-term returns for the Company. If considering the projected return from the project provided by the Company, it is found that the investment in this project will have an internal rate of return (Project IRR) at 16.88%, an internal rate of return on equity (Equity IRR) of 17.13%, and the NPV of the project is 30.00% based on THG's shareholding in the joint venture company at THB 1,418.39 million and the shareholder NPV at 30.00% based on THG's shareholding in the joint venture company at THB 1,366.01 million.

9. It is an investment in accordance with the objectives and strategic plan for the long-term growth of the Company.

Amidst the rapidly changing environment, global economic slowdown and the spread of COVID-19, the Company is aware that the competition in the medical services business may become significantly more intense in the future. Entering into Transaction 1 and Transaction 2 this time will enable the Company to expand the potential of the medical service business, which is the Company's core business to be stronger, will be able to add business value to the Company in the future as well in the long term. Joint investment with a group of alliances that are well-equipped in terms of reputation and strong financial position will give this joint investment in the new hospital an opportunity to grow steadily in the long term, which should cause the Company to have sustainable income and profits in the future directly affecting the shareholders.

#### Disadvantages of the transaction

1. May lose the opportunity to receive compensation for the sole use of the land

If the Company sells the land to a joint venture company according to the conditions of the investment in the Thonburi Rangsit Hospital Project, the Company's sole ownership rights in the land will be forfeited and the land cannot be used to develop businesses directly owned by the Company in the future, especially if in the future the Company sees a good opportunity from using the land for development or investment under the ownership of the Company, the Company will receive a full return from the sole ownership of the land while selling the land to the Company. In this joint venture,



the return on the investment that the Company has returned to have a proportion of 30.00 percent in proportion to the shareholding in the joint venture company.

2. May lose the opportunity to sell the land at a higher price in the future

The sale of land for joint investment in the construction of a new hospital will result in the Company losing the opportunity to sell the land at a higher price in the future. If land prices have risen because the land is located in an area with population density, there is an increase in the historical growth of the land due to its proximity to both Department stores, universities, hospitals, airports, expressways, factories and industrial estates coupled with the arrival of the Red Line train project that will be open for service in the near term. Therefore, in the future, the price of this land may be higher than the appraised value from the two independent property appraisers, however, due to the large size of the land and requires high capital to purchase, the Company may take time and may incur additional costs to acquire investors who are interested in purchasing land in the future.

3. If the project cannot be opened, it will cause the Company to have to pay for the transfer of land and other related expenses in vain

From the conditions in the draft agreement, the shareholders of the joint venture company stated that if the joint venture company did not proceed with the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG. The parties agree to transfer the land by having the joint venture company manage the transfer of the said land back to THG. The burden of expenses related to the transfer of the land, the joint venture company must be responsible for all and because of the Company as a percentage of investment in the joint venture company of 30 percent. Therefore, in this case, the Company will incur land transfer costs and related expenses as well in addition to the expenses incurred from the land transfer, in the process of selling of the Company to a joint venture company, the Company is responsible for all expenses

4. In the case of buying land for business development in the future, it may require a higher investment.

After the Company sells the land to the joint venture company, the Company will have no land and vicinity condition of suitable size for investment in projects that require medium to large areas adjacent to the main road in the Rangsit area to develop projects that may generate returns for the Company. Therefore, if the Company has a need to use the land for the construction of its own projects in the future may cause the Company must find a new piece of land that is suitable in terms of price, size and location, which is difficult to buy new land may cause the Company requires a higher investment than before according to the period and prosperity of the land in that area.

5. Lose the opportunity to use the investment of 226.00 THB million for other uses.

In entering into Transaction 1, the investment in Project Thonburi Hospital Rangsit, the Company has to use working capital within the company of THB 226.00 million for additional investment in addition to the sale of land to the joint venture company. However, if there is no investment in the project, the Company can use such cash to expand business development or use as working capital or use to pay off loans to financial institutions to increase interest expenses.



6. The Company will not receive cash from the sale of land.

In entering into Transaction 2, the land disposition, the Company will receive shares of the joint venture company in the amount of 5,840,000 shares with a par value of THB 100.00 per share, representing a total value of THB 584.00 million. At the same value, the Company may receive a cash return immediately after the sale. The Company can use such cash to expand business development or invest in other projects, according to what the Company want immediately without having to wait for returns from the project's operations that will begin to recognize income in the next 3-4 years

**Advantages of not entering into the transaction**

1. The land is still owned by the Company and the Company can use the land for construction or investment in the future.

In the event that the land sale transaction is not made, the Company will still have the right to decide to utilize the Company's land. If the Company wants to invest the land in the medical business or the hospital's medical-related business in the future or even allocate some of the lands for investment or distribution, it can operate by itself. Although the Company will still have ownership proportional to 30%, the Company will not be able to decide on the use of the land by itself.

2. Does not cause conflicts of interest

If the Company does not enter into the transaction of disposing of land to a joint venture company which is considered as a connected transaction, the Company may have an opportunity to sell the land to third parties in the future, in which the Asset Disposition Transaction with a third party will not be required to comply with the Notification of the Connected Transaction and reduce the risk that there may be a conflict of interest from entering into a transaction with a connected person, both a conflict of interest that is a business that operates similarly and competes, or even in the future if conditions are specified causing the Company to lose benefits, it will cause doubts to the shareholders. However, the Company and its joint venture partners, both RAM and VIBHA, who have common directors, are listed companies in the Stock Exchange of Thailand, each of which has policies and guidelines for preventing conflicts of interest as principles of practice, such as, on the part of the Company, there will be management policies in subsidiaries and associated companies stipulating that directors and stakeholders must submit information on their interests to the Board of Directors for acknowledgment, abstain from voting of directors and executives who have interests, holding audit committee and shareholders' meetings, have opportunities to consider and approve the transaction, depending on the importance and size of the transaction in accordance with the regulations and guidelines on connected transactions, etc.

3. There is no cost incurred in transferring the land.

According to the draft land purchase agreement, for the expenses incurred from the transfer of land ownership on the date of sale, the Company will be responsible for such expenses which will cost approximately THB 28.71 million (according to the estimate of the Company as shown in the table below). In addition, this land sale is a transaction related to the investment in the Thonburi Rangsit Hospital project. If the investment cannot be completed or the investment is cancelled later as stipulated in the agreement, the joint venture company's shareholders must transfer the land sold at this time back to the Company. All co-investors are responsible for the cost of transferring the land back to the Company



in accordance to the shareholding proportion, which the Company has a shareholding ratio of 30 percent. In this case, the Company will have even more expenses. Therefore, if the land is not sold this time, the Company will not have to pay for it.

#### **Disadvantages of not entering into the transaction**

##### **1. Loss of investment opportunity in Thonburi Rangsit Hospital Project**

Since the Company's land is suitable for the location of the new hospital project, if the land is not sold to the joint venture company, it will cause the joint venture not to invest in the project as well because the land is an important factor for those who will come to use the services of the hospital. This will affect the ability to generate income. Therefore, finding new land will make the project's plans change from the original and may affect the investment decision of all joint venture partners who will continue the project. If so, it will cause the Company to lose investment opportunities to expand the Company's business growth, especially under the current economic situation, the investment by the Company alone to build a tertiary care hospital will require a lot of investment. An investment opportunity with a joint venture partner with long experience in hospital business and management. In addition to reducing the burden of investment, it also reduces risks and strengthens business alliances to be more competitive.

##### **2. Lost the opportunity to expand the business for the Company's business in the area**

Investment in Thonburi Rangsit Hospital Project on the land that will be sold, in addition to the goal of attracting medical users from the area of Rangsit and Pathum Thani Province, is also an option and increases the convenience of medical services for residents. Residing in the Jin Wellbeing County project as well as residents of the condominium project. It is a group of people with medium to high status who have the potential to use the services of Thonburi Rangsit Hospital. Investment in such a project is like an extension of the Company's business as well. Therefore, if there is no investment in the Thonburi Rangsit Hospital Project this time will cause the Company to lose the opportunity to directly penetrate the target customers who are the Company's customers.

##### **3. The Company will have to pay tax on land and buildings on the unused land for the maximum benefit of the Company.**

Not selling the land to the joint venture company this time, the Company will have to bear land and building tax of THB 1.27 million per year (refer to the land and building tax calculation form of THG). This is an expense that does not generate a reasonable income to the Company since the said land is unused land for maximum benefit to the Company.

#### **Advantages of making a transaction with a connected person compared to outsiders**

##### **1. The Company still owns the land in the form of shareholders.**

The purpose of this land sale is to use the land as part of the construction of Thonburi Rangsit Hospital. As the Company still owns the land as a joint venture partner, it is similar to the Company is doing business on its own land without selling outright, which if the sale of the land at this time to outsiders most of the time, third parties will use it for all their projects. Therefore, in the future, if the Company has a financial position that continues to grow together with other investors who want to reduce their investment, the Company may expand the investment in the project.



2. Able to negotiate more terms of sale compared to third parties

Negotiation between RAM and the Company executives which is a connected person can contact, coordinate, negotiate and agree faster and more flexible than coordinating with third parties, by having good conditions, the price of the land is higher than the appraised price of the two independent property appraisers and taking part to participate in the investment. If there is a problem that cannot proceed with the project to build Thonburi Rangsit Hospital, the Company was able to accept the transfer of land back from the joint venture under the conditions of the draft shareholder agreement.

3. The Company can also maintain the land environment in the Jin Wellbeing Country project as a comprehensive medical center according to the plan.

This is because the second transaction occurred with a person connected to the Company who has good knowledge and expertise in the medical business and the land that will be sold this time will be used to develop a hospital. This is a business type that is consistent with the use of the Company's land in the adjacent area that was used as the Jin Wellbeing Country Project. According to the Company's original plan, the Company would like to develop all the land in the area to be a comprehensive medical center in the Rangsit district. In this regard, if the Company sells the land to a third party, the third party may use the plot of land to develop into other projects such as factories, department stores, or others that are inconsistent with the Company's plans and may affect the image of the Jin Wellbeing Country project.

**Disadvantages of making transactions with connected persons compared to third parties**

1. It may be suspected that it is a channel for the transfer of benefits to connected persons.

Generally, transactions with connected persons may be suspected of being a channel for transferring benefits to connected persons or causing the Company to be unable to negotiate various conditions for the full benefit of the Company. However, in this case, Board of Directors and executives of the Company understand the rules and be aware of the impact of the transaction with the connected person and will not do any transaction that does not benefit the Company or is a transaction with an inappropriate price because it will send impact on minority shareholders. Therefore, the terms and conditions of the land sale agreement were negotiated for the best benefit to the Company.

2. Incurred expenses and delays in the transaction due to the need to request a resolution of the shareholders' meeting

The sale of land at this time is valued for THB 584.00 million and is a connected transaction which has a transaction size of 6.56% of the net tangible assets of the Company which is higher than 3.00 percent of the net tangible assets of the Company, making this a large transaction that must be approved by the shareholders' meeting before entering into the transaction, arrangement of shareholders' meetings, venue fees, document preparation fees Wages of independent financial advisors and independent property appraisers, etc.



**Advantages of making transactions with third parties**

1. Shareholders will assume that it is a transparent transaction.

Transactions with third parties are assumed that the Company's transaction is a transparent transaction and there is no transfer of benefits from the Company since both parties are not related to each other. Therefore, in negotiating both the buyer and the seller are most likely to maintain their own interests.

**Disadvantages of entering transactions with third parties**

1. It may take time to negotiate and there may be additional conditions.

Since entering into transactions with third parties, both parties must try to negotiate in order to maintain their interests in order to obtain the best interests of their own parties. Therefore, it may cause the Company to use more time, expenses, and various resources in negotiating various conditions in order to complete the transaction.

**Risk of Asset Disposition Transaction**

1. The risk of losing the opportunity to use the land to generate better returns

This land sale for THB 584.00 million, which the aforementioned land has a total area of 20-0-0.008 rai or 8,000.8 square wa, located on Phaholyothin Road, Rangsit, Pathum Thani are densely populated, has convenient transportation, Therefore, in the future, the value of the land is likely to increase in accordance with the growth of more civilization. This may result in the Company receiving fewer returns from the land in the future. However, from the economy that is in a state of slowdown, the sale of land at very high prices may not be possible to operate in a short period of time may cause the sale of this land to create the return in the hospital business is more worthwhile in the long run than it could be.

2. Risk of impact from the construction of the Project on the Company's business operating in the area

In the sale of the land for the construction of Thonburi Rangsit Hospital is expected to take the construction period of 36-40 months. It is common to cause more or less the impact of construction in the surrounding neighbourhood, and because of the area, some projects are currently in the operation of the Company, namely Jin Wellbeing County, which is a residential condominium for the majority of the elderly population and is located at Thonburi Burana Hospital, a small hospital in the Jin Wellbeing County project area to provide rehabilitation services for elderly patients. Therefore, it is important for the operation process to have the least impact on the environment and to have the construction planned with the least amount of time, even if it causes more inconvenience, the Company expects the impact to be minimal and only for a short period.

3. Risk from disposal of land without receiving cash

Because as of the date of the shareholders' meeting for approval of the investment in the Thonburi Rangsit Hospital Project, the joint venture agreement has not yet been signed and the joint venture company has not yet been established. Since every shareholder must comply with the condition's precedent in the shareholder contract completely. Therefore, the Company is at risk from the gap in the preparation period for project implementation, if during the said period there are changes or unexpected events that affect the ability to operate or construction of the project will expose



the Company with risk of selling the land, which is not paid in cash. However, the investment contract states that if the project cannot happen for any reason, the joint venture company will transfer the purchased land back to the Company.

4. The risk of uncertainty that the contract has not yet been signed

According to the conditions of the Draft Shareholder Agreement between the Joint Ventures and the Draft Agreement to Buy and Sell Land for the Project Operation, every joint venture must obtain approval for the investment transaction from the Board of Directors and their shareholders, according to the scope and authority to approve each party's transaction with the addition of the Company on the disposal of assets (land) that must be approved by the shareholders' meeting of the Company, another transaction signing the Shareholder Agreement And the contract to buy and sell land next, which is expected to occur within the second quarter of 2022. Therefore, the Company still has risk from the uncertainty of the investment in the project.

However, the signing of the Shareholder Agreement and the Land Purchase and Sale Agreement is following the general practice of making important transactions. For the details of the content of the draft shareholder contract that has been presented to all executives for consideration, it is considered a complete contract on the main issues. If there is a change in the conditions, details may be small and insignificant. The Company has asked the shareholders' meeting to authorize the directors of the Company to be the representative to consider the amendment of such details. If there is an issue that is important to the transaction, the Company will immediately disclose it to the Company's shareholders.

5. Risks that may cause conflicts of interest with the Company's major shareholders

From this transaction, RAM is the major shareholder of the Company and have common directors, as well as the Company having common directors with VIBHA, making this land disposition transaction a connected transaction and because the land disposal transaction is related to the investment in Thonburi Rangsit Hospital Project, although the investment in Thonburi Rangsit Hospital Project is not a connected transaction, but because RAM is considered a conflicting party making the sale of this land, it may cause a conflict of interest in the investment of the Thonburi Rangsit Hospital Project which is a connected transaction in the future.

However, for the investment with RAM, which is considered a conflict of interest, the Company has considered that such investment will create overall benefits that are worthwhile for the Company, since the investment of the project require an investment of up to THB 2,700 million. If the Company invests all alone, the Company will need to find more funding sources from borrowing because as of December 31, 2022 from the audited consolidated financial statements, the Company has cash and cash equivalents of THB 1,482 million, which will cause more liabilities to the Company. RAM and THG have been good partners for a long time, which helps the Company to negotiate terms of investment in the project better than entering transactions with other people. In addition, RAM is a hospital operator who is ready for investment and is experienced in hospital management for a long time. It is also a large hospital with a well known reputation. There are medical personnel who will be able to support each other in an emergency, therefore, this investment should most benefit the Company from a joint venture with RAM under an emphasis on preventing conflicts of interest that may arise in the future. Any transactions that may cause conflicts of interest with the Company must be screened and examined by the Company's Audit Committee before proceeding and has set a policy based on the



operations in subsidiaries and associated companies in the principle of Corporate Good Governance of the Company in order to prevent conflicts of interest that may arise from competition in the same business as the Company. Therefore, the policy to prevent conflicts of interest that the Company is working on will help the Company perform various tasks under the preservation of the maximum benefit to the shareholders as a priority. Therefore, such risks are under the management that the Company can control.

#### Appropriateness of the Price for Entering into the Asset Disposition and Connected Transactions

From the appropriate valuation of the land that the Company will dispose of by various methods, the results can be summarized as follows:

Valuation method	Land value according to the appraisal method (THB million)	Value of consideration received (THB million)	Return value Above/(Lower) Assessment Method (THB million)	Higher/(Lower) percentage
1) Book Value approach	547.96	584.00	36.04	6.58%
2) Market Value approach				
- Price appraised by TT	563.00	584.00	21.00	3.73%
- Price appraised by PPA	556.13	584.00	27.87	5.01%

Land valuation by different methods has different advantages and disadvantages. IFA is of the opinion that Land valuation by Book Value Approach is an inappropriate method for valuation of land that the Company will sell because it takes into account the value of the assets in the past and does not take into account the land price in the market condition. At present, the book value may not be able to reflect the appropriate value of the land while the Market Value Approach will be assessed by the independent property appraiser, namely PPA and TT (PPA assessed assets on Feb. 18, TT and TT assessed assets on Feb. 2, 65 for public purposes), both of which are approved appraisers from the Appraisal Association of Thailand ("VAT") and is a capital market asset valuation company and appraiser approved by the SEC Office which is an expert in property valuation especially. In this regard, the independent property appraiser will consider the market value of the land to be compared, taking into account the location of the land, the environment. Trading liquidity and land potential under current market conditions. IFA views that the Market Value Approach is the appropriate method for valuing THG's land in this time, which has a value between THB 563.00 - 556.13 million. Joint venture company worth THB 584.00 million (value of shares that the Company will received according to the par value of the joint venture company without any share premium or share premium arising) which is higher than the market price appraised by the independent property appraiser at THB 21.00 - 27.87 million or equivalent to 3.73% - 5.01 percent. The compensation that the Company will receive the sale of land to the joint venture company in this time is appropriate.

#### Appropriateness of conditions for entering into asset disposal and connected transactions

Considering the reasons and conditions of the transaction, advantages, disadvantages, effects, and risks that may arise from entering into the transaction. IFA is in the opinion that the land disposal is reasonable since this transaction is related to the investment in the Thonburi Rangsit Hospital Project, which requires the Company's land to be used for



construction. The sale of land to the newly established joint venture company is appropriate as most of the conditions are in accordance with the normal trading conditions. It is a normal business investment and there is no condition that will cause the Company or its shareholders to lose benefits, especially in the event that the joint venture company does not operate the construction of Thonburi Rangsit Hospital within 1 year after the joint venture company accepts the land transfer for the construction of Thonburi Rangsit Hospital from THG, the parties agree that the joint venture company will manage the transfer of the land back to THG and the joint venture company will be responsible for all the burden of related expenses from the Company's land transfer.

In summary, IFA is in the opinion that the Company enters into a transaction to dispose of assets (land) to a joint venture company which is a connected person, whereby the Company will receive ordinary shares of the joint venture company as a consideration for the amount of 5,840,000 shares with a par value of THB 100.00 per share, a total value of THB 584.00 million, received as consideration, valued at par value without payment of shares at the price of excess of the registered ordinary shares or share premium and from the price of the land value that will be sold this time is worth THB 584.00 million, a price that is higher than the appraised value from 2 independent property appraisers that are approved appraisers from the Appraisal Association of Thailand ("VAT") and is a capital market asset valuation company and appraiser approved by the SEC, namely PPA and TT. The appraised value of both of them is between THB 556.13 - 563.00 million, which makes the transaction price a reasonable price. Moreover, when considering the reasons and conditions for disposing of the land this time to a new joint venture company be appropriate because most of the conditions are in accordance with the normal trading conditions. consistent with normal business investment and there is no condition that will cause the Company or its shareholders to lose benefit, especially the conditions in the case that the joint venture company does not undertake the construction of Thonburi Rangsit Hospital within one year after the joint venture company receives the land transfer for the construction of Thonburi Rangsit Hospital from THG, the parties agree that the joint venture company will manage the transfer of the said land back to THG and the burden of related expenses from the land transfer. The joint venture company bears all responsibility, which is a condition that protects the interests of the company. and the shareholders of the Company by considering the reasons of entering into the transaction, conditions, suitability of entering into the transaction and considering the advantages and the disadvantages as mentioned above, IFA is in the opinion that the shareholders should vote to approve this transaction.

In entering into this transaction, there is still a risk that shareholders should consider carefully since such risk may affect the Company's future performance. The decision to vote for approval on entering into the transaction is at the discretion of the shareholders of the Company. The shareholders should study the information in various documents, attached to the invitation letter for the 2022 Annual General Meeting of Shareholders for this time for consideration and decision making and voting appropriately.



Discover Management Company Limited as an independent financial advisor hereby certify that the above opinions have been carefully considered and given in accordance with professional standards, taking into account the interests of minority shareholders.

Best regards

Discover Management Company Limited

(Mr. Pornthep Tangkaseranee)

Director

(Ms. Kanokporn Pongjetanapong)

Director

(Mr. Natthawut Ananthanawat)

Supervisor

Contact: Discover Management Company Limited

02-651-4447

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Attachment 1  
Summary of  
Thonburi Healthcare Group Public Company Limited (“THG”)

1. **Basic information**

Company name	:	Thonburi Healthcare Group Public Company Limited (“THG”)
Nature of business	:	The group of company operates overnight general hospital under the name of "Thonburi Hospital"
Homepage	:	www.thg.co.th
Head office	:	34/1 Soi Itsaraphap 44, Ban Chang Lo, Bangkok Noi Bangkok 10700
Phone	:	0-2487-2000
Fax	:	0-2159-0336
Registered capital	:	THB 847,467,400.00
Issued and fully paid capital:		THB 847,467,400.00
Type of shares	:	847,467,400 ordinary shares
Par value stock	:	THB 1.00 per share

2. **Business information**

2.1. **History**

**1976**

- August 13, Dr. Boon Vanasin, a group of doctors founded and investors founded Thonburi Hospital Co., Ltd. with a paid-up registered capital of THB 20 million. He chose Thonburi for the hospital location as there was no private hospital in the area while the only public hospital, Siriraj hospital, was very crowded and lots of patients had to wait for a long time due to insufficient beds. The birth of Thonburi Hospital, which was aimed to provide excellent healthcare services, met demands of the growing number of patients.

**1977**

- May 10, Located at 34/1 Itsaraphap Road, Ban Chang Lo, Bangkok Noi, Bangkok 10700, the hospital started its operations as a 60 bed-hospital. Medical services were provided by respected and senior physicians from Siriraj Hospital who have shared commitment to providing quality and convenient services to upper-to-high income earners in Thonburi, or west side of the capital.

**1980**

- Thonburi Hospital had been well received and continued to grow to the point that the OPD clinics and beds could not cope with the rising demand in the area. The building extension took place in 1980 – both



vertically and horizontally. The hospital's capacity was increased to 113 beds and its register capital rose to THB 60 million

#### 1991

- Company was well established and determined to deliver service quality with professional excellence, and trusted by people in Thonburi area. This rapid increase in the service demand resulted in shortage of beds. The company therefore expanded its capacity by building new a 12-story building and opened Thonburi 2 Hospital with THB 300 million registered capital.
- Company started expanding its services through affiliated firms in the provinces.

#### 1993

- March 8, Thonburi 2 Hospital was officially opened. The new 68-bed hospital is located at 43/4 on Borom Ratchonnani Road in Taweewattana District, Bangkok 10170.

#### 1994

- December 21, Thonburi Hospital Co., Ltd. became a public company and was renamed "Thonburi Hospital Public Company Limited."

#### 1995

- Considering the shortage of medical professionals, Thonburi Healthcare Group Pcl. joined forced with Siam University in offering undergraduate course in medicine to produce qualified medical professionals who can provide high quality service and have the ability to develop themselves and the society.

#### 1997

December 11, Company acquired Dental Siam Co., Ltd. which distributes dental products and operates pharmaceutical shop business.

#### 2011

- Thonburi Healthcare Group Pcl. entered into an agreement to directly operate Provincial Administration Organization (PAO)'s hospital in Phuket, the first PAO hospital in Thailand with 129 beds. (Bed's Register)

#### 2012

- June 1, Thonburi 2 Hospital opened its second building to cope with the increasing demand. The two buildings have a combined capacity of 95 beds. Company also signed an agreement to operate and manage the 110-bed Pattaya City Hospital. (Bed's Register)

#### 2013



- May 10, Company raised its registered capital to THB 600 million, collaboration with Siam University, offered medical science course for the Faculty of Medicine to train and produce qualified and ethical physicians, which addressed the shortage of doctors in the country

#### 2014

- January 6, Company bought a 31.87% stake in Sirivej Chantaburi Pcl. whose registered capital is THB 585 million. (THB 585 million paid-up capital)
- July 16, Company set up a subsidiary called the Thonburi Hospital Heart Centers Co., Ltd. to provide specialized medical and management services to other hospitals by establishing a new or being an integral part of such hospital's heart center. Thonburi Healthcare Group Pcl. holds 70% shares in the subsidiary with a registered capital of THB 100 million The subsidiary currently operates the heart centers for Phatara-Thonburi Hospital in Bangkok and Bang Phli Hospital in Samutprakarn province.
- September 22, Company acquired additional shares in Modular Software Expertise Co., Ltd., raising its stakes in the company to 70% of THB 18 million in registered capital. (Fully paid-up shares)
- October 20, the company set up Premiere Home Health Care Co., Ltd. to provide healthcare service at patients' home and to build a stand-alone elderly care facility. Thonburi Healthcare Group Pcl. holds 99.99% of paid-up capital of THB 100 million.
- December 15, Company acquired 100% of Rajthanee Realty Co., Ltd. for the development of projects related to medical and health services. Its registered capital is THB 700 million (fully paid-up).
- December 24, Company acquired shares Thonburi Real Estate Development Co., Ltd. is engaged in the development of projects related to medical and health services. The Company holds 99.78% of the registered capital of THB 800 million (fully paid-up).
- December 30, Company increased its stake in Ubonrak Co., Ltd. (Ubonrak Hospital) to 34.04% of registered capital of THB 37.5 million. (fully paid-up)

#### 2015

- February 25, Company purchased additional shares of Premier Home Health Care Co., Ltd. of THB 200 million, resulting in a registered capital increase of THB 300 million (paid up capital of THB 150 million) to Premier Home Health Care Company Limited. Shareholder of the Company remain at 99.99%.
- April 2, Company acquired its shares Rajyindee Hospital Public Company Limited increased the shareholding proportion to 54.23% of the registered capital of THB 400 million (paid up capital of THB 388.27 million).



- November 16, Company purchased additional shares of Thonburi Hospital Heart Centers Co., Ltd., holding 99.98% of registered capital of THB 100 million (fully paid up).

