

(Translation)

**Opinion Report of the Independent Financial Advisor
on Asset Acquisition Transaction**

of



Intermedical Care and Lab Hospital Public Company Limited

Prepared by

Welcap Advisory Company Limited

31 March 2022

Table of Content

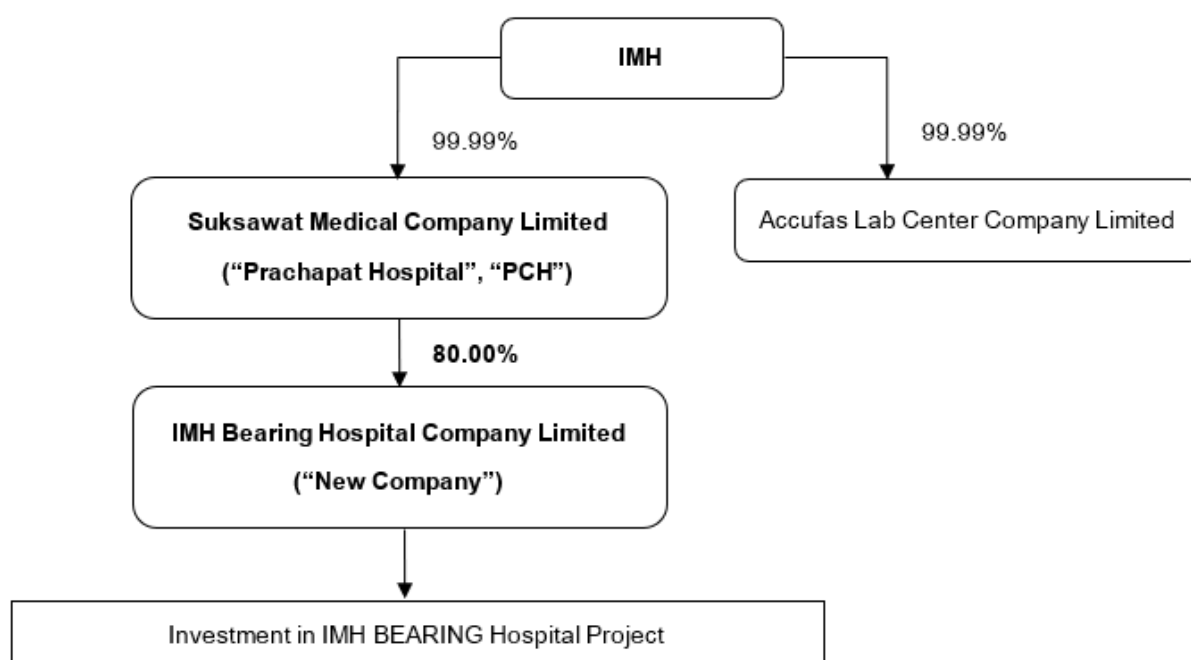
		Page
Part 1	Executive summary	Part 1 Page 1
Part 2	Guideline and information used in preparation of report	Part 2 Page 1
Part 3	Characteristic and detail of transaction	Part 3 Page 1
	3.1 Objective and background of transaction	Part 3 Page 1
	3.2 Date of transaction	Part 3 Page 2
	3.3 Counterparty and relationship	Part 3 Page 3
	3.4 Determination of transaction size	Part 3 Page 4
	3.5 General characteristic of transaction	Part 3 Page 6
	3.6 Criteria used in determination of value of acquired asset	Part 3 Page 7
	3.7 Total value of consideration and term of payment	Part 3 Page 7
	3.8 Detail of acquired asset	Part 3 Page 7
	3.9 Condition for entering into transaction	Part 3 Page 8
	3.10 Source of fund	Part 3 Page 9
Part 4	Reasonableness of transaction	Part 4 Page 1
	4.1 Objective and necessity of entering into transaction	Part 4 Page 1
	4.2 Advantage of entering into transaction	Part 4 Page 1
	4.3 Disadvantage of entering into transaction	Part 4 Page 2
	4.4 Advantage of not entering into transaction	Part 4 Page 3
	4.5 Disadvantage of not entering into transaction	Part 4 Page 4
	4.6 Risk from entering into transaction	Part 4 Page 4
	4.7 Summary of opinion on reasonableness of transaction	Part 4 Page 7
Part 5	Reasonableness of price	Part 5 Page 1
	5.1 Financial projection	Part 5 Page 1
	5.2 Sensitivity analysis	Part 5 Page