## 2016

- January 1, Company has contract with Wego Holding Company Limited to set up a “Joint venture” in the name of “Weihai Thonburi Medical Equipment Company Limited” which has an objective to provide hospital operations in People’s Republic of China (“Welly Hospital”) with registered share capital amounting to Renminbi 230.00 million (equivalent to THB 1,249.00 million). The Company held 58% of registered share capital.
- February 17, Rajyindee Hospital Public Company Limited decreased in registered shares from THB 400,000,000 to THB 388,271,118 by deducting the unsold registered shares in order to maintain the remaining registered share capital at the paid-up share balance. The registration to decrease of share capital resulted in the change in the Company’s shareholding from 54.23% to 55.87%.
- February 26, the joint venture has registered to change its name from “Weihai Thonburi Medical Equipment Company Limited” to “Weihai Thonburi Healthcare Investment Company Limited”.
- June 29, Company has increased its registered capital to THB 849.08 million (paid-up capital of THB 764.08 million) to support the initial public offering (“IPO”).
- August 30, Company purchased additional shares of Premier Home Health Care Co., Ltd. of THB 850 million, resulting in the increase of registered and paid-up share capital of Premier Home Health Care Co., Ltd. to THB 1,150 million. The Company’s shareholding remains at 99.99%

## 2017

- April 4, Company, GA Mone Pwint Co., Ltd., Ar Yu Ananta Medical Services Co., Ltd. and WJ International Hospital Management Co., Ltd. to set up and register a “Joint venture” named “ARYU International Healthcare Company Limited” which has an objective to provide hospital operations in Republic of the Union of Myanmar (Ar Yu International Hospital), with registered share capital amounting to USD 100.00 million (10,000,000 ordinary shares at par value USD 10.00 each). The Company held 10% of registered share capital. The joint venture called-up 50% of registered shared.
- June 1, Company entered into a consultancy contract and conducted a comprehensive study (Consultancy and Comprehensive study) for private hospitals of King Saud University, Riyadh, Saudi Arabia. This project is a collaboration between InterHealth Saudi Arabia Limited (a subsidiary of InterHealth Canada Limited) with the Company. The Company is contracted to provide consultancy and implementation of general



hospital management. This is a preliminary cooperation. The total value of the project is about USD 2.8 million.

- May 31, Rajyindee Hospital Public Company Limited increased in registered share capital from THB 388,271,118 to THB 430,000,000. Company added investment in the ordinary shares of Rajyindee Hospital Public Company in THB 83,421,429. Limited, so resulted in the change in Company's shareholding from 55.87% to 56.91%
- November 1, Company purchased 99.99% of Bumrungrmaung Plaza Limited (BMP) from Power Line Engineering Public Company Limited (PLE) and its existing shareholders. To acquire the right to lease land and buildings on the leasehold right of ownership of the Thai Red Cross Society. The purchase is considered as an acquisition of assets to develop Thonburi Rehabilitation Hospital Project (Bumrungrmaung Road). The idea is to build a medical center. There is an outpatient department, such as a physiotherapy department, health care and rehabilitation department, etc., and there are rooms for rehabilitation patients.
- November 2, Company attended the official hospital opening ceremony of Welly Hospital in Weihai, People's Republic of China. Company owns 58% of the shares and is the first Thai hospital to receive medical license in the People's Republic of China.
- November 9, the joint venture has registered to change its name from "Weihai Thonburi Healthcare Investment Company Limited" to "Weihai Welly Hospital Company Limited" and the Board of Directors' Meeting of Joint Venture - Weihai Welly Hospital Company Limited, approved the increase in registered share capital in amounting to Renminbi 20.00 million, totaling Renminbi 250.00 million. Company paid share following its proportion in amounting to Renminbi 11.60 million (equivalent to THB 58.02 million).
- November 15, Thonburi Hospital celebrates its 40<sup>th</sup> anniversary. Founding and being one of the nation's leading private hospitals with 19 network hospitals nationwide. The opening ceremony of a new 4-story outpatient building.
- November 15, the Company has approved an increase in the share capital of ARYU International Health Care Company Limited from 10% to 40% by purchasing shares from WJ International Hospital Management Company Limited at par value. Expected to pay for shares in Q1/2018 and it is expected that ARYU International Hospital will be available in mid-2018.
- December 7, the Company traded its first trading day on the Stock Exchange of Thailand. The initial public offering (IPO) of 85 million shares, using the "THG" symbol, raised THB 3,230 million to repay the bank loans. This is the working capital of the Company.



## 2018

- Additional Investment in Joint Ventures on November 17, 2017, THG entered into an agreement with WJ International Hospital Management Co., Ltd. ("WJ") to purchase shares in Ar Yu International Health Care Company Limited ("ARYU") in respect of WJ in order to increase the shareholding in ARYU from 10% to 40%. The share price to WJ in the amount of USD 0.65 million and paid the rest of the shares to ARYU amounting to USD 14.35 million. As of March 31, 2018, THG paid a total investment of USD 20 million.
- Disposal of long-term investments in other companies in Q1/2018, the Company sold its investment in Rajthanee Rojana Company Limited (Ratchthani Rojana Hospital) with a cost of THB 30 million at a price of THB 82 million. Profit from disposal of such investment amounted to THB 52 million.
- Investment in subsidiaries, the Board of Directors Meeting No. 4/2018 held on April 9, 2018, resolved to approve the investment in Thanarat Thung Song Company Limited by purchasing 55% to 60% of the total shares under the invested in the amount of THB 240 million.
- The Board of Directors Meeting No. 7/2018 on July 5, 2018, resolved to approve the increase of the investment in Thanarat Thung Song Company Limited with a total amount not exceeding THB 360 million because Thanarat Thung Song Company Limited has increased its registered capital to THB 600 million and THG wants to maintain its investment ratio. As of November 7, 2018, THG has invested in Thanarat Thung Song Co., Ltd. According to the resolution of the Board of Directors meeting, THG holds 51.12% of the shares with direct voting rights and is a holding indirectly through a subsidiary, Rajyindee Hospital Plc. in the proportion of 5.31 percent, totaling 56.43%
- Opening of Ar Yu International Hospital in September 2018, a joint venture company that THG has jointly invested in opened Ar Yu International Hospital in Yangon, republic of the Union of Myanmar. Initially, it was opened in the outpatient service section and is expected to open fully in the first quarter of 2019

## 2019

- Official opening of Thonburi Bamrungmuang Hospital on January 24, 2019, the subsidiary officially opened Thonburi Bamrungmuang Hospital. Initially, it was open for service, diabetic wound healing center, health check-up center, digital dental center and has gradually opened other specialized treatment centers such as the Infertility Treatment Center (IVF), the Orthopedic Center Skin and Beauty Center and Jin Wellness, etc.
- Official opening of Ar Yu International Hospital on March 17, 2019 at Ar Yu International Hospital in Yangon. Myanmar which is a joint venture company that THG has jointly invested with local partners in



Myanmar officially open for service by providing full service for both outpatient and inpatient examination and is in the process of expanding the service area in phase 2.

- Service opening Thonburi Thung Song Hospital Officially, on November 19, 2019, the subsidiary officially opened the service of Thonburi Thung Song Hospital. Initially, general OPD and IPD treatment services were available, as well as orthopedic clinics, obstetrics and gynecology clinics, pediatric clinics, etc.
- THG has recorded a provision for employee benefits, resulting in net expenses of income tax of THB 76 million in accordance with the Labor Protection Act No. 7, 2019 which requires the Company to pay to employees who have worked continuously for twenty years or more to pay not less than the last rate of wages for four hundred days has sold investment in Ratchathani Hospital PCL. The extra profit from disposal of investment was recorded as included in other income of THB 278 million, representing a net profit from income tax of THB 222 million.

#### 2020

- February 2020, Thonburi Burana Hospital a rehabilitation hospital for seniors with 55 hospital beds, was officially opened. The hospital is located in Jin Wellbeing County Project.
- Disposal of investment in joint ventures in March 2020, the Company entered into an agreement to sell all shares in the joint venture company, which operated Welly Hospital in the Republic of China, to WEGO Holding Company, the former shareholder, for the consideration of RMB 98.21 million, which is a mutually agreed price Recognizing such items, THG had a special profit in the consolidated financial statements of THB 86 million, resulting from a profit from sales of THB 19 million and a decrease in corporate income tax of THB 67 million. Such investment amounted to THB 236 million and corporate income tax decreased by THB 67 million.

#### 2021

- January 2021, THG additionally invested in Thonburi Wellbeing Company Limited in the amount of THB 200 million. As a result, the registered capital of Thonburi Wellbeing Company Limited increased to THB 1,500 million. Such investment did not affect the existing shareholding by THG of 99.99%.
- April 2021, THG incorporated a subsidiary, Med Access Co., Ltd., to procure and distribute medical equipment, medical products, and pharmaceuticals with a registered capital of THB 1 million and THG holds 100% of the registered capital.
- April 2021, THG has adjusted its operations to suit the situation by providing screening of Covid-19 patient service at affiliated hospitals so that the public can access testing more conveniently. Thonburi



Bamrungmuang Hospital was adjusted to allow all inpatient departments to support treatments for moderate to severe Covid-19 patients.

- April 2021, THG opened a hospitel to support Covid-19 patients with mild symptoms. With cooperation from subsidiaries in Bangkok and other provinces, THG subsequently opened additional hospitels to accommodate the increasing number of patients with a total of over 10,000 beds in the Thonburi's network throughout the year to support the Covid-19 crisis which has been widely spread.
- June 2021, THG invested in ordinary shares of Thai Medical Glove Co., Ltd. with the total consideration of THB 200 million, accounting for 7.40% shareholding in the company.
- June 2021, THG launched booking of alternative vaccine, Moderna, via digital platform for organizations and individuals. Over 1 million people registered their interest in receiving alternative vaccination at 17 network hospitals across the country.
- June 2021, THG signed a memorandum of cooperation with Thai Public Broadcasting Service (Thai PBS) to allocate medical and nursing teams to provide Covid-19 vaccination services according to medical standards and as prescribed by the Ministry of Public Health at the Thai PBS television station. The public can register via "Thai Ruam Jai Project Safe Bangkok". This allows the public faster access to vaccines and boosts mass immunization in Thailand.
- July 2021, THG established special hospitals to accommodate Covid-19 patients with moderate to severe symptoms which was managed by Thonburi Bamrungmuang Hospital. THG invested in medical equipment and provided personnel to take care of patients, particularly in critical care rooms which was necessary at that time. The first hospital was the field hospital at the 11th Military Circle. Subsequently, two additional field hospitals were established, namely Ratchapipat Hospital and Bang Khun Thian Geriatric Hospital, with a total capacity of over 800 beds.
- August 2021, THG additionally invested in an associated company, namely Sirivej Chanthaburi Public Company Limited, for the total consideration of THB 51,797,802. Such investment was not less than the subscription rights entitled by THG. As a result, the shareholding ratio by THG increased from 31.87% to 31.92%.
- August 2021, THG cooperates with the public and private sectors to establish vaccination centers. Thai PBS - Thonburi including providing vaccination services according to various communities to help vaccination continue to be carried out thoroughly.



- September 2021, THG additionally invested in Rajthanee Hospital Public Company Limited, which increased THG's shareholding to 5.07%.
- November 2021, THG incorporated a subsidiary, Thonburi Canabiz Public Company Limited to operate pharmaceutical products containing herbal extracts for use in medical treatments. THG has 75% shareholding in the company.
- November 2021, THG began offering Moderna vaccination service to the public through 17 affiliated hospitals. The hospitals provided over 200,000 doses of vaccination.
- November 2021, THG was granted a license to operate a health care service at the “Elderly Care Center, Thonburi Health Village, Pracha Uthit”. The center provides elderly care, bedridden patient care, patients recuperating after surgery, patients with chronic non-communicable diseases with a team of doctors, nurses, and physical therapists to provide customer care services.
- December 2021, THG invested in 151,019 shares of Thai Longstay Management Co., Ltd. at the price of THB 28 per share, totaling of THB 4,228,532. As a result of such investment, THG has 15.10% shareholding in the company.

## 2.2. **Nature of business**

Businesses of Thonburi Healthcare Group Public Company Limited or THG can be divided into three major segments, namely

1. Medical Services Business
2. Healthcare Solution Provider
3. Other Business

### 2.2.1. **Medical Services Business**

THG's core business is the medical treatment business with four sub-categories as follows:

#### 2.2.1.1. Domestic medical services

THG operates hospitals in Thailand and through subsidiaries and associates. Our hospitals provide comprehensive medical services by experienced doctors and high technology medical equipment. The hospitals serve OPD and IPD patients 24 hours a day.

Four Bangkok and vicinity-based hospitals including

- Thonburi hospital
- Thonburi 2 hospital



- Thonburi Bamrungmuang Hospital
- Thonburi Burana Hospital, Pathum Thani

Four provincial hospitals including

- Rajyindee Hospital, Songkhla
- Ubonrak Thonburi Hospital, Ubonratchathani
- Sirivej Chanthaburi Hospital, Chanthaburi
- Thonburi Thungsong Hospital, Nakhon Si Thammarat

Domestically, THG has 1,100 registered beds and a combined capacity to service 5,800 outpatients daily, making the group one of the leading healthcare providers in Thailand, with a focus on quality, efficiency and best equipment plus health promotion, disease prevention and rehabilitation programs, all with easy accessibility and affordable prices. The company offers high-quality services in various excellence centers including brain and neurology, bone and joint, gastrointestinal, and liver, heart, and obstetrics and gynecology. THG's medical services are well recognized in international standards and certified by the Healthcare Accreditation Institute (Public Organization). It is to guarantee that there are systematic administrations contributing to service quality and safety in hospitals under the company's group.

Hospital	Address	Registered beds	Description
Thonburi Hospital	34/1 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor Sub-district, Bangkok Noi District, Bangkok	435	Operated by THG
Thonburi 2 Hospital	43/4 Borommaratchachonnee Road, Sarathammasop sub-district, Taweewatana district Bangkok	95	Operated by THG
Thonburi Bamrungmuang Hospital	611 Bamrungmuang Rd, Khlongmahanak sub-district, Pomprapsattruphai district, Bangkok	47	Operated by Thonburi Bamrungmuang Hospital, THG's subsidiary with 99.99% shares of paid -up capital held by THG
Thonburi Burana Hospital	89 Moo 3, Khlong 1, Khlong Luang, Pathum Thani 12120	55	Operated by Thonburi Wellbeing Co., Ltd., THG's subsidiary with 99.99% shares of paid -up capital held by THG
Rajyindee Hospital	119 Rajyindee Road, Hat Yai sub-district, Hat Yai district, Songkhla	196	Operated by Rajyindee Hospital Pcl., THG's subsidiary with 56.91% shares of paid -up capital held by THG
Ubonrak Thonburi Hospital	46/4 Soi Bhurapa Nai Rd., Naimuang sub-district, Muang ubon ratchathani district, Ubonratchathani	100	Operated by Ubon Rak Co. Ltd., THG's associate with 34.52 % shares of paid -up capital held by THG



Hospital	Address	Registered beds	Description
Sirivej Hospital Chanthaburi	151 M.7 Trirat Road, Chanthanimit subdistrict, Muang Chanthaburi district, Chanthaburi	90	Operated by Sirivej Chanthaburi PCL., THG's associate with 31.87% shares of paid capital held by THG
Thonburi Thung song Hospital	Thungsong-Wiangsa highway, Chamai sub-district, Thungsong district, Nakhon Si Thammarat	50	Operated by Thanarad Thung Song Co. Ltd., THG's subsidiary with 56.43% shares of paid-up capital held by THG

#### Thonburi Hospital

It is a hospital with 435 beds (registered beds) and has 77 outpatient examination rooms, which is directly managed and operated under the Company, located at 34/1 Issaraphap Road, Soi Issaraphap 44, Ban Chang Lo Subdistrict. Bangkok Noi District, Bangkok provides comprehensive medical services in all fields by a team of medical experts. as well as a complete range of modern treatment equipment and equipment, providing services for both outpatients and inpatients 24 hours a day, with doctors specializing in the following diseases:

Gastrointestinal and Liver Center	Orthopedic Center
Heart Center	Neurological Center and Brain Center
Obstetrics and Gynecology Center	Eye Center
Oxygen therapy Center	Pediatric Center
Oncology and Chemotherapy Center	Critical care center
Health Promotion Center	Sleep Lab Center
Hemodialysis Center	Ear, Nose & Throat Center
Diagnostic Imaging and Radiology Center	Dental center
Rehabilitation and Physical Therapy Center	Accident and Emergency Center
Internal Medicine and Geriatric Medicine Clinic	Psychiatric Clinic
Heart Surgery Clinic	General Practice Clinic
Blood Pressure Clinic	General Surgery Clinic
Pediatric Surgery Clinic	Forensic Clinic
Plastic Surgery Clinic	Vascular Surgery Clinic
Hand Surgery Clinic	Neurosurgery Clinic
Nutritional Medicine Clinic	Blood Disease Clinic
Rheumatology Clinic	Infectious Disease Clinic
Urology Clinic	General Medicine Clinic
Lung Clinic	Thyroid Clinic Breast (Surgery)



Pain Relief Clinic  
Skin Clinic  
Endocrine Clinic (Diabetes, Thyroid, Adrenal Gland)

#### Thonburi 2 Hospital

It is a 95 registered bed-hospital and 45 OPD rooms, which is directly managed and operated by THG. It is located at 43/4 Borommaratchachonnee Road, Sarathammasop sub-district, Taweewatana district Bangkok providing comprehensive medical services in all fields by a team of medical experts as well as a complete range of modern treatment equipment and tools, providing services for both outpatients and inpatients 24 hours a day, with doctors specializing in the following diseases:

Accident and Emergency Center	Skin Clinic
Neuroscience Center	Psychiatry Clinic
Orthopedics Center	Women's Health Center
Gastrointestinal and Liver Center	Ear Nose Throat Center
Health Check-Up Center	Pediatric Clinic
Heart Center	Surgery Clinic
Dental Clinic	Rehabilitation Center
Eyes Clinic	Medicine Clinic
Nutrition and Dietetics Clinic	Emergency Center

Website: [www.thonburi2hospital.com](http://www.thonburi2hospital.com)

#### Thonburi Bamrungmuang Hospital

It is a 47 registered bed-hospital operated by Thonburi Bamrungmuang Hospital, THG's subsidiary with 99.99% shares of paid-up capital held by THG. Thonburi Bamrungmuang Hospital is located at 611 Bamrungmuang Rd, Khlongmahanak sub-district, Pomprapsattruphai district, Bangkok. It is an individualized health service center providing services with medical science, modern technology, treatment programs, therapy, diagnosis according to international standards by a team of specialist doctors from various countries to enhance the health service that is efficient, accurate and suitable for each patient's physical condition. It is focused on the innovation of the future of medical technology. It is also an important project that will create opportunities for growth and expanding the healthcare business empire under the operation of Thonburi Healthcare Group (THG) with the following specialized centers:

Aesthetics & Cosmetic Surgery Center	Orthopedic Center
Diabetic Wound Care Center	Physical Therapy and Rehabilitation Center



Digital Dental Center	Ear Nose Throat Center and Eye Center
Excellent IVF Center	Medicine Center
Gastrointestinal and Liver Center	Jin Wellness Center
Heart Center	Diagnostic Radiology Department
Neurology and Brain Center	Critical Care Center
Personalized Check-Up Center	Emergency Department
Surgery Center	Pediatric Clinic
Eye and Lasik Center	

Website: [www.thonburibamrungmuang.com](http://www.thonburibamrungmuang.com)

#### Thonburi Burana Hospital

It was opened for service in February 2020. It is a 55 registered-bed hospital operated by Thonburi Wellbeing Co., Ltd. THG's subsidiary with 99.99% shares of paid-up capital held by THG. Thonburi Burana Hospital is located at 89 Moo 3, Khlong 1, Khlong Luang, Pathum Thani which is part of the Jin Wellbeing County project. Thonburi Burana Hospital is a trusted long-term care hospital that creates balance in every aspect of elderly family life, focusing on rehabilitation and specializing in care for Alzheimer's and stroke patients (Stroke). There are rehabilitation services through physical therapy, occupational therapy, sports medicine by a team of medical personnel with individualized plans to cater to each patient's needs located in the elderly residential project, Jin Wellbeing County, therefore, provides convenient and timely services for the residents of the project and communities nearby Rangsit as well

Website: [www.thonburiburana.com](http://www.thonburiburana.com)

#### Rajyindee Hospital

It is a 196 registered bed-hospital and 36 OPD rooms operated by Rajyindee Hospital Public Co., Ltd. THG's subsidiary with 56.91% shares of paid-up capital held by THG. Rajyindee Hospital is located at 119 Rajyindee Road, Hat Yai sub-district, Hat Yai district, Songkhla. Rajyindee Hospital provides services to patients from both Hat Yai area and nearby provinces including serving foreign tourists from neighboring countries such as Malaysia, Singapore, etc., with a doctor specializing in the following diseases

Health Department	Pediatric Center
Medicine Department	Hemodialysis Center
Laparoscopic Surgery Department	Diabetes and Thyroid Department
Obstetrics and Gynecological Cancer Department	Neurology and Brain Center
Heart Center	Foot Health and Prosthesis Department



Computed tomography center	Accident and Emergency Center
Dental Center	Surgery Department
Orthopedic Center	Ear Nose Throat Department
Rehabilitation and Physical Therapy Center	Home Healthcare
Website: <a href="http://www.rajyindee.com">www.rajyindee.com</a>	

#### Ubonrak Thonburi Hospital

It is a 100 registered bed-hospital and 24 OPD rooms operated by Ubonrak Co., Ltd. THG's associate with 34.52% shares of paid-up capital held by THG. Ubonrak Thonburi Hospital is located at 46/4 Soi Bhurapa Nai Rd., Naimuang sub-district, Muang ubon ratchathani district, Ubonratchathani. Ubonrak Thonburi Hospital provides medical care services by a team of medical experts as well as a complete range of modern treatment equipment available for both outpatients and inpatients 24 hours a day with a doctor specializing in the following diseases

Health Check-Up Center	Hearing Aid Center
Radiology Department	Emergency Department
Physical Therapy Center	Surgery Department
Maternity and Baby Department	Dental Department
Hemodialysis Department	Orthopedic Department
Pediatric Center	Medicine Department
Plastic Surgery Department	Heart Department
Obstetrics and Gynecology Department	Ear Nose Throat Department
Ophthalmic Department	Skin Department
Website: <a href="http://www.ubonrak.com">www.ubonrak.com</a>	

#### Sirivej Hospital Chanthaburi

It is a 90 registered bed-hospital and 16 OPD rooms operated by Sirivej Chanthaburi PCL. THG's associate with 31.92% shares of paid capital held by THG. Sirivej Hospital Chanthaburi is located 151 M.7 Trirat Road, Chanthanimit sub-district, Muang Chanthaburi district, Chanthaburi. Sirivej Hospital Chanthaburi provides medical care services by a team of medical experts as well as a complete range of modern treatment equipment available for both outpatients and inpatients 24 hours a day with a doctor specializing in the following diseases

Accident and Emergency Center	Eye Clinic
Neurology and Brain Center	General Practice Clinic
Orthopedic Center	Surgery Center
Gastrointestinal and Liver Center	Plastic Surgery Center



Heart Center	Neurosurgery Clinic
Obstetrics and Gynecology Center	Rheumatology Clinic
Critical Care Center	Urology Clinic
Health Check-Up Center	Endocrine Clinic
Diagnostic Radiology Center	Pediatric Center
Dental Center	Physical Therapy Center
Medicine Center	Kidney Clinic
Psychiatric clinic	
Website: <a href="http://www.sirivejhospital.com">www.sirivejhospital.com</a>	

#### Thonburi Thong Song Hospital

It is a 50 registered bed-hospital, 12 OPD rooms and 3 Operating rooms operated by Thanarad Thung Song Co. Ltd., THG's subsidiary with 56.43% shares of paid-up capital held by THG. Thonburi Thong Song Hospital is located at 88 M.1, Chamai sub-district, Thungsong district, Nakhon Si Thammarat. It is a secondary hospital that is capable of treating complex diseases with a full range of modern treatment equipment available for both outpatients and inpatients 24 hours a day in the following diseases

Obstetrics and Gynecology	General Surgery
General Medicine	Pediatric Center
Surgery and Orthopedic Surgery	Health Check-up Center
Accident and Emergency	X-ray Center
Hemodialysis Center	Physical Therapy Center
ICU	
Website: <a href="http://www.thonburithungsong.com">www.thonburithungsong.com</a>	

#### 2.2.1.2. Overseas medical services

THG expanded its business to other countries in Asia, joining with local partners to provide medical services. Currently, THG operates one hospital in the Republic of the Union of Myanmar ("Myanmar").

- Ar Yu International Hospital, the Republic of the Union of Myanmar

THG partnered with Ga Mone Pwint Company Limited ("GMP"), a leading Myanmar-based real estate developer and retailer, to operate 200-bed hospitals, with value of USD 75 million. It operates with an international standard under the name Ar Yu International Hospital, located on 3-rai land on



Kyaikkasan Road, Yangon. The hospital started to provide service initially for OPD patients in September 2018 and operate full-service on 17 March 2019.

The Joint Venture named ARYU International Health Care Company Limited was established on 4 April 2017, 50% held by GMP, 10 % held by Aryu Ananta Medical Services Company Limited (AMS), a group of Myanmar medical personnel, and 40% held by THG.

	2019	2020
<b>Revenue</b>		
Outpatient Revenue	45%	46%
Inpatient Revenue	55%	54%
<b>Outpatient Revenue</b>		
<b>Number of OPD room (rooms) *</b>		
Bangkok and surrounding areas	198	202
Upcountry	76	87
Oversea	59	30
<b>Number of OPD (times)</b>	1,045,042	913,827
<b>Maximum OPD service capacity (times/year)</b>	1,702,950	1,734,840
<b>OPD Rate (%)</b>	61%	53%
<b>IPD Revenue</b>		
<b>Number of registered beds (beds) *</b>		
Bangkok and surrounding areas	577	632
Upcountry	386	436
Oversea	246	246
<b>Number of beds available (beds) *</b>		
Bangkok and surrounding areas	530	530
Upcountry	339	339
Oversea	226	96
<b>Bed occupancy (day/year)</b>	153,253	117,736
<b>Maximum capacity of IPD services (days/year)</b>	233,699	208,423
<b>IPD Rate (%) - Bangkok</b>	66%	57%

Remark:

Operating statistics belonging to Thonburi Hospital Thonburi 2 Hospital and Rajyindee Hospital which is the main hospital in the group, except for the Remark \* mentioning the number of patient rooms, number of registered beds.

The number of beds available means the number at all affiliated hospitals in Bangkok and its vicinity, such as Thonburi Hospital. Thonburi 2 Hospital, Thonburi Bamrungmuang Hospital (starting in 2019) and Thonburi Burana Hospital (starting in 2020).

Upcountry is Rajyindee Hospital. Ubonrak Hospital, Thonburi, Sirivej Hospital, Chanthaburi and Thonburi Hospital Thung Song (starting in 2020).

Overseas are Welly Hospital (end of 2019) and Ar Yu International Hospital (start in 2019).



#### 2.2.1.3. Hospital management services

THG the first private hospital entrusted by local administration organizations to provide management services for state hospitals that were keen to improve their management efficiency. THG has agreements to provide management for two hospitals under local administration organizations and one Community Medical Center as follows.

Phuket Provincial Administrative Organization Hospital: It has 129 registered beds and 125 available beds. Its aim is to provide medical services with high standard and good impression for patients. With efficient doctors and medical staff, administration and service, the hospitals can provide services at standards of private hospitals but at price of public ones. At the two hospitals, doctors and nurses are on hand around the clock for high -standard services. Moreover, THG is also hired for consultancy, management and training services for overseas hospitals, especially in Southeast Asia.

The contract for the hospital management services of Koh Lan International Medical Center was terminated in October 2020, while the contract for the hospital management services of Pattaya City Hospital ended on January 15, 2021 and there is no extension of the contract.

#### 2.2.1.4. Specialized Medical Services Centers

THG had seen opportunities in a special medical center business, therefore, established Thonburi Hospital Heart Center Co., Ltd. to provide management service for heart centers in both public and private sectors. The company provides teams of reputable cardiologists to treat patients. In 2019, THG operated three heart centers as follows.

##### Heart Center at Thonburi 2

Hospital It started an operation on 26 June 2017. Thonburi Hospital Heart Center Co., Ltd. was hired to operate the heart center, providing specialized doctors and manage schedules to meet the need of cardiovascular patients effectively in accordance with professional standards. It consists of a heart catheter lab and angioplasty Cardiology Dormitory which has 9 beds in total. It can support cares for heart patients at early stage to advanced treatments 24 hours a day.

##### Heart Center at Phatthalung Hospital

It is a collaboration of management of Phatthalung Hospital and Thonburi Hospital Heart Center Co., Ltd. with an agreement for management services and quality control with special medical expertise. Heart Center at Phatthalung Hospital started an operation on 17 April 2018 and was approved by National Health Security Office to treat patients under Universal Health Coverage on 1 October 2018. It provides treatment procedures for patients



with heart disease and ischemic heart disease. The facility includes Cardiac Catheterization (Cath lab) and 11 -bed heart disease ward.

In addition, in July 2020, Thonburi Hospital Heart Center Co., Ltd. has signed an academic cooperation agreement to take over the management of the heart center for Panyanantaphikku Chonprathan Medical Center (formerly Chonprathan Hospital) under Srinakharinwirot university to provide care services for patients with cardiovascular disease Expected to open for service in 2021.

#### Heart Center, Panyanunthaphikku Chonprathan Medical Center

Thonburi Hospital Heart Center Co., Ltd. has signed an academic cooperation agreement to manage the heart center for Panyanantaphikku Chonlathon Medical Center (formerly known as Chonlaprathan Hospital) under Srinakharinwirot University To provide care for patients with symptoms related to cardiovascular disease. It is also the development of laboratories to be a source of medical learning. Panyanantaphikku Chonlatham Medical Center opened in March 2021 to provide 24-hour services to improve patient survival. Able to treat comprehensive cardiovascular disease such as electrocardiogram inserting a stent to widen the coronary arteries Leaky heart valve surgery There are currently 7 beds in total.

### **2.2.2. Healthcare Solution Provider**

It provides healthcare service beyond hospital. Variety of services are to meet the needs of customers in different ages and physical conditions with following services.

#### **2.2.2.1. Senior Care and Living**

##### Jin Wellbeing County

THG develops healthcare mixed -use project combining integrated healthcare and tailor-made medicine, with active living designed especially for elderly that can easily modify or add tools suitable for needs in different ages and a center for aged care. There are also activities to suit their lifestyle, targeting retirement age group and working age group who care for healthy living and long -term life planning. The project, on 142-rai land located on Phaholyothin Road (Rangsit), was developed under a “new concept of retirement town”.

The first phase includes:

- 1) 7-story residential building, initially built 5 buildings, totaling 494 units, which were designed to truly meet the needs of elderly, focusing on safety, convenience, and mental health. Inside the building, there are medical staff to take care and 24 -hour available to assist in case of emergency. The project also provides continuous medical check -up systems such as health tracking system, centralized health monitoring system and CCTV to ensure proper and timely care for residents;



- 2) Thonburi Burana Hospital to support the care of the elderly who need close care from medical personnel managed by a team of doctors and nurses under the Thonburi Hospital standard. (See more details in the medical care business in Thailand).
- 3) Jin Wellness Institute offer variety of services for different needs. Wellness clinic focuses on preventive medicine combining with naturopathy, alternative medicine and modern medicine. Jin Medifit provides personalized exercise classes and training programs. Moreover, other activities, such as music therapy, art therapy, cooking class and etc., are well designed for social interaction and providing mental and emotional care.

#### Thonburi Elderly Care Center, Health Village, Pracha Uthit

The large elderly care center located in Soi Pracha Uthit 60/2 under the concept of caring for the elderly, rehabilitative patients, bed -bound patient and terminally ill patients to have good health, physically, mentally, emotionally and socially with the aim of developing a quality life with hospital standards, a multidisciplinary team to design a program of personalized care by services and amenities such as rooms with meals, supervised by nurses and helpers 24 hours a day, a doctor to visit as scheduled, physical and recreational activities and housekeeping service .

#### 2.2.2.2. Home Healthcare

It is operated by Thonburi Wellbeing Co. Ltd., which delivers patient care to home, such as mother & baby care, rehabilitation for patients who are not convenient to go to hospitals, elderly who have difficulties to move, chronic disease patients and etc. Our team includes dedicated nurses, highly -skilled physiotherapists, qualified nutritionists and experienced psychologists.

#### 2.2.2.3. Distribution of medical supplies, devices and equipment

This business is a part of the company's core business in which the company holds shares in Dental Siam Co. Ltd., the business includes one stop service of dental equipment and supplies. Dental Siam is sole distributor of leading dental supplies brands, such as Adec, W&H, AO, Heraeus, Ivoclar, Megagen, SAM, Melag and Alpro. The company also operates drug store under the brand "Apex Health Care" with branches in department stores.

The 2nd quarter of 2020, the company closed the APEX pharmacy business to improve the overall business.



### **2.2.3. Other businesses**

#### **2.2.3.1. Software development for hospital management**

Modular Software Expertise Co., Ltd. develops software for hospital management used in hospitals in the group and many public and private hospitals in Thailand with teams of experts who have more than 20 years of experience in computer and hospital systems. The software used are up -to -date and hi -tech supporting all departments in hospitals and linking data with other systems.

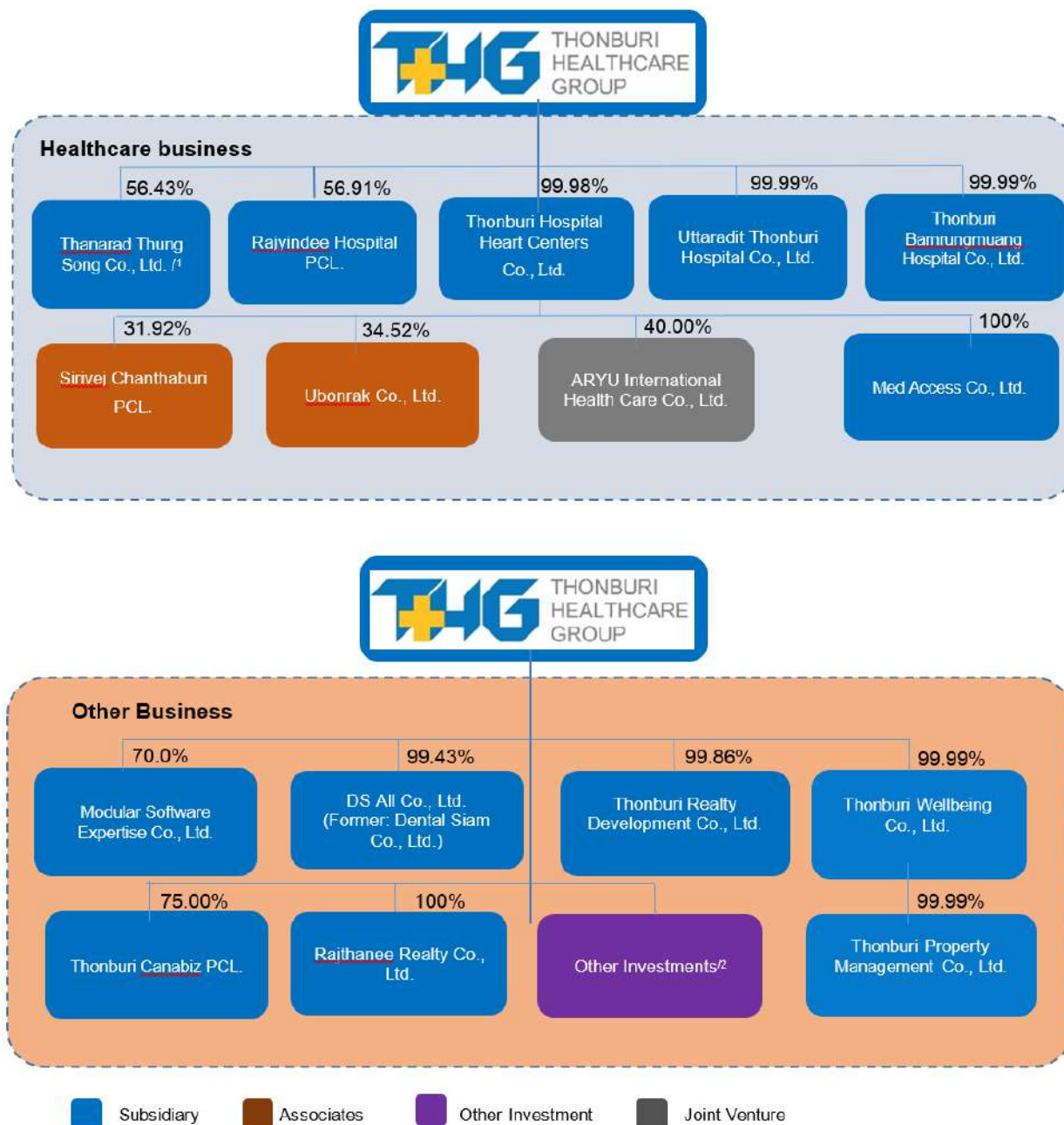
#### **2.2.3.2. Project development relating to health and medical services**

It is operated by Thonburi Realty Development Co., Ltd. and Rajthanee Realty Co., Ltd., currently studying projects and possibility of future business opportunities.



### 2.3. Shareholding Structure of the Group of Companies

Company, subsidiaries, and associates' companies structure as of February 22, 2022



Remark: 1/The company has indirect voting shareholding interest in Thanarad Thung Song Co., Ltd. via a subsidiary- Rajyindee Hospital Public Co., Ltd

2/ Other investments are investments in ordinary shares of the Company. Holds more than 10%

Source: Company

The Group consists of subsidiaries as follows:



- 1) Thanarad Thung Song Co., Ltd.
- 2) Rajyindee Hospital PCL.
- 3) Thonburi Hospital Heart Centers
- 4) Uttaradit Thonburi Hospital Co., Ltd.
- 5) Thonburi Bamrungmuang Hospital Co., Ltd.
- 6) Sirivej Chanthaburi PCI.
- 7) Ubonrak Thonburi Hospital Co., Ltd.
- 8) ARYU International Health Care Co., Ltd.
- 9) Modular Software Expertise Co., Ltd.
- 10) Dental Siam Co., Ltd.
- 11) Thonburi Realty Development Co., Ltd.
- 12) Rajthane Realty Co., Ltd.
- 13) Wellbeing County Co., Ltd.
- 14) Med Access Co., Ltd.
- 15) Canabi Co., Ltd.
- 16) Thonburi Property Management Co., Ltd.

#### 2.4. Revenue structure

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. The revenue structure of Company during the past 3 years as of the fiscal year ended December 31 of each year is as follows:

Revenue from business	2019		2020		2021	
	THB million	%	THB million	%	THB million	%
Medical service	7,460.51	90.63	6,912.34	94.5	10,414.95	96.01
Healthcare solutions provider	756.47	9.19	386.85	5.29	410.00	3.78
Other	15.18	0.18	15.61	0.21	22.54	0.21
<b>Total revenue</b>	<b>40.32</b>	<b>100</b>	<b>42.27</b>	<b>100</b>	<b>10,847.49</b>	<b>100</b>

Source: Annual Report 2020, the Company, and the SET

Remark: Revenue classification has been adjusted so that the revenue structure may differ from the income statement.



### 3. Shareholders and Board of Directors

#### 3.1. Shareholder Structure

Shareholders As of February 14, 2022, Company has major shareholders according to the register book as follows:

No.	Major shareholders	Number of shares	%
1	Ramkhamhaeng Hospital PCL.	178,489,544	21.02
2	Mrs. Charuwan Vanasin	121,539,119	14.31
3	Doctor Amnuay Unnanuntana	43,882,670	5.17
4	Mrs. Nawara Vanasin	40,800,363	4.81
5	Ratchathani Pattanakarn (2014) Co., Ltd.	30,930,600	3.64
6	MR. Arsa Meksawan	29,664,737	3.49
7	Thai NVDR Company Limited	26,395,029	3.11
8	Mr. Aurchat Kanjanapitak	14,259,500	1.68
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	10,815,650	1.27
10	F&S 79 Co., Ltd.	8,695,656	1.02
11	Other shareholders	341,994,532	40.48
	<b>Total</b>	<b>847,467,400</b>	<b>100.00</b>
Registered capital :		847,467,400.00	THB
Issued and fully paid capital		847,467,400.00	THB

Source: SET

#### 3.2. Board of Directors

As of February 14, 2022, the Board of Directors It consists of 13 directors whose names are as follows:

Name	Position
1 Mr. Boon Vanasin	Chairman Of the Board Of Directors
2 Mr. Tanatip Suppradit	Chairman Of Executive Committee / Chief of Executive Officer / Vice Chairman
3 Mr. Chalermkul Apibunyopas	Director
4 Mr. Aasis Unnanuntana	Director
5 Miss Nalin Vanasin	Director
6 Mr. Kajorn Thanapase	Director
7 Mr. Sita Meksawan	Director
8 Mr. Aurchat Kanjanapitak	Director
9 Miss Rukkagee Kanjanapitak	Director
10 Mr. Virachai Sriakajon	Independent Director / Audit Committee
11 Miss Linda Kraivit	Independent Director / Audit Committee



Name		Position
12	Mrs. Kannika Ngamsopee	Independent Director / Chairman Of The Audit Committee
13	Mr. Vikrom Koornpirochana	Independent Director

Source: SET



#### 4. Summary of important items in the financial statements

##### 4.1. Statement of Financial Position

List	2019	2020	2021
	THB million	THB million	THB million
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	662.48	495.38	1,482.29
Short-term investments at financial institutions	0.03	0.17	0.19
Financial assets measured at fair value through profit or loss	-	35.36	48.49
Financial assets measured at fair value through other comprehensive income	-	4.05	5.18
Short-term investments	76.28	-	-
Trade and other accounts receivable (net)	1,325.49	1,351.10	3,183.06
Short-term loans to related parties	36.60	-	-
Inventories (net)	1,378.51	1,349.97	1,416.23
Cost of developing holistic care project	1,413.28	1,529.82	840.76
Value added tax (net)	25.96	28.39	24.58
Current portion of prepaid rental	3.45	-	-
Non-current assets classified as held-for-sale	84.16	83.00	-
Other current assets	18.68	15.09	17.61
<b>Total current assets</b>	<b>5,024.92</b>	<b>4,892.33</b>	<b>7,018.39</b>
<b>Non-current assets</b>			
Restricted deposits at financial institutions	8.69	15.46	15.14
Financial assets measured at fair value through other comprehensive income		601.92	1,107.36
Long-term investments in equity securities	483.91	-	-
Investments in associates (net)	565.68	583.90	708.93
Investments in subsidiaries (net)	-	-	-
Investments in joint ventures (net)	1,266.07	781.04	741.00
Other long-term investments (net)	170.86	-	-
Investment properties (net)	1,812.28	1,810.62	1,884.50
Property, plant and equipment (net)	8,255.83	8,804.73	9,775.82
Right-of-use assets (net)	-	2,331.43	2,165.13
Advance payment for fixed assets	34.86	24.88	16.41
Intangible assets (net)	181.96	229.37	243.71
Land leasehold rights and leased buildings (net)	2,232.12	-	-
Down payment for land leasehold rights	3.00	4.00	4.00
Deferred tax assets (net)	171.66	177.63	92.43
Prepaid rental	50.37	-	-
Other non-current assets (net)	22.79	22.91	25.90
<b>Total non-current assets</b>	<b>15,260.07</b>	<b>15,387.89</b>	<b>16,780.34</b>



List	2019	2020	2021
	THB million	THB million	THB million
<b>Total Asset</b>	<b>20,284.99</b>	<b>20,280.21</b>	<b>23,798.73</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	2,705.14	2,862.12	3,975.72
Trade and other accounts payable	1,597.69	1,097.42	2,812.56
Short-term loans from a related party		-	-
Current portion of			
- Long-term loans from financial institutions	655.00	958.00	1,629.79
- Lease liabilities (net)	18.13	45.95	27.37
- Liabilities from purchase of medical tools and equipment	19.66	27.41	32.14
- Liabilities under leasehold rights	1.00	-	-
Accrued income tax	65.93	3.73	211.48
Value added tax (net)	26.94	27.96	19.32
Other current liabilities			
- Withholding tax payable	24.44	11.09	15.88
- Others	13.15	9.50	9.98
<b>Total current liabilities</b>	<b>5,127.08</b>	<b>5,043.19</b>	<b>8,734.25</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	5,480.81	5,905.31	4,460.52
Lease liabilities (net)	23.14	198.61	185.04
Liabilities from purchase of medical tools and equipment	74.23	75.94	64.18
Long-term payable from purchase of intangible asset	-	9.31	6.21
Liabilities under leasehold rights	61.20	-	-
Deferred tax liabilities (net)	283.05	270.58	296.27
Employee benefit obligations	447.56	444.48	430.35
Other non-current liabilities	6.42	1.63	3.91
<b>Total non-current liabilities</b>	<b>6,376.42</b>	<b>6,905.87</b>	<b>5,446.49</b>
<b>Total Liabilities</b>	<b>11,503.50</b>	<b>11,949.06</b>	<b>14,180.74</b>
<b>Owner's equity</b>			
Share capital			
Registered capital			
849,080,000 ordinary shares of par THB 1 each	849.08	849.08	849.08
Issued and paid-up capital			
849,080,000 ordinary shares of par THB 1 each	849.08	849.08	849.08
Share premium on issue of ordinary shares (net)	6,861.24	6,861.24	6,861.24



List	2019	2020	2021
	THB million	THB million	THB million
Share premium on treasury shares	-	-	6.35
Retained earnings			
Appropriated - legal reserve	112.52	112.52	112.52
Appropriated - treasury shares reserve	-	105.03	97.07
Unappropriated	1,158.46	861.66	1,973.19
Treasury shares	-	(105.03)	(97.07)
Surplus (deficit) from additional investments in subsidiaries	(1,099.81)	(1,099.81)	(1,099.81)
Other components of equity	414.13	310.39	444.75
<b>Equity attributable to owners of the Company</b>	<b>8,295.63</b>	<b>7,895.09</b>	<b>9,147.33</b>
Non-controlling interests	485.86	436.06	470.66
<b>Total owner's equity</b>	<b>8,781.49</b>	<b>8,331.15</b>	<b>9,617.98</b>
<b>Total Liabilities and Owner's Equity</b>	<b>20,284.99</b>	<b>20,280.21</b>	<b>23,798.73</b>

Source: SET

#### 4.2. Income statement

List	2019	2020	2021
	THB million	THB million	THB million
<b>Revenue</b>			
Revenue from hospital operations	6,750.09	6,279.13	10,023.01
Revenue from sales of goods	317.82	271.49	301.49
Revenue from other services	735.93	664.94	425.23
Revenue from sales of condominium unit	428.33	99.24	97.77
<b>Total revenue</b>	<b>8,232.16</b>	<b>7,314.80</b>	<b>10,847.49</b>
<b>Expenses</b>			
Cost of hospital operations	5,234.69	4,890.26	6,686.85
Cost of goods sold	202.63	188.99	229.50
Cost of other services	647.10	607.04	424.81
Cost of condominium unit sold	281.26	61.47	64.53
<b>Total expenses</b>	<b>6,365.68</b>	<b>5,747.77</b>	<b>7,405.69</b>
<b>Gross profit</b>	<b>1,866.48</b>	<b>1,567.03</b>	<b>3,441.80</b>
Other income	416.45	131.60	127.43
<b>Profit before expense</b>	<b>2,282.94</b>	<b>1,698.63</b>	<b>3,569.23</b>
Selling expenses	(223.53)	(224.57)	(182.84)
Administrative expenses	(1,173.58)	(1,180.13)	(1,383.06)
Loss on impairment of investment in joint venture and other long-term investments	(2.38)	-	-
Other gains (losses)			



List	2019	2020	2021
	THB million	THB million	THB million
Net gains (loss) on exchange rate	(7.85)	7.63	4.42
Other expenses	(2.36)	(6.00)	(5.58)
Finance costs	(216.08)	(280.94)	(298.95)
Share of profit from investments in associates	50.59	32.34	94.98
Share of profit (loss) from investments in joint ventures	(117.85)	2.28	(64.29)
<b>Profit before income tax</b>	<b>589.89</b>	<b>49.25</b>	<b>1,733.93</b>
Income tax	(130.12)	(26.43)	(377.11)
<b>Profit for the year</b>	<b>459.77</b>	<b>22.81</b>	<b>1,356.82</b>

Source: SET

#### 4.3. Cash flow statement

List	2019	2020	2021
	THB million	THB million	THB million
Net cash from (used in) operating activities	(171.26)	440.96	2,033.54
Net cash from (used in) investing activities	(2,136.20)	(1,021.42)	(1,078.46)
Net cash from (used in) financing activities	2,228.44	413.36	27.97
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(79.03)</b>	<b>(167.11)</b>	<b>983.06</b>
Cash and cash equivalents at the beginning of the year	741.50	662.48	495.38
Unrealized gain on exchange rate from cash and cash equivalents	-	0.01	3.85
<b>Cash and cash equivalents at the end of the year</b>	<b>662.48</b>	<b>495.38</b>	<b>1,482.29</b>

Source: SET

#### 4.4. Important financial ratios

List	2019	2020	2021
Liquidity Ratio			
Liquidity Ratio (times)	0.98	0.97	0.80
Quick Ratio (times)	0.40	0.37	0.54
Receivable Turnover (times)	7.49	5.47	4.78
Average Collection Period (days)	48.72	66.78	76.28
Inventory Turnover (times)	2.44	2.03	2.88
Average Holding Period (days)	149.82	180.08	126.59
Account Payable Turnover (times)	3.48	4.27	3.79
Average Payment Period (days)	104.85	85.87	96.35
Cash Cycle (days)	93.69	161.29	106.52
Profitability Ratio			
Gross margin (%)	22.67	21.42	31.73



List	2019	2020	2021
Net profit margin (%)	5.32	0.31	12.36
Efficiency Ratio			
Return On Equity (%)	5.60	0.77	15.70
Return on Assets (%)	4.22	1.63	9.22
Asset Turnover (times)	0.45	0.37	0.50
Financial Ratio			
Debt to Equity Ratio (times)	1.31	1.43	1.47
Interest Coverage Ratio (times)	3.73	1.18	6.80

Source: [www.setsmart.com](http://www.setsmart.com)



## 5. Explanation and analysis of financial position and operating results

### 5.1. Consolidated results

#### 5.1.1. Revenue

##### 2019

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. Total revenue was THB 8,232 million, increasing by 16% from domestic hospital revenue and revenue recognized from active living unit transfer of Jin Wellbeing County.

Medical Service Business had revenue of THB 7,461 million, increasing by 13.4%.

- Domestic hospitals comprise of Thonburi Hospital, Thonburi Hospital 2, Rajyindee Hospital, Thonburi Bamrungmuang Hospital and Thonburi Thungsong Hospital. Total revenue was THB 6,754 million, increasing by 16.3% mainly from
  - 1) operations of Thonburi Bamrungmuang Hospital contributed to 13.5% increase
  - new clinics and centers contributed to higher patient volume
  - higher medical intensity contributed to higher pay per bill
- Hospital management business revenue was THB 440 million, decreasing by 10.9%, mainly from reduced hospital management contract value by THB 33 million because the contract ended in 1Q18
- Excellence center business revenue was THB 267 million, decreasing by 3.3%, mainly from lower patient volume.

##### Healthcare Solution Provider

It comprises of senior living project, dental equipment and supplies provider, chained drug stores and home healthcare. The revenue was THB 756 million, increasing by 53.7%, from revenue recognized from active living unit transferred at Jin Wellbeing County. In 2019, 88 units were transferred. To date since 4Q18, total of 107 units were transferred.

##### 2020

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. Total revenue was THB 7,315 million decreasing by 11.1% from THB 8,232 million

##### Medical Service Business

Had revenue of THB 6,913 million, decreasing by 7.3% from THB 7,461 million as COVID -19 pandemic caused a decrease in patient volume due to difficulties for foreign patient in entering Thailand for medical treatment and domestic patients avoided going to hospitals.

##### Healthcare Solution Provider



Had revenue of THB 386 million, decreasing by 48.9% from THB 756 million due to uncertainties in economy causing a delay in decision to transfer residential units in Jin Wellbeing County. In 2020, revenue from transferring 19 units was recognized when compared to 88 units in 2019. Medical equipment business had a revenue decrease because the lockdown during COVID -19 caused customers, i.e., dental clinics, to temporary close.

## 2021

THG's revenue comprises of revenue from medical service, healthcare solutions provider and other businesses. Total revenue was THB 10,848 million, an increase of 48.3% from THB 7,315 million.

### Medical Service Business

Had revenue of THB 10,415 million, an increase of 50.7% from THB 6,913 million. Due to the situation of COVID-19 outbreak, THG changed operations of Thonburi Bamrungmuang Hospital to fully treat COVID-19 patients. In addition, THG also in cooperation with the government to operate field hospitals and hotel operators to operate hospitals, including vaccination services to public. Revenues related to COVID-19 accounted for 30.8% of total medical service business revenue

### Healthcare Solution Provider

Had revenue of THB 410 million, decreasing by 6.2% from THB 386 million, mainly due to economic uncertainty which caused a delay in decision making of customers of Jin Wellbeing Country, in this year. However, to adjust the operation according to the situation, Thonburi Burana Hospital provided Drive-Thru COVID-19 screening service in front of Jin Wellbeing County facility, and vaccination service inside the facility since June 2021, and also joined with hotel operators to take care of COVID-19 patients during 3Q21, resulting in a revenue of THB220mn. (the revenue generated by COVID-19 patients is included in Medical Service Business)

## **5.1.2. Cost of sales and services**

### 2019

Total cost was THB 6,366 million, increasing by 22.8%, along with revenue growth. Main cost was from medical service business which is THG's group core business. The costs of the 3 businesses are classified as follows:

- (1) Cost of medical service was THB 5,861 million, increasing by 21.2% mainly from
  - 1) the increase of doctor fees, nurse and staff costs, drugs & medical supplies, by THB 656 million, or 13.6%
  - 2) the increase of depreciation and amortization, increasing by THB 228 million or 4.7%
    - THB 118 million or 2.4% from completion of Thonburi Bamrungmuang Hospital and Thonburi Thungsong Hospital's construction, and from purchase of medical equipment



- THB 110 million or 2.3% from reclassification of an amortization from Thonburi Bamrungmuang's hospital leasehold right from administrative expenses to cost of hospital operation
- (2) Cost of healthcare solutions provider was THB 492 million, increasing by 46.4%, mainly from
- 1) the increase of unit cost of active living at Jin Wellbeing County that was in line with revenue growth
  - 2) the decrease of dental equipment cost that was more than revenue decrease because goods sold this year had higher gross profit margin than last year

## 2020

Total cost was THB 5,748 million, decreasing by 9.7% from THB 6,366 million. Main cost was from medical service business which is THG's group core business. The costs of the 3 businesses are classified as follows:

- (1) Cost of medical service was THB 5,459 million, decreasing by 6.9% from THB 5,861 million. As the revenue decreased, THG managed costs, especially major ones i.e., staff cost to decrease by 13.4%, doctor fee to decrease by 4.5% and drugs and medical supplies to decrease by 10.7%, in order to align with decreasing revenue.
- (2) Cost of healthcare solutions provider was THB 278 million, decreasing by 44.3% from THB 492 million. It was mainly from lower costs of residential units at Jin Wellbeing County as revenue decreased.

## 2021

Total cost was THB 7,406 million, increasing by 28.8% from THB 5,748 million, with factors as follows.

- (1) Cost of medical service was THB 7,083 million, increasing by 29.7% from THB 5,459 million. THG effectively managed cost resulting in a ratio of cost to revenue decreased to 68.0% from 79.0%. Main costs in this year were
  - 1) Construction cost from the investment in field ICU and equipment for COVID-19 treatment. Most of them recognized as expenses in 2021.
  - 2) Rental fee at hospitals
  - 3) Doctor fees and staff cost because THG sent medical staff to operate in filed ICU and hospitals
  - 4) Lab, medicine, and medical supplies, chest x-ray, blood examination, for COVID-19 screening and treatment
- (2) due to the end of a management contract with a public hospital caused a cost decrease of THB 61 million or 4.4%.



#### 5.1.3. Selling, general and administrative expenses

##### 2019

SG&A and management remuneration was THB 1,397 million, increasing by 1.3%, mainly from the increase of THB 104 million or 7.5% in staff cost because of the operation of a new hospital and project development.

However, selling and admin expenses decrease from last year because

- (1) the decrease in marketing expenses by THB 52 million, or 3.8%
- (2) the decrease or 8.2% in amortization of Thonburi Bamrungmuang Hospital's leasehold right because it was reclassified to cost of hospital operation sold instead

##### 2020

SG&A and management remuneration was THB 1,405 million, increasing by 0.6% from THB 1,397 million, but THG managed to decrease SG&A of the core business by 11%. The increasing part was from new projects opened in 2019. There was an increase of depreciation of THB 72 million or by 142.1% from Thonburi Bamrungmuang Hospital, Thonburi Thungsong Hospital and Jin Wellbeing County that was completed in 3Q20.

##### 2021

SG&A was THB 1,566 million, increasing by 11.5% from THB 1,405 million, the increase was mainly from staff cost that increased by 6.4% and depreciation by 2.9%. The increase caused by the operation of hospitals and filed ICUs. When compared to total revenue, the SG&A decreased from 19.2% to 14.4%.

#### 5.1.4. Financial cost

##### 2019

It was THB 216 million, increasing by 50.0% while the interest-bearing debt as at December 31, 2019 was THB 8,976 million, higher than THB 6,196 million last year. THG managed loans and balance of short-term and long-term loan to an appropriate level. Average interest rate decreased from 2.9% to 2.8%

##### 2020

It was THB 281 million, increasing by 30.1% from THB 216 million. It was mainly from higher loan to repay assets payables from finished projects (Jin Wellbeing County, Thonburi Burana Hospital and Thonburi Bamrungmuang Hospital). It was also from loan restructuring that short-term loan was converted to long-term loan to align with THG's long-term investment plan and to improve liquidity to support future plans.

##### 2021



It was THB 299 million, increasing by 6.4% from THB 281 million. In 2021, THG has invested in COVID-19 project resulting in increased loan from financial institutions, including the construction in progress has completed during 3Q21 led to increase in financial cost. However, the average cost of und remains at the same level as the previous year.

#### 5.1.5. Profit

##### 2019

Gross profit was THB 1,870 million, decreasing by 2.3%. Gross profit margin was 22.7% decreasing from 26.9% last year mainly due to the decrease in revenue from overseas consulting services.

Net profit attributable to the parent was THB 462 million, increasing by 32.8%. Net profit margin (parent) was 5.6% increasing from 4.9% mainly due to the disposal of investment.

##### 2020

Gross profit was THB 1,567 million, decreasing by 16.0% from THB 1,866 million due to significant drop in total revenue. Although we executed cost control, cost from depreciation increased by THB 91 million or 57% from last year because of investment in Thonburi Bamrungmuang Hospital starting in 1Q19, construction of Thonburi Thung Song Hospital which operation starting in November 2019, construction of Thonburi Burana Hospital finished in 3Q20, and investment in space improvement and medical equipment.

Net profit – parent was THB 62 million, decreasing by 86.6% from THB 462 million. Net profit margin – parent decreased to 0.9% from 5.6%, mainly due to revenue decrease during COVID -19 situation.

##### 2021

Gross profit was THB 3,442 million, increasing by more than 100% from THB 1,567 million. Gross profit margin increased to 31.7% from 21.4% mainly due to the revenue increase from COVID-19 treatment. Also, costs and expenses were effectively reduced, resulting in a growth in revenue was higher than cost side. Therefore, gross profit margin improved. Looking at Gross profit excluding COVID-19 transactions, the percentage of Gross profit increased from 21.4% to 23.5% due to efficient cost management.

Net profit - parent was THB 1,337 million, increasing by more than 100% from THB 62 million, Net profit-parent margin increased to 12.3% from 0.9 % mainly due to higher revenue and effective cost management.

#### 5.2. Overview of operating status

##### 5.2.1. Assets

##### 2019



As of December 31, 2019, THG had total assets of THB 20,285 million, increasing from THB 17,927 million as of December 31, 2018.

**Current assets increased from**

- trade receivables and other receivables by THB 449 million because of higher patient volume causing receivables to increase along with revenue. Other receivables increased from subsidiaries renting out land.
- inventory by THB 252 million from completed units in Jin Wellbeing County
- cost of project development by THB 106 million, from Jin Wellbeing County and Thonburi Health Village

**Non-current assets increased from**

- net investment in joint venture by THB 198 million because THG invested more in Ar Yu International Hospital in Myanmar since 2Q19 and recognized its loss
- Property, plant and equipment, and advance payment for fixed assets by THB 1,364 million, due to construction of a Thonburi Bamrungmuang Hospital, Thonburi Thungsong Hospital, Thonburi Burana Hospital, Jin Wellness Institute, medical equipment and office furniture.

2020

As of December 31, 2020, THG had total assets of THB 20,280 million, decreasing from THB 20,285 million as of December 31, 2019

THG adopted new accounting standards regarding financial instruments (TAS 32 and TFRS 9) and regarding operating leases (TFRS 16) on January 1, 2020. Accumulated impact was recognized, and it was not restated. Compared details are as follows.

As of December 31, 2019	January 2020 onwards
<b>Current assets</b> — Short-term investments	<b>Current assets</b> — Financial assets measured at fair value through profit or loss — Financial assets measured at fair value through other comprehensive income
<b>Current assets</b> — Current portion of prepaid rental	<b>Non-current assets</b> — Right-of-use assets
<b>Non-current assets</b> — -Long -term investments in equity securities — - Other long -term investments	<b>Non-current assets</b> — Financial assets measured at fair value through other comprehensive income
<b>Non-current assets</b> — Land leasehold rights and leased buildings — Prepaid rental	<b>Non-current assets</b> — Right-of-use assets



As of December 31, 2019	January 2020 onwards
<ul style="list-style-type: none"> <li>— Property, plant and equipment (recorded as assets under lease agreements)</li> <li>— Intangible assets (recorded as assets under lease agreements)</li> <li>—</li> </ul>	

\* The abovementioned items did not affect the Company's performance. It only changed some items from other comprehensive income items to be under retained earnings of THB 1.27 million, and the financial status statements increase by THB 152 million. Please refer to note to financial statements number 5 for more information.

Current assets decreased by THB 5 million, comprising

**Decrease of THB 132 million in current assets** was mainly from

- the decrease of cash and cash equivalents by THB 167 million, because THG repaid the loan from assets investment to receive tax benefit.

**Increase of THB1 28 million in non-current assets** was mainly from

- the increase of property, plant and equipment by THB 549 million, because THG had assets with completed construction in Jin Wellbeing County, as well as had more investment of medical equipment.
- the decrease of investment in joint venture of THB 485 million, because of the divestment in Welly Hospital in China.

## 2021

As of December 31, 2021, THG had total assets of THB 23,799 million, increasing by 17.4% from December 31, 2020. Significant changes are as follows.

Trade and other account receivable, including an advance payment for Moderna vaccine increased by THB 1,832 million, mainly relating to COVID-19 treatment.

### **5.2.2. Liabilities**

## 2019

As of December 31, 2019, THG had total liabilities of THB 11,503 million, increasing from THB 9,201 million as of December 31, 2018. Most of them were short-term and long-term debt from financial institutions. Net increase of debt from financial institutions was THB 2,692 million for investment and project

## 2020



As of December 31, 2020, THG had total liabilities of THB 11,949 million, increasing from THB 11,503 million as of December 31, 2019. Most of them were loans from financial institutions, increasing by TH B725 million, which were mainly long -term loan to repay short -term loans in restructuring of loans to match the investments. The loans were also for project developments and to repay debt of finished projects and fixed assets, mainly for Jin Wellbeing Country and Thonburi Bamrungmuang Hospital.

#### 2021

As of December 31, 2021, THG had total liabilities of THB 14,181 million, increasing by 18.7% from December 31, 2020. Significant changes are as follows. Trade and other accounts payable increased due to 1) payable to suppliers for COVID-19 treatment such as medical supplies, doctor fee, medical equipment, etc. 2) advance payment from Moderna vaccine.

### 5.2.3. Equity

#### 2019

As of December 31, 2019, THG had total equity of THB 8,782 million, increasing from THB 8,726 million as of December 31, 2018. The increase was from higher net profit despite dividend payment to shareholders twice this year, totaling THB 382 million.

#### 2020

As of December 31, 2020, THG had total equity of THB 8,33 million, decreasing from THB 8,782 million as of December 31, 2019, because of 1) dividend payment 2) stock repurchase from market 3) loss from decreased price of stock investments and 4) net loss shared from Ar Yu joint venture due to foreign exchange loss

#### 2021

As of December 31, 2021, THG had total equity of THB 9,618 million, increasing from THB 8,331 million as of December 31, 2020. Mainly due to an increase in unappropriated retained earnings of THB 1,112 million.



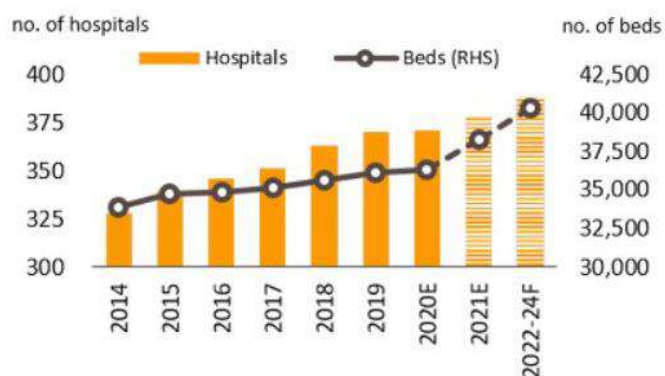
## 6. Market Overview and Industry Trends

### 6.1. Overview and Business Trends of Private Hospital Industry

Situation in 2021, over 9M21, income for private hospitals grew on the higher number of in- and outpatients as a result of the severe outbreak of COVID-19 and the sharp rise in caseloads, (over 20,000 new cases per day). Hospitals also benefited from services associated with the pandemic, such as testing, vaccinating, and running 'hospitels' in cooperation with outside business partners, and from the expansion of their customer base to include patients covered by health insurance. Nevertheless, some domestic patient groups either canceled or postponed visits to hospitals for non-urgent treatments, and this caused income from complex treatments (e.g., for cancer and heart disease) to fall. The government's decision to allow some overseas patients to enter the country for treatment helped to partially offset these losses, but overall, the continuation from 2020 of restrictions on international travel meant that income from this segment remained depressed.

For the rest of 2021, the sector will benefit from the relaxation of control measures and the boost that this has given to economic activity generally, as well from the move by the government to allow hospitals to inject their vaccines of choice, and from November, the reopening of the country to international arrivals. As a result of the latter, foreign patients will now be able to seek treatment in Thai private hospitals. For 2021 overall, income for players should increase by 8.0-10.0%, after 12.0% drop in receipts in 2020.

**Figure 1: Numbers of Private Hospitals & Beds**



Source : NSO, Forecast by Krungsri Research

For the outlook of private hospital business in 2022-2024, the outlook is expected to improve steadily to average 4.0-5.0% per year through the next 3 years. At least 2,000 beds will be added to the current supply of around 36,000 beds in private hospitals (as of 2021).

Demand for hospital services would strengthen on the following factors:



- 1) Structural Thai society is steadily aging, driving greater demand for ongoing and complex treatments. The authorities thus estimate that spending on healthcare for the elderly will rise from THB 63bn in 2010 to THB 230bn in 2022.
- 2) The number of foreign patients seeking treatment in Thai hospitals will increase due to: (i) the gradual reopening of the country to foreign arrivals in provinces where at least 70% of the population are vaccinated; and (ii) Thailand's position as a world leader in the provision of medical tourism services
- 3) Thais are increasingly concerned with personal health and wellbeing, boost by the COVID-19 pandemic and the need for comprehensive healthcare.

#### Operators are expanding

Operators are expanding their investments in services, site expansions, and in the manufacture of goods related to healthcare in order to increase their competitiveness, to deepen supply chains, and to establish a broader range of business partnerships at home and abroad. Meanwhile, the government is working to promote Thailand as an international healthcare hub, partly by specifying 'comprehensive healthcare' as one of the new S-curve industries. It is hoped that this will then attract greater investment into private hospitals, especially in the EEC.

Large hospitals: Income will rise at a good rate due to their abilities to treat a wide range of patients and to provide specialist, highly skilled services. Players also operate large branch networks and partner with outside businesses, helping them to expand their services by better targeting particular patient groups. Given this, large hospitals' income base will broaden in the coming period.

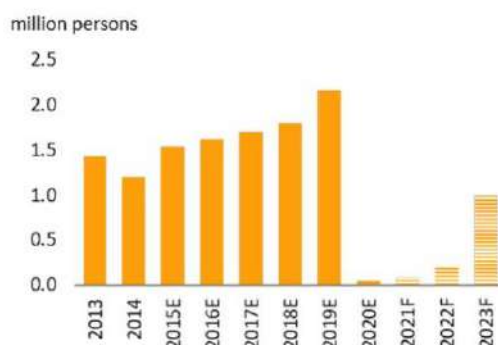
Small and mid-sized hospitals: Turnover will trend upwards, supported by (i) benefit from partnering with the large players; and (ii) group of patients covered by social security payments; which helps to provides a steady source of income. Nevertheless, strong competition may cause independent hospitals operating outside wider commercial networks to lose market share.

**Figure 2: Proportion of Aging Population**

		% of population 65+ to total population	
		2020	2040
<div>Hyper-aged (20%)</div> <div>Aged (14%)</div> <div>Aging (7%)</div>	Japan	29	34
	South Korea	16	31
	Singapore	15	30
	<b>Thailand</b>	<b>13</b>	<b>26</b>
	Vietnam	8	17

Source: United Nations (UN), Krungsri Research

**Figure 3: Number of Foreign Patients in Thailand**



Source: MoPH, 2015-2023 Forecast by Krungsri Research

Source: Krungsri Research, Industry Outlook 2022-2024 Thailand Industry Outlook dated 11 January 2022



## 6.2. Overview and Business Trends of Medical Tourism Industry

“Private hospital business” is another group that relies on income from both Thai and foreign patients but when COVID-19, the patient's behavior has changed. Nobody wants to see a doctor or come to the hospital. At the same time, foreigners interested in using medical services in Thailand must also refrain from entering Thailand.

Kasikorn Research Center expects that the COVID-19 outbreak in the country will likely result in the overall contraction of the medical tourism market in Thailand in 2021 from at least 90% (YoY) the previous year, or approximately 10,000 - 20,000 people. The market for patients with the highest contraction is likely to be in the Middle East (such as the United Arab Emirates, Kuwait, Oman, Saudi Arabia, etc.), China and ASEAN countries (Myanmar, Cambodia, Laos) that generate income for private hospital business, accounting for approximately 30% of total foreign patient revenue.

As of 2022, there is a possibility that the medical tourism group will gradually begin to return to medical services. The number of Medical Tourism is expected to be around 130,000-180,000 million people, most probably the same patient group who have received medical treatment or health care through private hospitals in Thailand, whether in the Middle East, Myanmar, China.



## Industrial Trends of Private Hospital in 2022



Source: Bangkok Biz News, Outlook for 2022, Private Hospitals and Medical Tourism Recovery, dated 11 January 2022



Attachment 2  
Summary of  
Ramkhamhaeng Hospital Public Company Limited ("RAM")

1. **Basic information**

Company name : Ramkhamhaeng Hospital Public Company Limited ("RAM")

Nature of business : Company is a private hospital named as Ramkhamhaeng Hospital including 7 subsidiaries hospital networks. RAM has the resources, experience and expertise to provide international quality health care service

Homepage : [www.ram-hosp.co.th](http://www.ram-hosp.co.th)

Head office : 2138 Ramkhamhaeng Road, Huamark, Bang Kapi Bangkok 10240

Phone : 0-2374-0804

Registered capital : THB 126,000,000.00

Issue and paid-up capital : THB 120,000,000.00

Type of shares : 1,200,000,000 ordinary shares

Par value stock : THB 0.10 per share

2. **Business information**

2.1. **History**

The Ramkhamhaeng Hospital Public Company Limited (the "Company") was founded by a group of doctors, namely, Dr. Ratcha Somburanasin M.D., Dr. Aurchat Kanjanapitak, M.D., Dr. Virat Chuen-im M.D., Dr. Boonpridi Sirivongs, Dr. Chamnam Chanapai DDS., Dr. Kasem Sirikolkarn M.D., and Dr. Udom Erjongmanee M.D., in 1986, under the name of "Preehatai Company Limited " and later the name was changed to "Ramkhamhaeng Hospital Company Limited" on August 25, 1986. On February 28, 1988, the hospital opened for service with 115 inpatient beds and received investment promotion from the Board of Investment (BOI) in medical treatment business for 5 years.

September 9, 1991, company was approved by the Ministry of Finance to become a licensed company in the Stock Exchange of Thailand and on May 13, 1993, the Company was listed on the Stock Exchange of Thailand under the name of Ramkhamhaeng Hospital Public Company Limited. At present, it has a total of 486 registered beds for inpatients, located on an area covering 59,132 sqm.

2018



- April 2018, Company invested in Buriram Ruampaet Company Limited, which operates a 90-registered bed hospital located in Buriram province and has been in operation for more than 27 years. The capital invested represents 32.37% of the total capital.
- August 2018, Company purchased additional investment in Muang Loei-Ram Hospital Company Limited from 40% to 53.69% and converted from an associate to a subsidiary.

#### 2019

- January 2019, Company invested in Vientiane Ram Company International Company Limited, which will operate a 150-registered bed hospital located in Vientiane, The Lao People's Democratic Republic of Lao PDR, which is still under development. The shareholding ownership is 70%.
- January 2019, Company had a major shareholder change, whereby Bangkok Dusit Medical Services Public Company Limited sold all its shares (accounting for 38.24%) by selling part of the shares, accounting for 20%, to Cypress Consolidated Healthcare Pte Ltd, an investment holding company incorporated in Singapore, making Cypress Consolidated Healthcare Pte Ltd one of the major shareholders of Company.
- April 2019, the Annual General Meeting of Shareholders resolved to approve the change in the par value of the Company from THB 10 per share to THB 0.5 per share and change the number of shares from 15,000,000 shares to 300,000,000 shares.
- June 2019, Company and its subsidiaries purchased 4% of the shares of Rajathanee Hospital Public Company Limited. Rajathanee Hospital, a 100-registered bed hospital, is located in Ayutthaya and has been in operation for over 27 years, providing services to general patients and patients under the social security scheme.
- August 2019, Company purchased 20 % of the investment in Nan-Ram Hospital Company Limited. Nan-Ram Hospital Company Limited operates a 120- registered bed hospital, located in Mueang District, Nan Province and is expected to open in 2023.

#### 2020

- January 15, 2020, Company purchased the investment in Vibharam Hospital Company Limited, increasing its shareholding from 41.10% to 50%. Therefore, the type of investment was transferred from investment in an associate to an investment in a subsidiary.



- December 2020, Company purchased the investment in Ramnakara Company Limited. As a result, the shareholding proportion increased from 16% to 36.86%, making it an associate. It will operate 300-registered bed hospital located in Saphan Sung District, Bangkok and is expected to open in 2023.

## 2.2. Nature of business

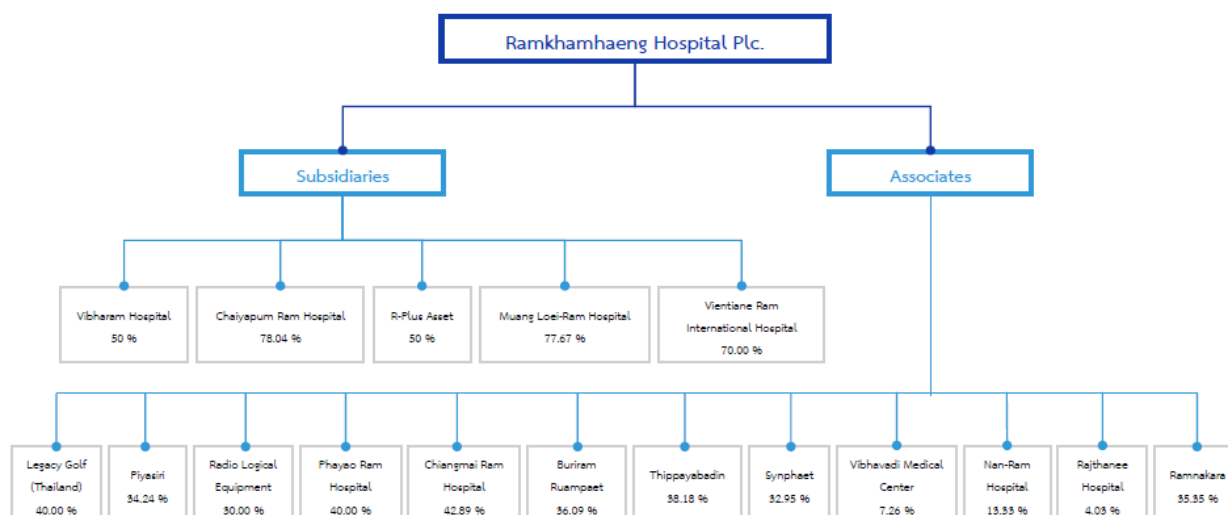
The main business is in the form of a General Hospital, providing general medical treatment for all types of diseases by specialized doctors in all fields. The hospital was equipped with modern and highly effective treatment and diagnosis instruments and was opened for treatments for both outpatients and inpatients 24 hours a day with ambulance service on standby at all times. Since 2010, the hospital has received the JCI (Joint Commission International Accreditation Standards for Hospitals) certification, which demonstrates that Ramkhamhaeng Hospital is a hospital with recognized standards of medical care and patient care and has an equal safety level with hospitals of international standards.

In addition, the Company also operates additional businesses with 3 types of hospital businesses, namely

- 1) Medical device calibration service (M.I.CAL.SYSTEM) was established for the purpose of calibrating medical devices to ensure that devices used for examinations, measurements and testing, which affect the quality of patient care, are precise and accurate, efficient and suitable for their specific uses.
- 2) Sales of certain types of medical devices and medical supplies such as surgical bed, lamp, boiler, patient bed, electrical system, blood transducer, stationary incubator, plate screw, laser machine and others
- 3) Laboratory diagnostics service to provide services to subsidiaries and affiliates that do not have the tools available to conduct the diagnosis by themselves.

## 2.3. Company Structure

Shareholding structure of the Group, subsidiaries and associated companies as of December 31, 2020



Source: Annual Report 2020 of RAM



The Group consists of subsidiaries and associated companies as follows:

**5 subsidiaries**

- 1) Chaiyapum Ram Hospital Co., Ltd., operate a private hospital business, 60 beds, located in Chaiyaphum.
- 2) Muang Loei-Ram Hospital Co., Ltd., operate a private hospital business, 100 beds, located in Loei.
- 3) Vientiane Ram International Hospital Co., Ltd., operate a private hospital business, 150 beds, located on Phatthanakan Road, Bangkok (change status to subsidiary on January 15, 2020)
- 4) R-Plus Asset Co., Ltd., operate a hospital business, in process. Located on Phetchaburi Road, Bangkok
- 5) Vientiane Ram International Hospital Co., Ltd., operate a private hospital business, 150 bed size, located in Vientiane, Laos, in process

**12 associate companies**

- 1) Synphaet Co., Ltd., operate a private hospital business, 287 beds, located at Ram Inthra Road, Bangkok.
- 2) Chiangmai Ram Hospital Co., Ltd., operate a private hospital business, 200 beds, located in Chiang Mai.
- 3) Phayao Ram Hospital Co., Ltd., operate a private hospital business, 100 beds in Phayao.
- 4) Piyasiri Co., Ltd., operate a private hospital business, 80 beds, located on Sukhumvit 22 Road, Bangkok.
- 5) Vibharam Hospital Co., Ltd., operate a private hospital business, 260 beds, located in Bangkok
- 6) Buriram Ruampaet Co., Ltd., operate a private hospital business, 90 beds, located in Buriram.
- 7) Nan-Ram Hospital Co., Ltd., operate a private hospital business, 120 beds, located at 553 Moo 4, Chaiyasathan Subdistrict, Mueang Nan District, Nan, is in the process of operation.
- 8) Radio Logical Equipment Co., Ltd., operate selling and repairing medical equipment, located at Boriphat Road, Bangkok.
- 9) Thippayabadin Co., Ltd., operate producing dialysis fluids and selling medical supplies, located in Bang Phli District, Samut Prakan
- 10) Legacy Golf Co., Ltd., operate providing services and selling equipment, the golf course, located at 18 Moo 7, along Khlong Song Subdistrict, Sam Wa West Subdistrict, Khlong Sam Wa District, Bangkok.
- 11) Rajthanee Hospital Co., Ltd., operate a private hospital business, 253 beds, located at 111 Moo 3, Rojana Road, Khlong Suan Phlu Subdistrict, Mueang District, Phra Nakhon Si Ayutthaya 13000
- 12) Ram Nakara Co., Ltd., operate a private hospital business, 300 beds, located at 119/129-132 Nawamin Road, Nawamin Subdistrict, Bueng Kum District, Bangkok, under construction. It is expected to open for business in 2022.



#### 2.4. Revenue structure

Ramkhamhaeng Hospital main business is to provide medical services in the form of private hospital and has an additional business which is selling medical equipment, medical supplies, analytical and laboratory testing. and provide standardized medical device inspection services.

The revenue structure of the Company during the past 3 years as of the fiscal year ended December 31 of each year is as follows:

Revenue from business	2019		2020		2021	
	THB million	%	THB million	THB million	%	THB million
Revenue from medical services business	3,597.60	64.52	3,631.95	75.28	5,465.02	66.96
Revenue from government welfare programs	-	-	-	-	1,597.57	19.57
Revenues from sales of medical equipment and instrument	490.07	8.79	815.62	16.90	759.60	9.30
Other revenue	1,487.85	26.69	377.30	7.82	340	0.21
<b>Total revenue</b>	<b>5,575.49</b>	<b>100</b>	<b>4,824.88</b>	<b>100</b>	<b>8,162.12</b>	<b>100</b>

Source: 2020 Annual Report of RAM

Remark: Revenue classification has been adjusted so the revenue structure may differ from the income statement.



### 3. Shareholders and Board of Directors

#### 3.1. Shareholder Structure

Shareholders As of February 11, 2022, Company has major shareholders as follows:

No.	Major shareholders	Number of shares	%
1	F&S 79 Company Limited	280,460,475	23.37%
2	CYPRESS CONSOLIDATED HEALTHCARE PTE.LTD.	240,000,000	20.00%
3	Ramkhamhaeng Hospital Public Company Limited	86,230,000	7.19%
4	Vibharam Hospital Company Limited	74,568,680	6.21%
5	Synphaet Company Limited	40,551,500	3.38%
6	Mr. Pitchaya Somburanasin	34,166,100	2.85%
7	Mr. Siripong Luengwarinkul	29,508,200	2.46%
8	Mr. Talit Chuen-Im	22,536,200	1.88%
9	Miss Rukkagee Kanjanapitak	21,068,600	1.76%
10	Mr. Ruechid Kanjanapitak	18,023,600	1.50%
11	Other shareholders	352,886,645	29.41%
	<b>Total</b>	<b>1,200,000,000</b>	<b>100</b>
Registered capital :		126,000,000.00	THB
Issued and fully paid capital		120,000,000.00	THB

Source: SET

#### 3.2. Board of Directors

As of February 26, 2022, the Board of Directors It consists of 13 directors whose names are as follows:

Name	Position
1 Mr. Aurchat Kanjanapitak	Chairman / President Of Executive Committee
2 Mr. Chamnan Chanapai	Managing Director / Director
3 Mr. Virat Chuen-Im	Director / Director
4 Mr. Siripong Luengwarinkul	Director
5 Mr. Suthee Leelasetakul	Director
6 Mr. Jernpol Bhumitrakul	Director
7 Miss Tassawan Sirivongs	Director
8 Mr. Young-Taek Park	Director
9 Mr. Benny Lim	Director
10 Mr. Eric Marnandas	Director
11 Dr. Pitchaya Somburanasin	Director
12 Mr. Kajit Habananaanda	Independent Director / Audit Committee



Name		Position
13	Mr. PINIT HIRUNYACHOTE	Independent Director
14	Mr. Pramol Apirat	Independent Director / Chairman of Audit Committee
13	Miss Kittiyarat Jirojdamrongchai	Independent Director / Audit Committee

Source: SET



#### 4. Summary of important items in the financial statements

##### 4.1. Statement of Financial Position

List	2019	2020	2021
	THB million	THB million	THB million
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,012.47	616.02	1,126.32
Trade receivables	573.18	702.60	1,114.01
Accrued revenues from hospital operations	-	571.00	1,410.28
Short - term loan to related parties	345.00	558.00	206.00
Current portion of long-term loans to related parties	-	-	-
Inventories	622.59	754.00	755.84
Accrued dividend income	0.79	45.89	0.35
Other current assets	55.01	104.36	166.50
<b>Total current assets</b>	<b>2,609.04</b>	<b>3,351.86</b>	<b>4,779.31</b>
<b>Non-current assets</b>			
Fixed deposit used for pledged	1.20	3.84	3.84
Other non-current financial assets	-	8,229.17	6,202.96
Investment in associates	7,027.51		
Investment in subsidiaries	6,510.19	6,991.44	13,850.18
Fixed deposit used for pledged	-	-	-
Other long-term investments	313.41	-	-
Long-term loans to related parties	45.00	-	-
Investment property	-	361.90	345.38
Property, plant and equipment	1,853.44	9,457.82	9,253.57
Leasehold right of land	-	-	-
Right-of-use assets	-	221.48	328.15
Goodwill	16.91	408.66	408.66
Intangible assets	15.58	63.57	55.95
Deferred tax assets	24.99	25.17	60.56
Withholding tax	-	106.81	88.72
Others non-current assets	94.79	56.36	48.11
<b>Total non-current assets</b>	<b>15,903.03</b>	<b>25,926.22</b>	<b>30,646.08</b>
<b>Total Asset</b>	<b>18,512.06</b>	<b>29,278.09</b>	<b>35,425.39</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	4,054.91	5,608.80	4,428.16



List	2019	2020	2021
	THB million	THB million	THB million
Trade payables	297.35	518.45	459.69
Current portion of long-term liabilities			
Long-term loans from financial institutions	-	1,140.71	1,574.14
Leases liabilities	-	6.69	5.83
Short-term loans from related parties	5.20	203.78	772.98
Short-term loans from other persons	172.50	345.62	346.42
Assets payables	44.34	28.54	57.53
Accrued dividend	-	100.00	25.00
Income tax payables	96.95	73.86	338.99
Accrued doctors' fees	105.54	194.03	220.77
Accrued expenses	44.55	136.65	157.22
Advance received from social security office	-	-	368.31
Other current liabilities	31.62	45.28	187.83
<b>Total current liabilities</b>	<b>4,852.97</b>	<b>8,402.40</b>	<b>8,942.86</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	-	1,985.32	1,972.82
Leases liabilities	-	4.47	67.58
Deferred tax liabilities	325.22	668.87	797.76
Provisions for employee benefits	131.79	283.55	297.43
Other non-current liabilities	8.58	27.19	39.38
<b>Total non-current liabilities</b>	<b>465.59</b>	<b>2,969.40</b>	<b>3,174.97</b>
<b>Total Liabilities</b>	<b>5,318.56</b>	<b>11,371.80</b>	<b>12,117.83</b>
<b>Shareholders' Equity</b>			
Share capital			
Authorized share capital			
1,260,000,000 common stocks at THB 0.10 each	-	-	126.00
300,000,000 common stocks at THB 0.50 each	150.00	150.00	-
Issued and paid-up share capital			
1,260,000,000 common stocks at THB 0.10 each	-	-	120.00
300,000,000 common stocks at THB 0.50 each	120.00	120.00	-
Retained earnings			
Appropriated			
Legal reserve	15.00	15.00	15.00
Unappropriated	10,637.78	11,266.06	15,092.26
Other components of equity	1,864.45	1,402.52	1,951.53
<b>Total equity attributable to owners of the parent</b>	<b>12,637.23</b>	<b>12,803.58</b>	<b>17,178.79</b>



List	2019	2020	2021
	THB million	THB million	THB million
Non-controlling interests in the subsidiaries	556.27	5,102.71	6,128.77
<b>Total shareholders' equity</b>	<b>13,193.50</b>	<b>17,906.29</b>	<b>23,307.56</b>
<b>Total Liabilities And Shareholders' Equity</b>	<b>18,512.06</b>	<b>29,278.09</b>	<b>35,425.39</b>

Source: SET

#### 4.2. Income statement

รายการ	2562	2563	2564
	ล้านบาท	ล้านบาท	ล้านบาท
<b>Revenues</b>			
Revenues from medical treatment	3,631.95	7,062.59	11,069.39
Revenues from sales of medical equipment and instruments	815.62	763.06	1,594.57
Other income			
Gain on reclassification of investments	-	862.63	173.39
Dividend income	272.63	229.04	301.11
Others	104.67	107.43	79.51
<b>Total revenues</b>	<b>4,824.88</b>	<b>9,024.75</b>	<b>13,217.97</b>
<b>Expenses</b>			
Cost of medical treatment	2,478.48	6,189.28	7,000.18
Cost of medical equipment and instrument sold	602.33	595.85	1,192.52
Administrative expenses	496.15	1,241.58	1,375.16
Loss on impairment of investment	248.04	-	-
Loss on derecognition of investment in equity measured at fair value through profit and loss	-	-	51.24
<b>Total expenses</b>	<b>3,825.00</b>	<b>8,026.71</b>	<b>9,619.10</b>
<b>Profit from operating activities</b>	<b>999.88</b>	<b>998.03</b>	<b>3,598.88</b>
Finance income	13.92	30.29	15.39
Finance costs	46.17	211.00	239.31
Share of profit (loss) of associates	546.75	119.67	2,469.21
Profit before income tax expenses	1,514.38	936.98	5,844.17
Income tax expenses	199.79	39.44	468.42
<b>Profit for the year</b>	<b>1,314.58</b>	<b>897.55</b>	<b>5,375.74</b>

Source: SET



#### 4.3. Cash flow statement

List	2019	2020	2021
	THB million	THB million	THB million
Net cash from (used in) operating activities	576.18	894.64	3,197.73
Net cash from (used in) investing activities	(2,034.38)	(1,870.32)	(998.53)
Net cash from (used in) financing activities	1,580.75	579.23	(1,688.90)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>122.55</b>	<b>(396.45)</b>	<b>510.30</b>
Cash and cash equivalents at the beginning of the year	889.92	1,012.47	616.02
<b>Cash and cash equivalents at the end of the year</b>	<b>1,012.47</b>	<b>616.02</b>	<b>1,126.32</b>

Source: SET

#### 4.4. Important financial ratios

List	2019	2020	2021
<b>Liquidity Ratio</b>			
Liquidity Ratio (times)	0.54	0.40	0.53
Quick Ratio (times)	0.33	0.22	0.41
Receivable Turnover (times)	9.87	8.47	6.76
Average Collection Period (days)	36.98	43.09	53.99
Inventory Turnover (times)	5.31	9.04	10.85
Average Holding Period (days)	68.80	40.36	33.63
Account Payable Turnover (times)	9.92	14.01	16.28
Average Payment Period (days)	36.79	26.06	22.42
Cash Cycle (วัน)	68.99	57.39	65.20
<b>Profitability Ratio</b>			
Gross margin (%)	30.84	20.43	36.18
Net profit margin (%)	26.67	5.73	40.62
Return On Equity (%)	11.66	5.12	28.65
<b>Efficiency Ratio</b>			
Return on Assets (%)	9.31	3.62	19.41
Asset Turnover (times)	0.29	0.36	0.42
<b>Financial Ratio</b>			
Debt to Equity Ratio (times)	0.40	0.68	0.52
Interest Coverage Ratio (times)	33.96	3.93	25.42

Source: www.setsmart.com



5. Explanation and analysis of financial position and operating results

5.1. Consolidated results

5.1.1. Revenue

2019

Ramkhamhaeng Hospital Public Company Limited and its subsidiaries had total revenue of THB 4,824.88 million, a decrease of 13.83% from:

- 1) Ramkhamhaeng Hospital Public Company Limited and its subsidiaries had revenue from medical treatment in 2019 at THB 3,621.15 million, an increase of 0.30% from the previous year.
- 2) Company had revenue from sales of medical devices and medical supplies in 2019 at THB 815.62 million, an increase of THB 325.55 million from the previous year or an increase of 66.43%.
- 3) Company has dividend income of THB 272.63 million, a decrease of THB 14.81 million from the previous year.
- 4) 2018, R Plus Asset Company Limited, a subsidiary of Ramkhamhaeng Hospital had profit from the sale of land THB 945 million and Ramkhamhaeng Hospital Public Company Limited had a loss from building demolition of THB 6.5 million. 2019 no profit from the sale of land

2020

Ramkhamhaeng Hospital Public Company Limited and its subsidiaries had total revenue of THB 9,024.75 million, an increase of 87.05% from the previous year, as details in the followings:

- 1) Ramkhamhaeng Hospital Public Company Limited had one additional subsidiary which was Vibharam Hospital Company Limited resulting in the Company's income in the consolidated financial statements was thus considerably increased. Vibharam Hospital Company Limited has changed its status from an associate to a subsidiary since January 15, 2020, with an increase of total revenues from medical treatment in 2020 from the year 2019 by 94.46%.
- 2) The Company had revenue from sale of medical equipment and instrument in 2020 amounted to THB 763.06 million or a decrease of THB 52.57 million from the previous year.
- 3) Other income, there was a profit from the transfer of investment type of 862.63 and the dividend income decreased from the year 2019 of THB 43.59 million.

Ramkhamhaeng Hospital, outpatient revenues were decreased by 5.93% due to a lower number of outpatients by 11.43% and an increase in average selling price per patient by 6.21%. Nonetheless, there was a decrease of inpatient revenues by 7.64% because of a decrease in inpatient beds by 18.09% and an increase of average selling price per bed by 12.76%.



Vibharam Hospital had 2 types of revenues from medical services: 1) Revenues from general patients in 2020 amounted to THB 2,059.07 million or accounting for 56.31%. And 2) Revenues from the Social Security scheme (SSS) and the Universal Coverage scheme (UCS) in 2020 amounted to THB 1,597.57 million or accounting for 43.69%.

#### 2021

Ramkhamhaeng Hospital Public Company Limited and its subsidiaries have the revenues of THB 13,217.97 million, increase of 46.46%. The reasons for the increase are:

- 1) In the year 2021, the revenues in Consolidated Financial Statement come from Ramkhamhaeng Hospital THB 5,615.08 million, Vibharam Hospital THB 7,219.15 million, Chaiyaphum Ram Hospital THB 81.10 million, Muang Loei Ram Hospital THB 302.35 million, and R-Plus Asset Co., Ltd. THB 81.10 million
- 2) Ramkhamhaeng has revenue from selling medical supply and equipment THB 1,594.57 million, which increase THB 831.51 million from the previous year. In 2021 it had a severe epidemic, so the hospital needs to purchase more supply and medical equipment.
- 3) Ramkhamhaeng Hospital Public Company Limited receives dividend from investment THB 301.11 million, increase of THB 72.07 million from the previous year.
- 4) Ramkhamhaeng has profit from change the type of investment THB 173.39 million and it had highly to THB 862.63 million in 2020.

#### **5.1.2. Cost of sales and services and business expenses**

##### 2019

The proportion of medical treatment cost and administrative expenses/ revenues from medical treatment in 2019 was approximately 1.06% higher than in 2018, company had a loss from impairment of assets of THB 248.04 million, while in 2018 it was THB 56.89 million.

##### 2020

The proportion of medical treatment cost and administrative expenses to the revenues from medical treatment in 2020 was approximately 17.09% higher than in 2019 due to the costs of medical treatment and administrative expenses of Vibharam Hospital that higher than Ramkhamhaeng Hospital.

The proportion of medical treatment cost and administrative expenses, only of Ramkhamhaeng Hospital and Vibharam Hospital, was as follows:



Unit: Percentage	Ramkhamhaeng Hospital	Vibharam Hospital
Proportion of medical treatment cost / revenues from medical treatment	69.85	88.33
Proportion of administrative expenses / revenues from medical treatment	10.41	22.43

#### 2021

The proportion of cost of medical treatment and administrative expenses/revenue of medical treatment in 2021 is lower than 2020 about 29.55%. The reason is the third and fourth quarter in 2021, the company and its subsidiary have a lot of revenue from COVID-19. But low cost of medicine, supply and doctor fee. The company can make good use of the available rooms.

The proportion of medical treatment cost and administrative expenses, only of Ramkhamhaeng Hospital and Vibharam Hospital, was as follows:

Unit: Percentage	Ramkhamhaeng Hospital	Vibharam Hospital
Proportion of medical treatment cost / revenues from medical treatment	66.24	56.09
Proportion of administrative expenses / revenues from medical treatment	9.92	13.39

#### 5.1.3. Profit

##### 2019

Company and its subsidiaries had a net profit of THB 1,314.58 million, a decrease of THB 929.06 million or 41.41%. Company's gross profit margin, net profit margin and return on equity (ROE) in 2019 respectively equaled to a percentage of 30.84, 26.67 and 11.66, which were considered as having a good profitability compared other companies in the same industry

##### 2020

Company and its subsidiaries had a net profit of THB 897.55 million, a decrease of THB 417.04 million or 31.72% from the previous year. In 2020, Ramkhamhaeng Hospital had a decrease in operating results compared to the previous year due to the impact of COVID-19 outbreak. Nonetheless, the Company had a good profitability.

Company's gross profit margin, EBIT margin, net profit margin and return on equity (ROE) in 2020 respectively equaled to a percentage of 20.43, 5.73 and 5.12, which were considered as having a moderate profitability compared other companies in the same industry

##### 2021

Ramkhamhaeng Hospital Public Company Limited received share of profit from investment in associated company in the amount of THB 2,469.21 million, an increase of THB 2,349.55 million, and Company and its subsidiaries had a net profit of THB 5,375.74 million, while in 2020 net profit was THB 897.55 million, an increase of



THB 4,478.20 million or 498.94%. Company's gross profit margin, net profit margin and return on equity (ROE) in 2021 respectively equaled to a percentage of 36.18, 40.62 and 28.65

## 5.2. Overview of operating status

### 5.2.1. Assets

#### 2019

As of December 31, 2019, Company and subsidiaries had total assets of THB 18,512.06 million, increasing from THB 3,412.23 million as of December 31, 2018, or 22.60%

**Current assets increased THB 427.61 million** was mainly from

- Cash and cash equivalents increased THB 122.55 million.
- Trade accounts receivable increased THB 221.97 million.

**Non-current assets increased THB 2,984.62 million** was mainly from

- Investment for sale increased THB 2,032.91 million.
- Investment in associates increased THB 935.00 million.

#### 2020

As of December 31, 2020, Company and subsidiaries had total assets of THB 29,278.09 million, increasing from THB 10,766.02 million as of December 31, 2019, or 58.16%

**Current assets increased THB 742.83 million** was mainly from

- Accrued medical service income increased THB 571.00 million.
- Short-term loans to related parties increased THB 213.00 million.

**Non-current assets increased THB 10,023.20 million** was mainly from

- Property, plant and equipment increased THB 7,604.38 million.

#### 2021

As of December 31, 2021, Company and subsidiaries had total assets of THB 35,425.39 million, increasing from THB 6,147.30 million as of December 31, 2020, or 21.00%

**Current assets increased THB 1,427.45 million** was mainly from

- Cash and cash equivalents increased THB 510.30 million.
- Trade accounts receivable increased THB 411.42 million.
- Accrued medical service income increased THB 839.28 million.



Non-current assets increased THB 4,719.86 million was mainly from

- Investment in associated companies increased THB 6,858.74 million.

#### 5.2.2. Liabilities

##### 2019

As of December 31, 2019, Company and subsidiaries had total liabilities of THB 5,318.56 million, increasing from THB 3,159.23 million as of December 31, 2018. Most of them were bank overdrafts and short-term loans from financial institutions increase THB 3,172.34 million.

##### 2020

As of December 31, 2020, Company and subsidiaries had total liabilities of THB 11,371.80 million, increasing from THB 6,053.23 million as of December 31, 2019. Most of them were long-term loans from financial institutions increase THB 1,985.32 million, and bank overdrafts and short-term loans from financial institutions increase THB 1,553.89 million.

##### 2021

As of December 31, 2021, Company and subsidiaries had total liabilities of THB 12,117.83 million, increasing from THB 746.03 million as of December 31, 2020. Most of them were short-term loans from related parties increase THB 569.20 million, and advance received from the social security office increase THB 368.31 million.

#### 5.2.3. Equity

##### 2019

As of December 31, 2019, Company and subsidiaries had total equity of THB 13,193.50 million, increasing from THB 253.00 million as of December 31, 2018, most of which were decrease from unappropriated retained earnings of THB 366.12 million, other components of THB 280.71 million, and in non-controlling interests of THB 393.83 million.

##### 2020

As of December 31, 2020, Company and subsidiaries had total equity of THB 17,906.29 million, increasing from THB 4,712.79 million as of December 31, 2019, most of which were increase from non-controlling interests of THB 4,546.44 million.



2021

As of December 31, 2021, Company and subsidiaries had total equity of THB 23,307.56 million, increasing from THB 5,401.27 million as of December 31, 2020, most of which increase from unappropriated retained earnings THB 3,826.20 million.



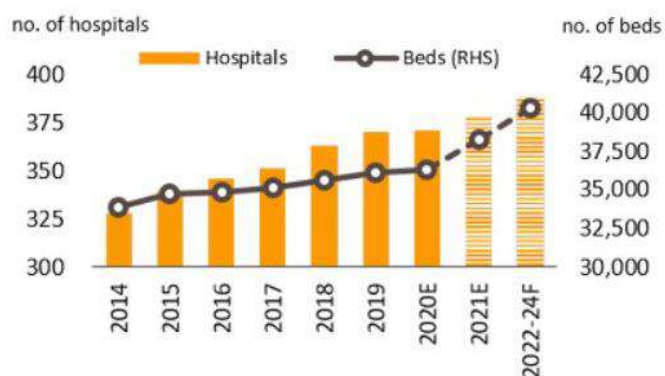
## 6. Market Overview and Industry Trends

### 6.1. Overview and Business Trends of Private Hospital Industry

Situation in 2021, over 9M21, income for private hospitals grew on the higher number of in- and outpatients as a result of the severe outbreak of COVID-19 and the sharp rise in caseloads, (over 20,000 new cases per day). Hospitals also benefited from services associated with the pandemic, such as testing, vaccinating, and running 'hospitels' in cooperation with outside business partners, and from the expansion of their customer base to include patients covered by health insurance. Nevertheless, some domestic patient groups either canceled or postponed visits to hospitals for non-urgent treatments, and this caused income from complex treatments (e.g., for cancer and heart disease) to fall. The government's decision to allow some overseas patients to enter the country for treatment helped to partially offset these losses, but overall, the continuation from 2020 of restrictions on international travel meant that income from this segment remained depressed.

For the rest of 2021, the sector will benefit from the relaxation of control measures and the boost that this has given to economic activity generally, as well from the move by the government to allow hospitals to inject their vaccines of choice, and from November, the reopening of the country to international arrivals. As a result of the latter, foreign patients will now be able to seek treatment in Thai private hospitals. For 2021 overall, income for players should increase by 8.0-10.0%, after 12.0% drop in receipts in 2020.

**Figure 1: Numbers of Private Hospitals & Beds**



Source : NSO, Forecast by Krungsri Research

For the outlook of private hospital business in 2022-2024, the outlook is expected to improve steadily to average 4.0-5.0% per year through the next 3 years. At least 2,000 beds will be added to the current supply of around 36,000 beds in private hospitals (as of 2021).

Demand for hospital services would strengthen on the following factors:



- 1) Structural Thai society is steadily aging, driving greater demand for ongoing and complex treatments. The authorities thus estimate that spending on healthcare for the elderly will rise from THB 63bn in 2010 to THB 230bn in 2022.
- 2) The number of foreign patients seeking treatment in Thai hospitals will increase due to: (i) the gradual reopening of the country to foreign arrivals in provinces where at least 70% of the population are vaccinated; and (ii) Thailand's position as a world leader in the provision of medical tourism services
- 3) Thais are increasingly concerned with personal health and wellbeing, boost by the COVID-19 pandemic and the need for comprehensive healthcare.

#### Operators are expanding

Operators are expanding their investments in services, site expansions, and in the manufacture of goods related to healthcare in order to increase their competitiveness, to deepen supply chains, and to establish a broader range of business partnerships at home and abroad. Meanwhile, the government is working to promote Thailand as an international healthcare hub, partly by specifying 'comprehensive healthcare' as one of the new S-curve industries. It is hoped that this will then attract greater investment into private hospitals, especially in the EEC.

Large hospitals: Income will rise at a good rate due to their abilities to treat a wide range of patients and to provide specialist, highly skilled services. Players also operate large branch networks and partner with outside businesses, helping them to expand their services by better targeting particular patient groups. Given this, large hospitals' income base will broaden in the coming period.

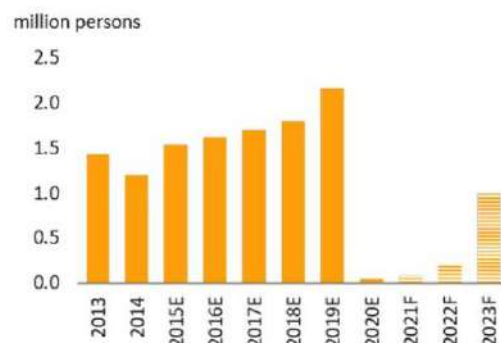
Small and mid-sized hospitals: Turnover will trend upwards, supported by (i) benefit from partnering with the large players; and (ii) group of patients covered by social security payments; which helps to provides a steady source of income. Nevertheless, strong competition may cause independent hospitals operating outside wider commercial networks to lose market share.

**Figure 2: Proportion of Aging Population**

		% of population 65+ to total population	
		2020	2040
<div>Hyper-aged (20%)</div> <div>Aged (14%)</div> <div>Aging (7%)</div>	Japan	29	34
	South Korea	16	31
	Singapore	15	30
	<b>Thailand</b>	<b>13</b>	<b>26</b>
	Vietnam	8	17

Source: United Nations (UN), Krungsri Research

**Figure 3: Number of Foreign Patients in Thailand**



Source: MoPH, 2015-2023 Forecast by Krungsri Research

Source: Krungsri Research, Industry Outlook 2022-2024 Thailand Industry Outlook dated 11 January 2022



## 6.2. Overview and Business Trends of Medical Tourism Industry

“Private hospital business” is another group that relies on income from both Thai and foreign patients but when COVID-19, the patient's behavior has changed. Nobody wants to see a doctor or come to the hospital. At the same time, foreigners interested in using medical services in Thailand must also refrain from entering Thailand.

Kasikorn Research Center expects that the COVID-19 outbreak in the country will likely result in the overall contraction of the medical tourism market in Thailand in 2021 from at least 90% (YoY) the previous year, or approximately 10,000 - 20,000 people. The market for patients with the highest contraction is likely to be in the Middle East (such as the United Arab Emirates, Kuwait, Oman, Saudi Arabia, etc.), China and ASEAN countries (Myanmar, Cambodia, Laos) that generate income for private hospital business, accounting for approximately 30% of total foreign patient revenue.

As of 2022, there is a possibility that the medical tourism group will gradually begin to return to medical services. The number of Medical Tourism is expected to be around 130,000-180,000 million people, most probably the same patient group who have received medical treatment or health care through private hospitals in Thailand, whether in the Middle East, Myanmar, China.



Source: Bangkok Biz News, Outlook for 2022, Private Hospitals and Medical Tourism Recovery, dated 11 January 2022



Attachment 3  
Summary of  
Vibhavadi Medical Center Public Company Limited (“VIBHA”)

1. **Basic information**

Company name	:	Vibhavadi Medical Center Public Company Limited (“VIBHA”)
Nature of business	:	Private Hospital
Homepage	:	<a href="http://www.vibhavadi.com">http://www.vibhavadi.com</a>
Head office	:	51/3 NGAMWONGWAN RD., LATYAO, JATUJAK Bangkok 10900
Phone	:	0-2579-9680-4, 0-2561-1258-67, 0-2941-2800
Registered capital	:	THB 1,493,908,281.60
Issued and fully paid capital:		THB 1,357,586,558.20
Type of shares	:	13,575,865,582 ordinary shares
Par value stock	:	THB 0.10 per share

2. **Business information**

2.1. **History**

Vibhavadi Medical Center Public Company Limited (“VIBHA”) operates a private hospital business under the name of “Vibhavadi Hospital”, started its service on March 1, 1986 with an initial registered capital of THB 20 million. In 1992, Company was listed on the Stock Exchange of Thailand. In 1993, Company was converted to a public company.

As of December 31, 2021, the Company has total registered capital THB 1,493,908,281.60, divided into 14,939,082,816 ordinary shares with a par value of THB 0.10 per share, paid-up capital of THB 1,357,586,558.20

Currently, the Company is a large private hospital operator with a total of 7 subsidiaries and indirect subsidiaries, which is a total of 11 associated and indirect associated companies and other investments in 8 hospital businesses, representing an approximate value THB 4,078,395,798. In addition, other businesses of the Company are the hotel business, the medical product business, beauty clinic business and anti-aging medicine clinic business.

**Changes in Capital Structure and Management**

**2018**

- There are exercised to purchase ordinary shares under the warrants of VIBHA-W2 No. 4, amounting to 2,431,584 units, the number of units of warrants have not been exercised 426,696,746 units. There are



exercised the right to purchase ordinary shares under the warrants of VIBHA-W3 No. 2, amounting to 738 units, the number of units of warrants that have not been exercised 1,011,777,778 units.

- Company has waived the right to purchase 28,000,000 newly issued ordinary shares of Dhipayabodin Company Limited in order to allow its business partner (Ramkhamhaeng Hospital Public Company Limited) who has potential in selling medical products and there are more than 27 affiliated hospitals to help promote the sale of products of Dhipayabodin Co., Ltd. to increase. In addition, Company's shareholding proportion in Dhipayabodin Co., Ltd. remains 33.33%.

#### 2019

- There are exercised to purchase ordinary shares under the warrants of VIBHA-W2 No. 5, amounting to 65,039,132 units, the number of units of warrants have not been exercised 361,657,614 units. There are exercise the right to purchase the ordinary shares under the warrants of VIBHA-W3 No. 3, amounting to 153,846 units, the number of units of warrants that have not been exercised 1,011,623,932 units

#### 2020

- There are exercised to purchase ordinary shares under the warrants of VIBHA-W2 No. 6 (last) amounting to 310,981,154 units, the number of units of warrants that have not been exercised 50,676,460 units. There are exercised to purchase ordinary shares under the warrants of VIBHA-W3 No.4, no exercised of the warrants to purchase ordinary shares of company. The number of units of warrants that have not been exercised 1,011,623,932 units.
- Company has waived the right to purchase 14,070,441 newly issued ordinary shares Vibharam Hospital Co., Ltd. In order to Company's shareholding proportion in Vibharam Hospital Co., Ltd. decreased from 40.75% to 33.73%
- Dhipayabodin Co., Ltd. has reduced its registered capital from THB 450,000,000 to THB 392,840,000 in order to Company's shareholding proportion in Dhipayabodin Co., Ltd. increase from 33.33% to 38.18%

### **Hospital Quality and Services Developments**

#### 2018

- To support effective and rapid medical treatment. Vibhavadi Hospital has adopted Electronic Medical Record (EMR) system for outpatient care. Initially, the system has been installed in inpatient care since 2017. The EMR system records patient data into a computer system. As a result, the information is comprehensive and quick. It help reduce waiting time for patient records and can be stored for a long time.



- In addition, the hospital has arranged an online doctor's appointment system via social media such as Line Ad, Website Facebook, where users can make doctor appointment, receive medical examination information, health problems and medical expenses through QR code system , which is a service and is convenient for users in the digital era.
- Company received 2 awards of 1st prize from Muang Thai Life Assurance Public Company Limited, namely excellent care and attention award and speed, quality and understanding of customer needs award.

#### 2019

- Company has passed 2nd Reaccreditation JCI from Joint Commission International Institute, United States.
- Company has adopted the Smart Ward System to take full care of the hospital's inpatients. In addition, the system will increase efficiency and accuracy of medical treatment. Doctors can prescribe treatment directly through Mobile Device, reducing the mistake of receiving a doctor's orders.
- Company received the Best Performance Award from Krungthai AXA Life Insurance Company on 17 May 2019 at the Inter Partner Assistance Awards 2018.
- Company received excellence in attention award and the speed of coordination award from Muang Thai Life Assurance Company at MuangThai Life Assurance Hospital Awards 2019.
- Company received the Best Medical Utilization award from AIA Company Limited.
- July and October, Vibhavadi Hospital participated in the Non - Technical Skill development project for executives with the International Labor Organization (International Labor Organization), the objective of enabling executives who have been trained in the knowledge and skills acquired to apply for self-development and job development. which will be the most beneficial to the service recipient as well as helping to promote happiness in working with others.

#### 2020

- Due to the spread of the COVID-19 virus since March 2020 , Vibhavadi Hospital has adjusted its service standards to ensure maximum safety for users and doctors /staff of the hospital by adding full protection measures such as screening of people entering the hospital area, cleaning and disinfection at the service point, protection on the part of doctors and hospital personnel, social distancing at all points, isolation of respiratory auscultation sites and patients who are risk at outside the building area, arrangement negative



pressure patient room for patients with respiratory infections, prescribing guidelines for people with a history of returning from risk areas, guidelines for personnel exposed to COVID-19, etc.

## **Technology and facility developments**

### 2018

- Renovation of buildings in accordance with the plans set by Company. Vibhavadi Hospital has increased the number of rooms, expanding the service section of the Gastrointestinal Center. The addition of the critical care bed (ICU) and the pediatric critical care unit (PICU) has been completed. Construction of a shopping center building which is a new business of Company more than 60% completed, with plans to open for service within the 3rd quarter of 2019. In 2018, high-efficiency and energy-saving machines and equipment were installed along with the installation of a tracking program monitor and notify the real time energy consumption for the maximum benefit of the building, consisting of
  - High efficiency water chiller
  - LED energy-saving lamps
  - Installing the ENRES program to monitor the building's energy use in real time

In 2018, as a result of replacing machinery and equipment, managing to control the opening, and closing of unnecessary machinery, in order for the Company to reduce the amount of electricity used less than 2017 by 84,000 kWh, or a total of THB 327,600.

- The Company has introduced service of Transcranial Magnetic Stimulation, which is a tool used to stimulate the brain with magnetic waves for patients with paresis, paralysis, Parkinson's disease, headache and depression.
- The Company has purchased additional important medical equipment such as digital imaging plates with a dispenser and X-RAY image processing unit, anesthesia machine, 4D mammogram, image signal processor, light generator and tracheal endoscope, ventilator, vital signs monitor, brainwave and sleep monitor, wireless X-RAY image receiver and transduce, high-Intensity laser therapy machine, bone densitometry, etc.

### 2019

- The Company has purchased additional medical devices for treatment efficiency, such as Body composition analyzer, Bladder Scan (Liver analyze), etc.
- The Company opened a shopping center building under the name "Vi Plaza" in October 2019. The shopping center consists of more than 20 famous restaurants and shops, a 200-seat food court, a retail



store and 350 cars in the car park in order to increase the convenience of service users and their relatives, including who work and live in the vicinity of the hospital, which feedback results are accordance with the goals set.

#### 2020

- The Company has purchased additional medical equipment such as a UVB lamp for treating vitiligo and psoriasis, electromyography of the muscles and nervous system, digital mammography machine, etc.
- In order to conserve energy and reduce the company's expenses, the company has installed a 384.8 KWP solar panel on the roof of the hospital building which can reduce the cost of electricity by approximately THB 2 – 2.5 million per year. In addition, there is also a project to install a motor speed control system for automatic cooling towers (Smart Cooling), which can reduce electricity costs by THB 320,000 per year.

## **2.2. Nature of business**

Company provides medical services to outpatients and inpatients, which can be classified as OPD and IPD clinics services as follows:

- 1) Outpatient Service Center, 114 rooms, can accommodate 2,000 patients/day, consisting of

Internal Medicine Clinic	Respiratory Clinic
Surgery Clinic	Orthopedic Center
Obstetrics & Gynecology Clinic	Accident and Emergency Center
Pediatric Clinic	Gastrointestinal Center
Prenatal Diagnostic Clinic	Infertility Treatment Center
Diabetes Clinic	Cardiology Clinic
Urology Clinic	Lasik Center
Child Development Clinic	Brain and Spine Center
Cerebrovascular Clinic	Skin and Laser Center
Psychiatric Clinic	Hemodialysis Center
Ophthalmology Clinic	Health and Occupational Health Center
Ear, Nose & Throat Clinic	Dental Center
Neurology Clinic	Child Development Center

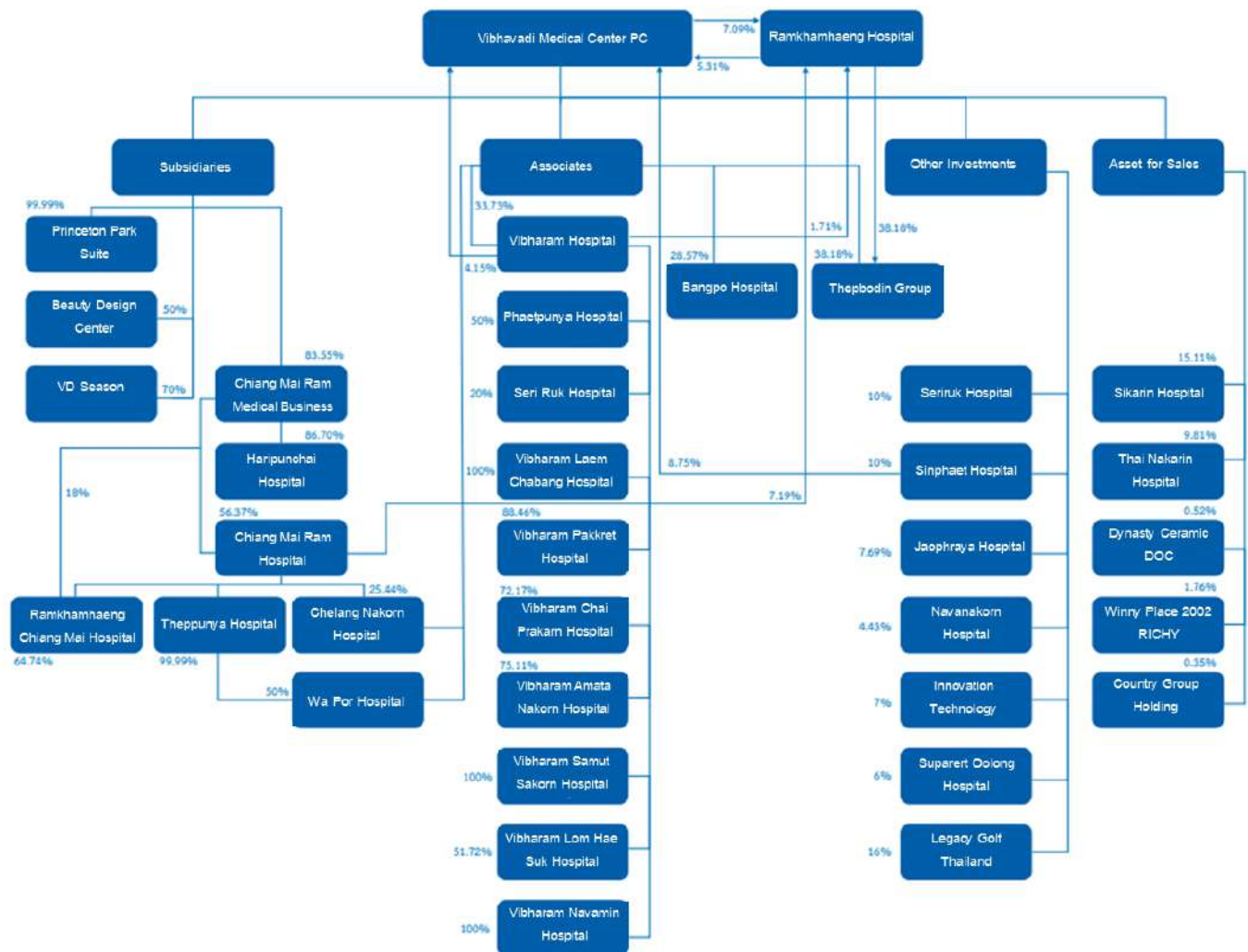
- 2) Radiology Department 3 rooms
- 3) Rehabilitation Medicine Department 20 beds
- 4) Pathology Department 6 rooms



- |     |                                     |          |
|-----|-------------------------------------|----------|
| 5)  | Intensive Care Unit (ICU)           | 16 beds  |
| 6)  | Cardiac Intensive Care Unit (CCU)   | 3 beds   |
| 7)  | Neonatal Department                 | 20 beds  |
| 8)  | Neonatal Intensive Care Unit (NICU) | 4 beds   |
| 9)  | Delivery Room Department            | 6 beds   |
| 10) | Operating Room Department           | 6 beds   |
| 11) | Inpatient Department                | 258 beds |

### 2.3. Company Structure

Shareholding Structure of VIBHA Group as of December 31, 2020



Source: VIBHA Annual Report 2020

Remark: The above shareholding percentages are subject to change in the future



VIBHA has 4 subsidiaries as follows:

- 1) Princeton Park Suites Co., Ltd. directly owns 99.99%, which operates the business of hotel business.  
There are 270 rooms and 5 seminar rooms.
- 2) Beauty Design Center Co., Ltd. is directly owns 50.00%, which operates the business of beauty business.
- 3) V Precision Co., Ltd. directly owns 70.00%, which operates the business of anti-aging center business.
- 4) Chiang Mai Ram Medical Business Public Co., Ltd. ("CMR") directly owns 83.55%, which operates the business of a private hospital business in Chiang Mai, where is a group of private hospitals with the largest number of inpatient beds in the upper northern region of 872 beds. The shareholding gives the Company 4 indirect subsidiaries as follows:

- Chiang Mai Ram Hospital Co., Ltd. indirectly owns 47.09% (held by Chiang Mai Ram Medical Business Public Company Limited 56.37%)
- Haripunchai Memorial Hospital Co., Ltd. indirectly owns 72.43% (held by Chiang Mai Ram Medical Business Public Company Limited 86.70%)
- Theppanya Business Co., Ltd. indirectly owns 47.09% (held by Chiang Mai Ram Hospital Co., Ltd. 100.00%)
- Ramkhamhaeng Hospital Chiang Mai Co., Ltd. indirectly owns 45.14% (held by Chiang Mai Ram Medical Business Public Co., Ltd. 18.00% and Chiang Mai Ram Hospital Co., Ltd. 63.00%)

VIBHA has 3 associated companies as follows:

- 1) Vibharam Hospital Co., Ltd. directly owns 33.73%, which is a private hospital with 150 inpatient beds and 1,000 outpatients per day. It is a private hospital that receives medical treatment for social security patients and health insurance programs.
- 2) Bang Pho Hospital Co., Ltd. directly owns 28.57%, which is a private hospital with 100 inpatient beds and 400 outpatients per day.
- 3) Dhipayabodin Co., Ltd. directly owns 38.18%, which operates the business of distributing equipment, consumables used in dialysis. and provide dialysis services. Dhipayabodin Co., Ltd. has ceased operations on October 1, 2020

VIBHA has 2 indirect associates as follows:

- 1) Khelang Nakhon Hospital Co., Ltd. indirectly owns 11.99% (held by Chiang Mai Ram Hospital Co., Ltd. 25.44%)



2) Phawo Hospital Co., Ltd. indirectly owns 23.54% (held by Theppanya Business Co., Ltd. 50.00%)

## 2.4. Revenue structure

The revenue structure of Company during the past 3 years as of the ended December 31 are as follows:

Revenue Type	2019		2020		2021	
	THB million	%	THB million	%	THB million	%
<b>Medical expenses</b>						
- Vibhavadi Hospital Plc.	2,436.55	35.45	2,129.85	33.61	2,960.27	37.59
- Chiang Mai Ram Medical Business Plc.	3,926.69	57.14	3,667.98	57.87	4,192.65	53.25
- Beauty Design Co., Ltd.	87.44	1.27	111.67	1.76	149.28	1.90
- V Precision Co., Ltd.	-	-	-	-	7.88	0.10
<b>Total</b>	<b>6,450.68</b>	<b>93.86</b>	<b>5,909.50</b>	<b>93.24</b>	<b>7,310.08</b>	<b>92.84</b>
<b>Rent and service</b>						
- Vibhavadi Hospital Plc.	34.31	0.50	67.82	1.07	67.75	0.86
- Princeton Park Suite Co., Ltd.	60.90	0.89	47.12	0.74	18.37	0.23
<b>Total</b>	<b>95.21</b>	<b>1.39</b>	<b>114.94</b>	<b>1.81</b>	<b>86.12</b>	<b>1.09</b>
<b>Dividend received</b>						
- Vibhavadi Hospital Plc.	122.09	1.78	127.22	2.00	276.09	3.51
- Chiang Mai Ram Medical Business Plc.	88.34	1.28	64.87	1.03	66.34	0.84
<b>Total</b>	<b>210.43</b>	<b>3.06</b>	<b>192.09</b>	<b>3.03</b>	<b>342.43</b>	<b>4.35</b>
<b>Other revenue</b>						
- Vibhavadi Hospital Plc.	67.00	0.98	61.02	0.96	76.06	0.97
- Chiang Mai Ram Medical Business Plc.	44.23	0.64	51.51	0.81	52.80	0.67
- Princeton Park Suite Co., Ltd.	5.11	0.07	9.18	0.15	4.38	0.06
- Beauty Design Co., Ltd.	-	-	-	-	1.94	0.02
- V Precision Co., Ltd.	-	-	-	-	0.03	0
<b>Total</b>	<b>116.34</b>	<b>1.69</b>	<b>121.71</b>	<b>1.92</b>	<b>135.21</b>	<b>1.72</b>
<b>Total revenue</b>	<b>6,872.66</b>	<b>100.00</b>	<b>6,338.25</b>	<b>100.00</b>	<b>7,873.84</b>	<b>100.00</b>

Source: 56-1 2020 and information from VIBHA



### 3. Shareholders and Board of Directors

#### 3.1. Shareholder Structure

Shareholders as of May 10, 2021, Company has major shareholders according to the register book as follows:

No.	Major shareholders	Number of shares	%
1	F&S 79 Company Limited	2,083,909,966	15.35
2	MR. Chaisith Viriyamettakul	2,023,100,000	14.90
3	Synphaet Company Limited	1,188,400,566	8.75
4	Ramkhamhaeng Hospital Public Company Limited	962,605,200	7.09
5	Chao Phya Hospital Public Company Limited	803,634,195	5.92
6	Vibharam Hospital Company Limited	564,043,133	4.15
7	Mr. Phijit Wiriyamettakul	446,000,000	3.29
8	MR. Pisuth Viriyamettakul	441,400,000	3.25
9	Mr. Euachat Kanjanapithak	174,802,916	1.29
10	Ms. Niramom Wiriyamettakul	169,430,000	1.25
11	Other shareholders	4,718,539,606	34.76
	<b>Total</b>	<b>13,575,865,582</b>	<b>100.00</b>
Registered capital :		1,493,908,281.60	THB
Issued and fully paid capital		1,357,586,558.20	THB

Source: SET

#### 3.2. Board of Directors

As of March 10, 2022, the Board of Directors consists of 15 directors whose names are as follows:

Name	Position
1 Mr. Nikom Wairatpanij	Chairman of the Board Director / Independent Director / Audit Committee
2 Mr. Chaisith Viriyamettakul	Chairman of Executive Director / Director
3 Mr. Phijit Wiriyamettakul	Managing Director / Director
4 Mr. Racha Somburanasin	Director
5 Mr. Chamnan Chanapai	Director
6 Mr. Pongpat Patanavanich	Director
7 Miss Rukkagee Kanjanapitak	Director
8 Mrs. Bavornphan Rathprasert	Director
9 Mr. Sitthi Panupattanapong	Director
10 Mrs. Yada Putthkayon	Director
11 Mr. Pramuk Unachak	Director
12 Gen. Boonloet Chuntarapas	Independent Director



Name		Position
13	Mr. Chainarin Sairungsri	Independent Director / Audit Committee
14	Mr. Sirote Swasdipanich	Independent Director / Chairman of The Audit Committee
15	Mr. Prasert Sriuranpong	Independent Director / Audit Committee

Source: SET



#### 4. Summary of important items in the financial statements

##### 4.1. Statement of Financial Position

List	2019	2020	2021
	THB million	THB million	THB million
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	602.86	338.29	511.79
Trade receivables	592.60	639.66	981.09
Advance payment for vaccine alternative Covid-19	-	-	217.87
Accrued dividend income	-	68.65	1.80
Short-term loans to related parties	305.13	240.67	262.30
Current portion of long-term loans to other persons	-	1.18	1.68
Inventories	174.56	164.93	182.44
Other current financial assets	-	156.91	757.62
Other current assets	43.66	67.95	49.15
<b>Total current assets</b>	<b>1,718.79</b>	<b>1,678.24</b>	<b>2,965.73</b>
<b>Non-current assets</b>			
Fixed deposits pledged as collateral	36.25	39.41	50.58
Other non-current financial assets	-	7,743.26	12,290.97
Available-for-sale investments	6,314.28	-	-
Investments in associates	2,353.95	2,150.08	2,996.61
Other long-term investments	971.84	-	-
Long-term loans to related parties	24.00	24.00	24.00
Long-term loans to other persons	5.37	18.95	29.77
Investment property	376.96	451.92	434.53
Property, plant and equipment	7,024.74	7,970.09	8,558.63
Right-of-use assets	-	302.93	264.05
Goodwill	723.22	723.22	723.22
Intangible assets	7.31	10.51	15.15
Deferred tax assets	27.16	12.58	11.04
Advance payment for assets	38.69	42.58	51.62
Other non-current assets	7.31	7.26	10.77
<b>Total non-current assets</b>	<b>17,911.06</b>	<b>19,496.77</b>	<b>25,460.94</b>
<b>Total Asset</b>	<b>19,629.85</b>	<b>21,175.02</b>	<b>28,426.67</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	2,677.94	2,605.90	3,821.51
Trade payables	342.15	335.02	398.33



List	2019	2020	2021
	THB million	THB million	THB million
Advance received from alternative vaccine Covid-19	-	-	324.14
Accrued doctor fee	178.19	167.99	216.83
Accrued expenses	76.33	82.64	168.53
Accrued dividends	20.92	66.08	24.58
Payable from acquisition of assets	89.31	41.91	154.44
Current portion of long-term liabilities			
Long-term loans from financial institution	843.18	1,065.16	1,345.08
Lease liabilities	4.95	24.96	22.59
Short-term loans from related parties	633.05	375.25	268.80
Short-term loans from other persons	70.80	85.30	81.30
Income tax payable	84.98	69.41	127.38
Advance received from social security office	251.32	331.69	370.14
Advance received from shares	36.38	-	-
Other current liabilities	49.50	53.56	50.73
<b>Total current liabilities</b>	<b>5,359.02</b>	<b>5,304.90</b>	<b>7,374.38</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	2660.21	3,491.31	3,551.53
Lease liabilities	8.29	297.21	267.13
Long-term loans from related parties	176.00	284.00	155.00
Liabilities under operating lease agreements	78.75	-	-
Deferred tax liabilities	699.94	716.83	1,482.61
Provisions for employee benefit	241.72	268.33	272.26
Other non-current liabilities	34.26	78.43	67.19
<b>Total non-current liabilities</b>	<b>3,899.17</b>	<b>5,136.10</b>	<b>5,795.71</b>
<b>Total Liabilities</b>	<b>9,258.19</b>	<b>10,441.00</b>	<b>13,170.09</b>
<b>Shareholders' equity</b>			
Share capital			
Authorized share capital			
14,939,082,816 ordinary shares, THB 0.10 each		1,493.91	1,493.91
14,937,849,936 ordinary shares, THB 0.10 each	1,493.78		
Issued and paid-up share capital			
13,575,865,582 ordinary shares, THB 0.10 each		1,357.59	1,357.59
13,264,617,278 ordinary shares, THB 0.10 each	1,326.46		
Premium on share capital	2,438.33	2,718.14	2,718.14
Retained earnings			
Appropriated			



List	2019	2020	2021
	THB million	THB million	THB million
Legal reserve	149.38	149.39	149.39
Unappropriated	2,464.71	2,434.43	3,729.08
Other components of shareholders' equity	1,409.71	1,511.11	4,230.06
<b>Total equity attributable to owners of the parent</b>	<b>7,788.59</b>	<b>8,170.65</b>	<b>12,184.26</b>
Non-controlling interests	2,583.08	2,563.37	3,072.31
<b>Total Shareholders' Equity</b>	<b>10,371.67</b>	<b>10,734.02</b>	<b>15,256.58</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>19,629.85</b>	<b>21,175.02</b>	<b>28,426.67</b>

Source: SET

#### 4.2. Income statement

List	2019	2020	2021
	THB million	THB million	THB million
<b>Revenues</b>			
Revenues from medical treatment	6,450.68	5,909.50	7,310.08
Rental and service income	95.21	114.94	86.12
Gain on sale of investments in equity	-	-	20.98
Dividend income	210.43	192.09	342.43
Gain on fair value measurement of financial assets	-	19.59	2.33
Gain on sale of investments	0.18	-	-
Other income	116.16	121.71	111.90
<b>Total revenues</b>	<b>6,872.66</b>	<b>6,357.84</b>	<b>7,873.84</b>
<b>Expenses</b>			
Cost of medical treatment	4,678.12	4,406.04	5,142.82
Cost of rental and service	100.46	79.85	76.04
Administrative and services expenses	953.47	925.04	946.31
Loss on fair value measurement of financial assets	-	-	34.54
<b>Total expenses</b>	<b>5,732.05</b>	<b>5,410.92</b>	<b>6,199.70</b>
<b>Profit from operating activities</b>	<b>1,140.61</b>	<b>946.92</b>	<b>1,674.14</b>
Finance costs	201.10	202.72	220.78
Share of profit (loss) of associates	259.73	(62.35)	721.69
<b>Profit before income tax expenses</b>	<b>1,199.24</b>	<b>681.85</b>	<b>2,175.05</b>
Income tax expenses	206.45	127.66	223.93
<b>Profit for the year</b>	<b>992.80</b>	<b>554.19</b>	<b>1,951.12</b>

Source: SET



#### 4.3. Cash flow statement

List	2019	2020	2021
	THB million	THB million	THB million
Net cash from (used in) operating activities	1,526.56	1,094.74	1,671.76
Net cash from (used in) investing activities	(3,087.83)	(1,669.28)	(1,928.65)
Net cash from (used in) financing activities	1,857.01	309.98	430.39
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>295.73</b>	<b>(264.56)</b>	<b>173.49</b>
Cash and cash equivalents at the beginning of the year	307.12	602.86	338.29
Cash and cash equivalents at the end of the year	602.86	338.29	511.79

Source: SET

#### 4.4. Important financial ratios

List	2019	2020	2021
Liquidity Ratio			
Liquidity Ratio (times)	0.32	0.29	0.40
Quick Ratio (times)	0.22	0.18	0.20
Receivable Turnover (times)	10.31	9.78	9.15
Average Collection Period (days)	35.42	37.33	39.91
Inventory Turnover (times)	28.12	26.43	30.05
Average Holding Period (days)	12.98	13.81	12.15
Account Payable Turnover (times)	11.95	11.10	13.46
Average Payment Period (days)	30.55	32.89	27.11
Cash Cycle (days)	17.84	18.25	24.94
Profitability Ratio			
Gross margin (%)	27.00	25.54	29.66
Net profit margin (%)	14.45	8.50	24.78
Return On Equity (%)	10.86	5.64	17.74
Efficiency Ratio			
Return on Assets (%)	7.96	4.24	9.66
Asset Turnover (times)	0.39	0.31	0.32
Financial Ratio			
Debt to Equity Ratio (times)	0.89	0.97	0.86
Interest Coverage Ratio (times)	6.96	4.27	10.85

Source: www.setsmart.com



## 5. Management Discussion and Analysis of Financial Position and Operating Results

### 5.1. Consolidated results

#### 5.1.1. Revenue

##### 2019

Total medical treatment revenue increased by 1.31%, mainly from Chiang Mai Ram Medical Business Public Co., Ltd., which is a subsidiary amounted to THB 3,926.69 million, a decrease by 0.22% from the previous year. The medical treatment revenue increased by 2.02% due to number of outpatient service users increase by 2.83% but number of inpatient service users decreased by 1.11%.

Total rental and service revenue decreased by 10.77% due to the Company's rental revenue increased by THB 16.24 million or 89.92% from the plaza that was opened for service. Princeton Park Suites. Co., Ltd., which is a subsidiary, decreased by THB 15.49 million or 35.14%.

Total other revenue increased by 20.55%, amounting to THB 19.80 million due to other revenue of Company increased by THB 12.56 million and Chiang Mai Ram Medical Business Public Co., Ltd. increased by THB 7.24 million.

Dividend revenue increased by THB 129.61 million or 160.36% from dividend of Ramkhamhaeng Hospital Public Co., Ltd.

##### 2020

Total medical treatment revenue decreased by 8.39%, mainly from Chiang Mai Ram Medical Business Public Co., Ltd., which is a subsidiary amounted to THB 3,667.98 million, a decreased by 6.59% from the previous year. The medical treatment revenue decreased by 13.42% and inpatient service users decreased by 31.19%

Total rental and service revenue increased by 20.72% due to the Company's rental revenue increased by THB 33.51 million or 97.68% from the plaza that was opened for service. Princeton Park Suites. Co., Ltd., which is a subsidiary, decreased by THB 12.58 million or 17.88%.

Total other revenue increased by 4.78%, amounting to THB 5.55 million due to other revenue of Company decreased by THB 5.98 million and Chiang Mai Ram Medical Business Public Co., Ltd. increased by THB 8.20 million.

Total dividend revenue decreased by THB 18.34 million or 8.71%, but separate dividend revenue increased by THB 94.42 million or 25.57%.

##### 2021

VIBHA and its subsidiary have total incomes amount THB 7,873.84 million comparing at the same previous year 2020 representing 23.84% increase. The reasons for increase are:



The revenues can from the Company and subsidiary as follows:

- VIBHA	amount	THB 3,377.72	million
- CMR	amount	THB 4,311.79	million
- Princeton Park Suite Co., Ltd	amount	THB 22.75	million
- Beauty Design Center Co., Ltd	amount	THB 153.03	million
- V. Precision Co., Ltd	amount	THB 8.55	million
	Total	THB 7,873.84	million

In 2021 VIBHA has a divided received from investment amount THB 342.43 million increase of THB 150.34 million from the previous year, or 78.27% from increasing investment in equity securities.

Gain on sales of investment amount THB 20.98 million and profit from the fair value measurement of financial assets amount THB 2.33 million.

The other income amount THB 111.90 million comparing at the same previous year 2020 representing 8.06% decrease.

Received share of profit from investment in associated company amount THB 721.69 million increase of loss amount THB 784.04 million in 2020 as follow:

Unit: THB million	2020	2021
Vibharam Hospital	(20.08)	672.76
Thippayabordin Co., Ltd	(49.60)	(3.72)
Bangpho Hospital	6.20	40.70
Kalangnakorn Hospital	6.62	3.41
Phawo Hospital	(5.49)	8.54
<b>Total</b>	<b>62.35)</b>	<b>721.69</b>

#### 5.1.2. Cost of medical treatments

##### 2019

Total cost of medical care compared to total medical care revenue increased by 3.02% from Chiang Mai Ram Medical Business Public Co., Ltd., staff expenses increased by 5.03% and property depreciation and cost of medical care increased by 0.37% in the separated financial statement.

Total selling and administrative expenses compared to total medical expenses, increased by 0.40%.

Total cost of rental and service compared to total rental and service revenue increased by 7.95% due to cost of rental and service of subsidiaries increased by 23.59% from decreased service users. Although, cost of rent and service fees of company was decreased by 36.40% from the number of people who rented the plaza.

##### 2020



Total cost of medical care compared to total medical treatment revenue increased by 2.04% from Chiang Mai Ram Medical Business Public Co., Ltd. Property depreciation increased by 1.01% and cost of medical care increased by 3.35% in the separated financial statement from staff wages drop at a rate that was still higher than the drop in income.

Total selling and administrative expenses compared to total medical expenses, increased by 0.87%.

Total cost of rental and service compared to total rental and service revenue decreased by 36.05% due to cost of rental and service of separate company compared to rental revenue, decreased by 1.29% and Cost of rent and service of Princeton Park Suites. Co., Ltd., which is a subsidiary, decreased by 35.37%.

#### 2021

The cost of medical treatments when compared to income from medical treatments decreased 4.21%

The cost of administrative when compared to income from medical treatments decreased 2.70 % due to the cost of medical treatments of CMR higher than but the cost expenses of CMR lower than as follow:

	VIBHA	CMR
Proportion of cost of medical treatment / income of medical	62.57%	77.64%
Proportion of administrative expenses / income of medical	13.45%	12.61%

### 5.1.3. Net income

#### 2019

VIBHA has a net income increased by 11.80% (Separate financial statement: increased 9.31%) due to share of loss from investments in associates company increased by THB 244.11 million from Vibharam Hospital amount THB 240.54 million and increase of dividend income.

#### 2020

VIBHA has a net income decreased by 44.40% (Separate financial statement: decreased 22.30%) due to due to share of loss from investments in associates company of THB 62.35 million and impairment of investments in Dhipayabodin Co., Ltd., which is associated company, amounting to THB 136.01 million.

#### 2021

VIBHA has a net income amount THB 1,805.05 million increased 287.79% (Separate financial statement: increased 58.16%) due to Company, subsidiary and associated company provides medical instrument and hospital services to the growing number of patients affected from the Coronavirus (COVID19) epidemic.



## 5.2. Overview of operating status

### 5.2.1. Assets

#### 2019

At the end of 2019, Company has a total asset of THB 19,629.85 million, increased by THB 4,082.47 million from 2018, which is amounted to THB 15,547.38 million due to total assets of Chiang Mai Ram Medical Business Public Co., Ltd. amounted to THB 10,151.01 million, Princeton Park Suites. Co., Ltd., amounted to THB 1,718.79 million, and Beauty Design Center Co., Ltd. amounted to THB 43.07 million, where the current assets amounted to THB 1,718.79 million, increased by THB 192.44 million from cash balance increased by THB 295.73 million and trade accounts receivable and short-term loans decreased by THB 116.27 million.

Non-current assets amounted to THB 17,911.06 million, increased by THB 3,880.03 million from investment in securities for sale increased by THB 2,657.73 million and purchase of land, building and equipment increased by THB 899.24 million.

#### 2020

At the end of 2020, Company has a total asset of THB 21,175.02 million, increased by THB 1,545.17 million from 2019, which is amounted to THB 19,629.85 million due to total assets of Chiang Mai Ram Medical Business Public Co., Ltd. amounted to THB 10,825.46 million, Princeton Park Suites. Co., Ltd. amounted to THB 385.15 million, and Beauty Design Center Co., Ltd. amounted to THB 71.28 million, where the current assets amounted to THB 1,678.24 million, decreased by THB 40.55 million from cash balance decreased by THB 264.56 million and Short-term loans decreased by THB 64.46 million, but accrued dividend increased by THB 68.65 million.

Non-current assets amounted to THB 19,496.77 million, increased by THB 1,585.71 million from other non-current financial assets of THB 7,743.26 million and available-for-sale investments decreased by THB 6,314.28 million.

#### 2021

At the end of 2021, Company has a total asset of THB 28,426.67 million, increased by THB 7,251.65 million from 2020, which is amounted to THB 21,175.02 million due to total assets amounted to THB 2,965.73 million, increased by THB 1,287.48 million from cash balance increased by THB 173.49 million, advance payment for the vaccine against COVID-19 amounted to THB 217.87 million and other current financial assets amounted to THB 600.71 million.



Non-current assets amounted to THB 25,460.94 million, increased by THB 5,964.17 million from other non-current financial assets increased by THB 4,547.72 million, investments in associates amounted to THB 846.52 million and property, plant and equipment amounted to THB 588.54 million.

#### 5.2.2. Liabilities and Shareholders' Equity

##### 2019

At the end of 2019, Company total liabilities amounted to THB 9,258.19 million, increased by THB 3,086.29 million from 2018 due to total liabilities of Chiang Mai Ram Medical Business Public Co., Ltd. amounted to THB 4,548.35 million, Princeton Park Suites. Co., Ltd. amounted to THB 104.16 million and Beauty Design Center Co., Ltd. amounted to THB 7.60 million, and the separate financial statement amounted to THB 4,732.79 million, increased from the previous year due to long-term loan and short-term from financial institutions increased by THB 2,535.79 million.

Debt to equity ratio in 2019 is 0.87, the same as the previous year. This ratio is higher than the average rate of private hospitals listed on the Stock Exchange of Thailand at 0.48 times, but it is not very high because it is not more than one.

The rate of repayment period this year is 38 days, higher than the previous year, which is 31 days, and higher than the average of private hospitals listed on the Stock Exchange of Thailand is 33 days due to trade accounts receivable of Chiang Mai Ram Medical Business Public Co., Ltd. increased by THB 151.11 million and part of government debtors with a repayment period of approximately 90 days.

Company's shareholders' equity as of December 31, 2019 amounted to THB 10,371.67 million, equal to 52.84% of the total liabilities and shareholders' equity, decreased by 10.63% compared to the previous year's with shareholders' equity of THB 9,375.49 million. Unappropriated retained earnings amounted to THB 2,464.71 million. Unappropriated gains from investment measurement of THB 1,409.71 million.

##### 2020

At the end of 2020, Company total liabilities amounted to THB 10,441.00 million, increased by THB 1,182.81 million from 2019. Due to total liabilities of Chiang Mai Ram Medical Business Public Co., Ltd. amounted to THB 5,333.60 million, Princeton Park Suites. Co., Ltd. amounted to THB 104.16 million and Beauty Design Center Co., Ltd. amounted to THB 7.60 million, and the separate financial statement amounted to THB 4,748.74 million, increased by THB 15.96 million from the previous year.



Debt to equity ratio in 2020 is 1.28, higher than the previous year is 1.19. This ratio is higher than the average rate of private hospitals listed on the Stock Exchange of Thailand at 0.65 times, but for the separate budget, the rate is 0.80, which is not very high because it is not more than one.

The rate of repayment period this year is 38 days, higher than the previous year, which is 33 days, and higher than the average of private hospitals listed on the Stock Exchange of Thailand is 30 days. Due to trade accounts receivable of Chiang Mai Ram Medical Business Public Co., Ltd. increased by THB 42.25 million and part of Government debtors with a repayment period of approximately 90 days. As for the separate financial statements, there is only 23 days to receive repayment.

Company's shareholders' equity as of December 31, 2020 amounted to THB 10,734.02 million, equal to 50.69% of the total liabilities and shareholders' equity, decreased by 4.07% compared to the previous year's with shareholders' equity of THB 10,371.67 million. Unappropriated retained earnings amounted to THB 2,449.13 million. Unappropriated gains from investment measurement of THB 1,496.41 million.

#### 2021

At the end of 2021, Company total liabilities amounted to THB 13,170.09 million, increased by THB 2,729.09 million from 2020, which is amounted to THB 10,441.00 million due to Bank overdrafts and short-term loans from financial institutions increased by THB 1,215.61 million, advance receipts for alternative COVID-19 vaccines increased by THB 324.14 million, long-term loans from financial institutions increased by 279.92 THB million and deferred tax liabilities increased by THB 765.78 million.

Debt to equity ratio in 2021 is 1.08 lower than the previous year is 1.28. and the rate of repayment period this year is 48 days, higher than the previous year, which is 38 days.

Company's shareholders' equity as of December 31, 2021, amounted to THB 15,256.58 million, equal to 53.67% of the total liabilities and shareholders' equity increased by 42.13% compared to the previous year's with shareholders' equity of THB 10,734.02 million. Unappropriated retained earnings amounted to THB 2,434.43 million and unappropriated gains from investment measurement of THB 1,511.11 million.



## 6. Market Overview and Industry Trends

### 6.1. Overview and Business Trends of Private Hospital Industry

Situation in 2021, over 9M21, income for private hospitals grew on the higher number of in- and outpatients as a result of the severe outbreak of COVID-19 and the sharp rise in caseloads, (over 20,000 new cases per day). Hospitals also benefited from services associated with the pandemic, such as testing, vaccinating, and running 'hospitals' in cooperation with outside business partners, and from the expansion of their customer base to include patients covered by health insurance. Nevertheless, some domestic patient groups either canceled or postponed visits to hospitals for non-urgent treatments, and this caused income from complex treatments (e.g., for cancer and heart disease) to fall. The government's decision to allow some overseas patients to enter the country for treatment helped to partially offset these losses, but overall, the continuation from 2020 of restrictions on international travel meant that income from this segment remained depressed.

For the rest of 2021, the sector will benefit from the relaxation of control measures and the boost that this has given to economic activity generally, as well from the move by the government to allow hospitals to inject their vaccines of choice, and from November, the reopening of the country to international arrivals. As a result of the latter, foreign patients will now be able to seek treatment in Thai private hospitals. For 2021 overall, income for players should increase by 8.0-10.0%, after 12.0% drop in receipts in 2020.

**Figure 1: Numbers of Private Hospitals & Beds**



Source : NSO, Forecast by Krungsri Research

For the outlook of private hospital business in 2022-2024, the outlook is expected to improve steadily to average 4.0-5.0% per year through the next 3 years. At least 2,000 beds will be added to the current supply of around 36,000 beds in private hospitals (as of 2021).

Demand for hospital services would strengthen on the following factors:



- 1) Structural Thai society is steadily aging, driving greater demand for ongoing and complex treatments. The authorities thus estimate that spending on healthcare for the elderly will rise from THB 63bn in 2010 to THB 230bn in 2022.
- 2) The number of foreign patients seeking treatment in Thai hospitals will increase due to: (i) the gradual reopening of the country to foreign arrivals in provinces where at least 70% of the population are vaccinated; and (ii) Thailand's position as a world leader in the provision of medical tourism services
- 3) Thais are increasingly concerned with personal health and wellbeing, boost by the COVID-19 pandemic and the need for comprehensive healthcare.

#### Operators are expanding

Operators are expanding their investments in services, site expansions, and in the manufacture of goods related to healthcare in order to increase their competitiveness, to deepen supply chains, and to establish a broader range of business partnerships at home and abroad. Meanwhile, the government is working to promote Thailand as an international healthcare hub, partly by specifying 'comprehensive healthcare' as one of the new S-curve industries. It is hoped that this will then attract greater investment into private hospitals, especially in the EEC.

Large hospitals: Income will rise at a good rate due to their abilities to treat a wide range of patients and to provide specialist, highly skilled services. Players also operate large branch networks and partner with outside businesses, helping them to expand their services by better targeting particular patient groups. Given this, large hospitals' income base will broaden in the coming period.

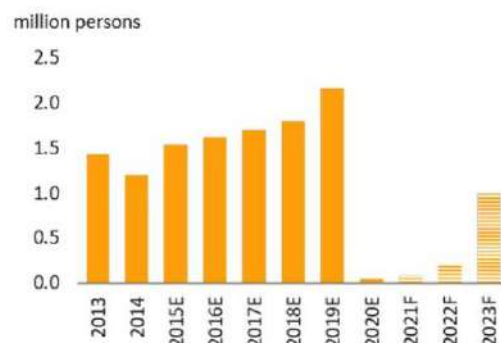
Small and mid-sized hospitals: Turnover will trend upwards, supported by (i) benefit from partnering with the large players; and (ii) group of patients covered by social security payments; which helps to provides a steady source of income. Nevertheless, strong competition may cause independent hospitals operating outside wider commercial networks to lose market share.

**Figure 2: Proportion of Aging Population**

		% of population 65+ to total population	
		2020	2040
<div>Hyper-aged (20%)</div> <div>Aged (14%)</div> <div>Aging (7%)</div>	Japan	29	34
	South Korea	16	31
	Singapore	15	30
	<b>Thailand</b>	<b>13</b>	<b>26</b>
	Vietnam	8	17

Source: United Nations (UN), Krungsri Research

**Figure 3: Number of Foreign Patients in Thailand**



Source: MoPH, 2015-2023 Forecast by Krungsri Research

Source: Krungsri Research, Industry Outlook 2022-2024 Thailand Industry Outlook dated 11 January 2022



## 6.2. Overview and Business Trends of Medical Tourism Industry

“Private hospital business” is another group that relies on income from both Thai and foreign patients but when COVID-19, the patient's behavior has changed. Nobody wants to see a doctor or come to the hospital. At the same time, foreigners interested in using medical services in Thailand must also refrain from entering Thailand.

Kasikorn Research Center expects that the COVID-19 outbreak in the country will likely result in the overall contraction of the medical tourism market in Thailand in 2021 from at least 90% (YoY) the previous year, or approximately 10,000 - 20,000 people. The market for patients with the highest contraction is likely to be in the Middle East (such as the United Arab Emirates, Kuwait, Oman, Saudi Arabia, etc.), China and ASEAN countries (Myanmar, Cambodia, Laos) that generate income for private hospital business, accounting for approximately 30% of total foreign patient revenue.

As of 2022, there is a possibility that the medical tourism group will gradually begin to return to medical services. The number of Medical Tourism is expected to be around 130,000-180,000 million people, most probably the same patient group who have received medical treatment or health care through private hospitals in Thailand, whether in the Middle East, Myanmar, China.



Source: Bangkok Biz News, Outlook for 2022, Private Hospitals and Medical Tourism Recovery, dated 11 January 2022



## Attachment 4

### Summary the Appraisal of the Land and Buildings (Land Appraisal only) of Thonburi Healthcare Group Public Company Limited by ThreeTree Appraisal Company Limited

In evaluating the value of land and buildings (land appraisal only) for referencing the value of Thonburi Healthcare Group Public Company Limited (the “**Company**” or “**THG**”) THG has appointed independent asset appraisers which are ThreeTree Appraisal Company Limited (“**Independent Appraiser**” or “**TT**”), which are the assessed property valuer companies in the capital market and accredited by the Valuers Association of Thailand (“**VAT**”) and are the assessed property valuer companies in the capital market accredited by the SEC to value the land and buildings (land appraisal only) of THG under public purpose objective, according to the report number TT-2022-02-011-TT-HI-OTR dated February 7, 2022, with details as follow:

#### 1. Details of the appraised property

Customer name	Thonburi Healthcare Group Public Company Limited
Type of property	Land and buildings (land appraisal only) total 4 title deeds
Property location	Jin Wellbeing Country Project, adjacent to Phahon Yothin Road (TL. 1), at km. 36+550, Khlong Nueng, Khlong Luang, Pathum Thani
Title deed	4 title deeds, Title deed No. 184903, 184904, 184905 and 184906
Area of land	20-0-0.8 rai or 8,000.8 square wah.
Current landowner	Thonburi Healthcare Group Public Company Limited
Mortgage / Collateral	No mortgage
Purposes	For current market value of property, accompanying the recording of book value used for internal purposes and for public purposes
Valuation approaches	Market Approach
Date of valuation	February 2, 2022
Current market value of property	THB 562,995,600.00 (five hundred sixty-two million, nine hundred ninety-five thousand six hundred baht only)
Fair market value	THB 32,800,00.00 per rai or THB 82,000 per square wah (thirty-two million eight hundred thousand baht per rai) or (eighty-two thousand baht per square wah)
Appraiser	ThreeTree Appraisal Company Limited (“Independent Appraiser” or “TT”)

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## 2. Appraisal method

In this appraisal of property, independent appraiser has adhered to international guidelines for property valuation and under regulations of the Appraisal Association of Thailand and under the framework of standards and professional code of conduct of property valuation in Thailand of the Securities and Exchange Commission (SEC). There are 3 methods of valuation of assets that are used internationally, namely Cost Approach, Market Approach and Income Approach, which are summarized as follows:

### Cost Approach

The key principle is "The value of one thing the cost of finding something comparable to replace". The method is to estimate the cost of building a new replacement building at current prices, less depreciation based on useful life and plus the market value of the land will get the value of that property. This method is mostly used for properties at specific buildings such as factories. In the case of housing estates, the market comparison method is more appropriate and, in a situation where property prices are falling but the cost of building materials is higher. Sometimes the calculated cost may be more expensive than the market value. Therefore, the assessment in this way may have discrepancies.

### Market Approach

This is the best and most accurate method because it focuses on an analysis of the value of trading in the market. That is, if the market has enough trading can be compared or directly compared with the appraised property. The principle is "The value of our property = the price of a comparable property that others can sell." The approach is to search for comparable assets that are traded or market data, consider how they are similar or different from the appraised assets. Requiring a sufficient number comparable, the analysis must consider various factors that affect value. The analysis must consider factors that affect the comparative value of both the appraised property against the market data to be compared, such as location, city plan, land plot size, building space, building quality, etc. and therefore analyzes the value of the assets to be appraised using various appropriate techniques such as Sale Adjustment Grid Method, Weighted Quality Score (WQS), etc.

### Income Approach

This method analyzes the value of the income of the property. It is suitable for assets that generate income from Income Producing Property, mainly: "Today's value is the sum of future net income until the end of life" Property is valuable because it can generate income. Higher income assets have higher value. (Better location and quality, etc.). The steps are summarized as follows:

- 1) Estimated property income from all sources by considering the market comparison and the actual income of the appraised property
- 2) Deduct asset with no utilization or bad debt from facts, which is comparing the trends in the market, real income is obtained.



- 3) Then, deduct with expenses such as operating expenses, taxes, insurance, management, maintenance costs, etc., will get net income.
- 4) Bring net income into the formula  $V = 1 / R$ , where V is the asset value or net income, and R is the rate of return, where is the investment of the property.

Valuation with this revenue analysis method has 2 sub-methods, namely Direct Capitalization and Discounted Cash Flow, which are based on the assumptions of future earnings. If the property slightly changes or almost has no change, it will be based on Direct Capitalization. But if it is expected that in the future, the income of the property will fluctuate according to the market conditions, Discounted Cash Flow will be used.

Appraiser uses the Direct Capitalization approach because the usage of net income for only one year. Therefore, using this approach should be used when the market is normal or a market that rarely changes significantly in demand, supply or income because this assessment assumes that the year is representative of all future earnings. They are generally suitable for smaller income-generating properties such as residential condominiums, office suites, commercial buildings, etc.

Cash flow analysis approach is an estimate of future property income based on the life expectancy of the property and discounted to present value with the key being projected future earnings will fluctuate continuously in line with market conditions, inflation, interest rates, etc. Therefore, the appraiser must understand the nature of the property by estimating future income as close to reality as possible as well as having sufficient knowledge of relevant financial matters such as Net Present Value (NPV), Internal Rate of Return (IRR), Discount Rate, and others.

In the case of ordinary property, the appraiser will use the market approach or cost approach but in the case of high-value or very complex assets, all 3 methods may be required or may use other methods that are more advanced methods to consider and after using each method, independent appraiser will come to a summary of opinions on the appropriate value, which, when reviewed, may be adjusted as appropriate. Then it might weigh the reliability of each approach, combined with the experience and opinions of the assessors, resulting an explanatory value.

### 3. Property appraisal

The appraised property is located in the Jin Wellbeing Country Project. Adjacent to Phahon Yothin Road (TL. 1), at km. 36+550, Khlong Nueng, Khlong Luang, Pathum Thani, with a distance away from important places in the vicinity as follows:

- Plum Condo Park Rangsit Project	about	-	meters
- Boonthavorn	about	300	meters
- Bangkok University	about	950	meters
- Phatara Hospital - Thonburi	about	2,000	meters
- TESCO LOTUS Department Store, Rangsit	about	4,700	meters
- FUTURE PARK Department Store, Rangsit	about	4,800	meters



#### Traveling to the property location

Use Phahon Yothin Road (TL. 1) as the main road by traveling from the Rangsit Intersection, heading straight to the Bang Khan Intersection (Klong Luang), passing Soi Klong Luang 21 (Soi Hongsakul), reaching a point at km 36+550, property will be located on the left-hand side, project name Jin Wellbeing County. Main roads and roads that pass in front of the property location are Phahon Yothin Road (TL.1) is a public utility, The condition is paved and reinforced concrete, 10 lanes, 5 lanes on each side, road medians, road surface is about 60.00 meters wide, street electricity, footpath and sewer.

#### Neighborhood characteristics and general environment

General environment around Phaholyothin Road, the area near the location property location is one of the most prosperous locations. It is a commercial, residential and industrial, consists of residential projects, shops, commercial buildings, restaurants, hospitals, shopping malls, car showrooms, industrial plants, gas stations, markets, office buildings, banks, universities, golf courses, government office locations. and vacant land, etc. There are quite a lot of land development projects, most of which are used for commercial and residential. It is a good location, on main road, convenient transportation, a public transport system to support. Future prosperity includes the Red Line (Bang Sue - Rangsit) and the tollway elevated expressway, making in the future transportation will be more convenient and prosperity will increase accordingly

Jin Wellbeing County project has been in operation for about 3 - 4 years. The project model is a rehabilitation and care facility for the elderly and the sick, within the project include Thonburi Burana Hospital, Jin Wellness Institute A, B, condominiums (Condominium Siri, Saran, Ruen Rueng, Ruen Rom and Romyen). From the overall condition, it can be seen that it is a new project, very livable and has a unique feature that is famous and well known which is accepted by both Thais and foreigners on behalf of the Thonburi Hospital Group.

### 3.1. Land







Land title documents for this valuation have been copied from the company. The independent property appraiser has checked or compared with the Land Office of land title document by checking from Pathum Thani Provincial Land Office, Klong Luang Branch on February 2, 2022 and found that there are essentially the same messages unless stated otherwise in the report without checking whether the document is forged or not appears in details as follows:

Title deed No. 184903, 184904, 184905 and 184906, total 4 title deeds, total land by rights document 20-0-0.8 rai (8,000.8 square wah) appraised land 17-0-65.8 rai (6,865.8 square wah) which detailed that :



No.	Title Deed No.	Land No.	Land No.	Land area according to the title document			Owner
				Rai	Ngan	Wah <sup>2</sup>	
1	184903	278	20913	5	2	79.2	Thonburi Healthcare Group Public Co., Ltd.
2	184904	279	20914	6	2	3.2	Thonburi Healthcare Group Public Co., Ltd.
3	184905	280	20915	2	2	1.4	Thonburi Healthcare Group Public Co., Ltd.
4	184906	281	20916	5	1	17.0	Thonburi Healthcare Group Public Co., Ltd.
Total land				20	0	0.8	(8,000.8 square wah)
<u>Less</u> land that is a servitude road (Title Deed No.184906)				2	3	35.0	(1,135.0 square wah)
Remaining amount of land that was appraised in total				17	0	65.8	(6,865.8 square wah)

Market data collected and used in land assessments can be summarized as follows:

Description	Appraised project	Market data 1	Market data 2
Pictures			
Picture of land plot			
Type	Land and buildings	Vacant land	Land and buildings
Amount (Unit)	4 title deeds	1 plot	1 plot
Location	Phaholyothin Road (TL.1), at km 34+550	Phaholyothin Road (TL.1), at km 34+550	Phaholyothin Road (TL.1), at km 37+200
GPS.- (LAT/LONG)	GPS.1 - 14.029640 100.615550, GPS.2 - 14.030360, 100.612750	14.015556, 100.616000	14.034028, 100.615778
Land size (Rai)	20-0-0.8 rai	38-0-13.0 rai	4-3-17.0 rai
Land size (Square wah)	8,000.8 square wah	15,213.0 square wah	1,917.0 square wah
Land plot characteristics	Rectangle	Rectangle	Rectangle
Land size (Width X Length)	100.00 x 322.00 meters	125.00 x 480.00 meters	38.00 x 216.00 meters
Land conditions	It has been developed for land reclamation	It has been developed for land reclamation.	It has been developed for land reclamation.
Land level (meters)	0.30 meters above road level	Same the road	Same the road
Land characteristics width of the road	Paved 60.00 meters	Paved 60.00 meters	Paved 60.00 meters
Utilities	Electricity, water supply, telephone and sewer	Electricity, water supply, telephone and sewer	Electricity, water supply, telephone and sewer



Description	Appraised project	Market data 1	Market data 2
Environment	Residential, commercial and industrial	Residential, commercial and industrial	Residential, commercial and industrial
City plan restrictions	Orange area	Purple area	Orange area
Use of land	Medium-density residential land	Industrial and warehouse land/green land/rural and agricultural land	Medium-density residential land
Potential for development	Moderate	Moderate	Moderate
Offering price/ buy-sell (per square wah)	-	THB 86,250	THB 104,000
Offering price/buy-sell (per rai)	-	THB 34,500,000	THB 41,600,000
Selling situation	-	Offer for sale	Offer for sale
Date received	-	February 2, 2022	February 2, 2022
Seller/Informant	-	K.Tarinee (Agent - Broker)	K.Phat (Agent - Broker)
Contact phone	-	099-036-2977	095-960-7777
Remark	-	-	No building cost

Description	Market data 3	Market data 4	Market data 5
Pictures			
Picture of land plot			
Type	Vacant land	Vacant land	Vacant land
Amount (Unit)	1 plot	1 plot	1 plot
Location	Phaholyothin Road (TL. 1), at km 34+700 / AQ Cedi Phahonyothin-Rangsit project	Phaholyothin Road (TL. 1), at km 41+130 / Soi Nanthaphon	Poonsap Rangsit Project
GPS.- (LAT/LONG)	14.059278, 100.616667	14.071500, 100.617972	14.017806, 100.619667
Land size (Rai)	2-1-47.2 rai	1-2-91.0 rai	2-2-20.0rRai
Land size (Square wah)	947.2 square wah	691.0 square wah	1,020.0 square wah
Land plot characteristics	Rectangle	L-shaped	Rectangle
Land size (Width X Length)	40.00 x 90.00 meters	12.00 x 52.00 meters	50.00 x 60.00 meters



Description	Market data 3	Market data 4	Market data 5
Land conditions	It has been developed for land reclamation.	It has been developed for land reclamation.	It has been developed for land reclamation.
Land level (meters)	Same the road	Same the road	Same the road
Land characteristics width of the road	Paved 60.00 meters	Paved 60.00 meters	Concrete 8.00 meters
Utilities	Electricity, water supply, telephone and sewer	Electricity, water supply, telephone and sewer	Electricity, water supply, telephone and sewer
Environment	Residential, commercial and industrial	Residential, commercial and industrial	Residential, commercial and industrial
City plan restrictions	Orange area	Red area	Purple area
Use of land	Medium-density residential land	Commercial land	Industrial and warehouse land/green land/rural and agricultural land
Potential for development	Moderate	Moderate	Moderate
Offering price/ buy-sell (per square wah)	THB 140,000	THB 100,000	THB 80,000
Offering price/buy-sell (per rai)	THB 56,000,000	THB 40,000,000	THB 32,000,000
Selling situation	Offer for sale	Offer for sale	Offer for sale
Date received	February 2, 2022	February 2, 2022	February 2, 2022
Seller/Informant	K.Jariya (Agent - Broker)	K.Meechai (Agent - Broker)	K.Sukrit (Agent - Broker)
Contact phone	081-312-5967	082-456-9315	095-956-8585, 02-521-5485
Remark	-	Land adjacent on both sides of the road	-

Total 4 title deeds, appraised land 17-0-65.8 rai (6,865.8 square wah)

Weighted Quality Score Table							
Description	(Unit)	Property	Data comparable				
			1	2	3	4	5
Land size	(Wah)	8,000.8	15,213.0	1,917.0	947.2	691.0	1,020.0
- About width	(Meter)	100.00	125.00	38.00	40.00	12.00	50.00
- About average depth	(Meter)	322.00	480.00	216.00	90.00	52.00	60.00
- Width to depth ratio	-	0.31	0.26	0.18	0.44	0.23	0.83
- Land level	(Meter)	0.30	0.00	0.00	0.00	0.00	0.00
Offering price	(THB/ Wah <sup>2</sup> )	-	86,250	104,000	140,000	100,000	80,000
Bargained/discount/ preliminary adjustments	(THB)	-	-6,250	-22,000	-58,000	-18,000	-11,000
Initial adjustment price	(THB)	-	80,000	82,000	82,000	82,000	69,000
Adjust by the period of purchase - sold.	(Year)	-	0	0	0	0	0



Weighted Quality Score Table							
Description	(Unit)	Property	Data comparable				
			1	2	3	4	5
Percent	(%)	-	0%	0%	0%	0%	0%
Total price adjusted by the period	(THB)	-	0	0	0	0	0
Price after adjustment	(THB)	-	80,000	82,000	82,000	82,000	69,000

Factor	Weight (%)	Property	Data comparable				
			1	2	3	4	5
Location	20%	10	10	10	10	10	8
General environment	20%	9	9	9	9	9	6
Land size/Physical characteristics	10%	8	8	8	8	8	8
Shape of land/land level	20%	8	7	7	7	7	7
In-out transportation/right to use the way	10%	10	10	10	10	10	8
Basic utilities/road passing in front of the land	10%	9	9	9	9	9	8
Legal restrictions	0%	7	7	7	7	7	7
Suitability for highest and best use	10%	7	7	8	9	7	7
Potential for development/prosperous trend	0%	8	8	8	8	8	8
Liquidity in buying-selling	0%	7	7	7	7	7	7
Weighted Score Total	100%	880	860	870	880	860	730
Comparative score proportion with property		1.0000	1.0233	1.0115	1.0000	1.0233	1.2055
Price adjusted by the quality score level		-	81,860	82,943	82,000	83,907	83,178
IF, ABS		201	20	10	1	20	150
Proportion		1.0000	0.0995	0.0498	0.0050	0.0995	0.7463
Inverse		242.5400	10.0500	20.1000	201.0000	10.0500	1.3400
Weighted Score		100.00%	4.14%	8.29%	82.87%	4.14%	0.55%
Value for weighting		82,158	3,392	6,874	67,956	3,477	460
Appraised value per square wah (rounded) (THB)							82,000.00
Per rai (THB)							32,800,000.00
RSQ.							98.02%

However, the market price information is the offered price. If there is an agreement to purchase-sale and liquidity price in the purchase-sale, should be a lower bargain price.

The independent appraiser considers the market data factors, such as physical characteristics, land shapes, sizes, highest and best uses, environment, locations, prosperous environment, various legal and potential. Therefore, the total value is THB 32,800,00.00 per rai or THB 82,000.00 per square wah as follows:



### Summary

After considering above information and all relevant factors in this assessment, the result will be as follows.

### Fair market value

17-0-65.8 rai (6,865.8 square wah)

THB 562,995,600.00

@ THB 32,800,000.00 rai or THB 82,000.00 per square wah

#### 4. Summary of the appraisal of the property, Land with buildings (land appraisal only)

The appraisal of the property, land with buildings (land appraisal only). The independent appraiser chooses a valuation method that is suitable for the property's characteristics, namely the Market Approach. according to the details as follows:

Summary of the appraisal results by Market Approach	
Property details	Property value (THB)
Land : Title deed No. 184903, 184904, 184905 and 184906 total 4 title deeds Appraised land 17-0-65.8 rai or 6,865.8 square wah Appraised value THB 82,000 per square wah	562,995,600.00
<b>Total current market value property</b>	<b>562,995,600.00</b>

The independent appraiser chooses Market Approach from the selection of market price information that is the offered price or purchase-sale in location or near location which are comparable to the appraised property. Therefore, the value of land with buildings (land appraisal only) equal to THB 562,995,600.00

### **Opinion of the Independent Financial Advisor**

From the land and building appraisal report (land appraisal only) of THG by the independent appraiser who are listed on the list of assessors of the Securities and Exchange Commission (SEC), IFA has considered the results of the appraisal of land and buildings (land appraisal only) and can summarized as follows:

Appraisal of land with buildings (land appraisal only) by Market Approach, is the appropriate valuation method since the appraised property has a form same land characteristics or similar with comparative data nearby can be compared. Therefore, Market Approach is used to determine the asset value.

IFA is in the opinion that assessment with the above method is appropriate to the appraised value and the appraised value is close to the present value since the property is land, which has sufficient market information for comparative analysis.



## Attachment 5

### Summary the Appraisal of the Land and Buildings (Land Appraisal only) of Thonburi Healthcare Group Public Company Limited by Powerland Plus Appraisal Company Limited

In evaluating the value of land and buildings (land appraisal only) for referencing the value of Thonburi Healthcare Group Public Company Limited (“**Company**” or “**THG**”) THG has appointed independent asset appraisers which are Powerland Plus Appraisal Company Limited (“**Independent Appraiser**” or “**PPA**”), which are the assessed property valuer companies in the capital market and accredited by the Valuers Association of Thailand (“**VAT**”) and are the assessed property valuer companies in the capital market accredited by the SEC to value the land and buildings (land appraisal only) of THG under public purpose objective, according to the report No. PPA/GL-13/65 dated February 25, 2022, with details as follow:

#### 1. Details of the appraised property

Customer name	Thonburi Healthcare Group Public Company Limited
Type of property	Land and building (land appraisal only)
Property location	Phahon Yothin Road (TL. 1), at km. 36+550, Khlong Nueng, Khlong Luang, Pathum Thani
Title deed	4 title deeds, Title deed No. 184903, 184904, 184905 and 184906 total land 20-0-0.8 rai or 8,000.8 square wah Khlong Nueng, Khlong Luang, Pathum Thani appraised land 17-0-65.8 rai or 6,865.8 square wah
Area of land	20-0-0.8 rai or 8,000.8 square wah
Current landowner	Thonburi Healthcare Group Public Company Limited
Mortgage / Collateral	None
Purposes	For current market value of property, accompanying the recording of book value used for internal purposes and for public purposes
Valuation approaches	Market Approach
Date of valuation	February 18, 2022
Current market value of property	THB 556,130,000 (five hundred fifty-six million one hundred and thirty thousand baht only)
Fair market value	THB 32,400,00.00 per rai or THB 81,000 per square wah (thirty-two million eight hundred thousand baht only per rai) or (Eighty one thousand baht per square wah)
Appraiser	Powerland Plus Appraisal Company Limited



## 2. Appraisal method

In this appraisal of property, independent appraiser has adhered to international guidelines for property valuation and under regulations of the Appraisal Association of Thailand and under the framework of standards and professional code of conduct of property valuation in Thailand of the Securities and Exchange Commission (SEC). There are 3 methods of valuation of assets that are used internationally, namely Cost Approach, Market Approach and Income Approach, which are summarized as follows:

### Cost Approach

The key principle is "The value of one thing the cost of finding something comparable to replace". The method is to estimate the cost of building a new replacement building at current prices, less depreciation based on useful life and plus the market value of the land will get the value of that property. This method is mostly used for properties at specific buildings such as factories. In the case of housing estates, the market comparison method is more appropriate and, in a situation where property prices are falling but the cost of building materials is higher. Sometimes the calculated cost may be more expensive than the market value. Therefore, the assessment in this way may have discrepancies.

### Market Approach

This is the best and most accurate method because it focuses on an analysis of the value of trading in the market. That is, if the market has enough trading can be compared or directly compared with the appraised property. The principle is "The value of our property = the price of a comparable property that others can sell." The approach is to search for comparable assets that are traded or market data, consider how they are similar or different from the appraised assets. Requiring a sufficient number comparable, the analysis must consider various factors that affect value. The analysis must consider factors that affect the comparative value of both the appraised property against the market data to be compared, such as location, city plan, land plot size, building space, building quality, etc. and therefore analyzes the value of the assets to be appraised using various appropriate techniques such as Sale Adjustment Grid Method, Weighted Quality Score (WQS), etc.

### Income Approach

This method analyzes the value of the income of the property. It is suitable for assets that generate income from Income Producing Property, mainly: "Today's value is the sum of future net income until the end of life" Property is valuable because it can generate income. Higher income assets have higher value. (Better location and quality, etc.). The steps are summarized as follows:

- 1) Estimated property income from all sources by considering the market comparison and the actual income of the appraised property
- 2) Deduct asset with no utilization or bad debt from facts, which is comparing the trends in the market, real income is obtained.



- 3) Then, deduct with expenses such as operating expenses, taxes, insurance, management, maintenance costs, etc., will get net income.
- 4) Bring net income into the formula  $V = 1 / R$ , where V is the asset value or net income, and R is the rate of return, where is the investment of the property.

Valuation with this revenue analysis method has 2 sub-methods, namely Direct Capitalization and Discounted Cash Flow, which are based on the assumptions of future earnings. If the property slightly changes or almost has no change, it will be based on Direct Capitalization. But if it is expected that in the future, the income of the property will fluctuate according to the market conditions, Discounted Cash Flow will be used.

Appraiser uses the Direct Capitalization approach because the usage of net income for only one year. Therefore, using this approach should be used when the market is normal or a market that rarely changes significantly in demand, supply or income because this assessment assumes that the year is representative of all future earnings. They are generally suitable for smaller income-generating properties such as residential condominiums, office suites, commercial buildings, etc.

Cash flow analysis approach is an estimate of future property income based on the life expectancy of the property and discounted to present value with the key being projected future earnings will fluctuate continuously in line with market conditions, inflation, interest rates, etc. Therefore, the appraiser must understand the nature of the property by estimating future income as close to reality as possible as well as having sufficient knowledge of relevant financial matters such as Net Present Value (NPV), Internal Rate of Return (IRR), Discount Rate, and others.

In the case of ordinary property, the appraiser will use the market approach or cost approach but in the case of high-value or very complex assets, all 3 methods may be required or may use other methods that are more advanced methods to consider and after using each method, independent appraiser will come to a summary of opinions on the appropriate value, which, when reviewed, may be adjusted as appropriate. Then it might weigh the reliability of each approach, combined with the experience and opinions of the assessors, resulting an explanatory value.

### 3. Property appraisal

The appraised property is located in the Jin Wellbeing Country Project. Adjacent to Phahon Yothin Road (TL. 1), at km. 36+550, Khlong Nueng, Khlong Luang, Pathum Thani, with a distance away from important places in the vicinity as follows:

- Bangkok University	about	1,000	meters
- Pinehurst Golf Course	about	3,400	meters
- Thammasat University, Rangsit Center	about	4,600	meters
- Lotus Khlong Luang	about	5,600	meters
- Makro Khlong Luang	about	6,000	meters
- TalaadThai	about	9,200	meters



Traveling to the property location

Traveling to the property location must use Phaholyothin Road (TL. 1) as the main road. The condition is paved and reinforced concrete, size 10 traffic lanes by heading straight to Nava Nakorn Industrial Estate until the area of km 36+500, property will be found on the left-hand side, location of Jin Wellbeing Country Project

Neighborhood characteristics and general environment

Environment of the appraised area located in a residential and commercial, consisting of showrooms, banks, offices, housing estates, condominiums, apartments, dormitories, gas stations, golf courses, hospitals, universities, educational institutions, schools, government agencies, temples, factories, warehouses, shops, shops food, housing and empty spaces, etc.

### 3.1. Land





Land title documents for this valuation have been copied from the company. The independent property appraiser has checked or compared with the Land Office of land title document by checking from Pathum Thani Provincial Land Office, Khlong Luang Branch on February 2, 2022 and found that there are essentially the same messages unless stated otherwise in the report without checking whether the document is forged or not appears in details as follows:

Title deed No. 184903, 184904, 184905 and 184906, total 4 title deeds, total land by rights document 20-0-0.8 rai (8,000.8 square wah) appraised land 17-0-65.8 rai (6,865.8 square wah) which detailed that :

No.	Title Deed No.	Land No.	Land No.	Land area according to the title document			Owner
				Rai	Ngan	Wah <sup>2</sup>	
1	184903	278	20913	5	2	79.2	Thonburi Healthcare Group Public Co., Ltd.
2	184904	279	20914	6	2	3.2	Thonburi Healthcare Group Public Co., Ltd.
3	184905	280	20915	2	2	1.4	Thonburi Healthcare Group Public Co., Ltd.
4	184906	281	20916	5	1	17.0	Thonburi Healthcare Group Public Co., Ltd.
Total land				20	0	0.8	(8,000.8 square wah)
<u>Less</u> land that is a servitude road (Title Deed No.184906)				2	3	35.0	(1,135.0 square wah)
Remaining amount of land that was appraised in total				17	0	65.8	(6,865.8 square wah)



Market data collected and used in land assessments can be summarized as follows:



Description	Appraised project	Market data 1	Market data 2
Pictures			
Picture of land plot		-	-
Type	Land and buildings	Vacant land	Vacant land
Amount (Unit)	4 title deeds	1 plot	1 plot
Location	Phaholyothin Road (TL. 1), at km 34+500	Phaholyothin Road (TL. 1), at km 39+700	Phaholyothin Road (TL. 1), at km 41+100
Land size (Rai)	20-0-0.8 rai	2-1-47.2 rai	1-2-91.0 rai
Land size (Square wah)	8,000.8 square wah	947.2 square wah	691.0 square wah
Land plot characteristics	Rectangle	Rectangle	Like an ax, width of the road is less, area in the back of Bangkok Bank.
Land size (Width X Length)	100.00 x 322.00 meters	42.00 x 90.00 meters	12.00 x 83.00 meters
Land level	It has been developed for land reclamation.	It has been developed for land reclamation.	It has been developed for land reclamation.
Land level (meters)	0.30 meters above road level	0.30 meters above road level	Same level as the road
Land characteristics width of the road	Paved and reinforced concrete, 10 traffic lanes	Paved and reinforced concrete, 10 traffic lanes	Paved and reinforced concrete, 10 traffic lanes
Utilities	Road medians, footpath, sewer, electricity, water supply and telephone systems.	Electricity, water supply and telephone systems.	Electricity, water supply and telephone systems.
Environment	Commercial and residential	Commercial and residential	Commercial and residential
City plan restrictions	Pink area, community type	Pink area, community type	Pink area, community type
Use of land	-	Commercial and residential land	Commercial and residential land
Offering price/ buy-sell (per square wah)	-	THB 140,000	THB 100,000
Offering price/buy-sell (per rai)	-	THB 56,000,000	THB 40,000,000
Selling situation	-	Offer for sale	Offer for sale
Date received	-	February 18, 2022	February 18, 2022
Seller/Informant	-	K.Jariya	K.Meechai
Contact phone	-	081-312-5967	082-456-9315
Remark	-	Location, environment, land plot characteristics and physical	Location, environment near the property but a smaller land plot,



Description	Appraised project	Market data 1	Market data 2
		characteristics near the property but a smaller land plot, liquidity is better than property	property has better land plot characteristics and physical characteristics

Description	Market data 3	Market data 4
Pictures		
Picture of land plot	-	-
Type	Vacant land	Vacant land
Amount (Unit)	1 plot	1 plot
Location	Phaholyothin Road (TL. 1), at km 34+900	Phaholyothin Road (TL. 1), at km 34+000
Land size (Rai)	38-0-13.0 Rai	13-0-40.0 Rai
Land size (Square wah)	15,213.0 Square wah	5,240.0 Square wah
Land plot characteristics	Rectangle	Trapezoid
Land size (Width X Length)	125.00 x 502.00 meters	24.00 x 512.00 meters
Land level	It has been developed for land reclamation.	It has been developed for land reclamation.
Land level (meters)	0.30 meters above road level	0.20 meters low road level
Land characteristics width of the road	Paved and reinforced concrete, 10 traffic lanes	Paved and reinforced concrete, 10 traffic lanes
Utilities	Electricity, water supply and telephone systems.	Electricity, water supply and telephone systems.
Environment	Commercial and residential	Commercial and residential
City plan restrictions	Pink area, community type	Pink area, community type
Use of land	Commercial and residential land	Commercial and residential land
Offering price/ buy-sell (per square wah)	THB 86,250	THB 85,000
Offering price/buy-sell (per rai)	THB 34,500,000	THB 445,400,000
Selling situation	Offer for sale	Offer for sale
Date received	February 18, 2022	February 18, 2022
Seller/Informant	K.Tarinee	K.Kasikan / K.Pae
Contact phone	099-036-2977	091-798-7924 / 091-785-3651
Remark	Location is closer to Rangsit area, which is more prosperous,	Location is closer to Rangsit area, which is more prosperous but land



Description	Market data 3	Market data 4
	environment, land plot characteristics and physical characteristics near the property but a larger land plot	plot characteristics and physical characteristics are inferior to property

Total 4 title deeds, appraised land 17-0-65.8 rai (6,865.8 square wah)

Weighted Quality Score Table						
No.	Factors Analysis	Weight (%)	Property	Data comparable		
				2	3	4
	Land size (sq. wah)	15%	6,865.8	691.0	15,213.0	5,240.0
1	Location condition	15%	9	8	9	9
2	Location	15%	9	9	9	9
3	Transportation	10%	8	7	9	9
4	Current use of land plot	10%	1	1	1	1
5	Utilities	5%	9	9	9	9
6	Environment	5%	8	7	8	8
7	Characteristics plot of land / land size	5%	8	4	6	6
8	Physical characteristics of land	5%	8	7	8	7
9	Opportunity for highest and best use of land	5%	9	6	7	7
10	Legal restrictions	5%	6	6	6	6
11	Liquidity	10%	8	6	6	6
	Weighted score	100%	765	670	740	735

Rating Scale (No. 1-9 and 11)				
Poorest	Poor	Fair	Good	Excellent
1-2	3-4	5-6	7-8	9-10
Rating Scale (No. 10)				
Excellent	Good	Fair	Poor	Poorest /None
1-2	3-4	5-6	7-8	9-10

Weighted Quality Score Table					
No.	Factor	Property	Data comparable		
			2	3	4
	Land size (sq. wah)	6,865.8	691.0	15,213.0	5,240.0
1	Offering price / square wah		100,000	86,250	85,000
2	Bargained / discount price (%)		-25%	-10%	-10%
3	Net price		75,000	77,625	76,500
4	Weighted score	765	670	740	735



Weighted Quality Score Table					
No.	Factor	Property	Data comparable		
			2	3	4
5	Comparative proportions	average	1.14179	1.03378	1.04082
6	Base price	value 81,835	85,634	80,247	79,623
7	Comparative weight	100%	20%	40%	40%
8	Comparative value	81,075	17,127	32,099	31,849
Market Value Approach		81,000	THB / Wah <sup>2</sup>		
or		32,400,000	THB / Rai		

In this appraisal of property, appraised property is land and buildings (land appraisal only), the independent appraiser considers to use the Market Approach as a method for calculating the land value. From the analysis of the market value of the assets obtained from the appraisal approach as shown above, property appraised as vacant land of Thonburi Healthcare Group Public Company Limited appraised on February 18, 2022, the independent appraiser has summarized the appraisal results with the opinion that the appraised property have the appraised value as follows:

#### Summary

After considering above information and all relevant factors in this assessment, the result are as follows.

17-0-65.8 rai (6,865.8 square wah)

@ THB 32,400,000.00 rai or THB 81,000.00 per square wah

#### Fair market value

THB 556,130,000.00



4. Summary of the appraisal of the property, Land with buildings (land appraisal only)

The appraisal of the property, land with buildings (land appraisal only). The independent appraiser chooses a valuation method that is suitable for the property's characteristics, namely the Market Approach. according to the details as follows:

Summary of the appraisal results by Market Approach	
Property details	Property value (THB)
Land : Title deed No. 184903, 184904, 184905 and 184906 total 4 title deeds Appraised land 17-0-65.8 rai or 6,865.8 square wah Appraised value THB 81,000 per square wah	556,130,000.00
Total current market value of property	556,130,000.00

The independent appraiser chooses Market Approach from the selection of market price information that is the offered price or purchase-sale in location or near location which are comparable to the appraised property. Therefore, the value of land with buildings (land appraisal only) equal to THB 556,130,000.00

**Opinion of the Independent Financial Advisor**

From the land and building appraisal report (land appraisal only) of THG by the independent appraiser who are listed on the list of assessors of the Securities and Exchange Commission (SEC), IFA has considered the results of the appraisal of land and buildings (land appraisal only) and can summarized as follows:

Appraisal of land with buildings (land appraisal only) by Market Approach, is the appropriate valuation method since the appraised property has a form same land characteristics or similar with comparative data nearby can be compared. Therefore, Market Approach is used to determine the asset value.

IFA is in the opinion that assessment with the above method is appropriate to the appraised value and the appraised value is close to the present value since the property is land, which has sufficient market information for comparative analysis.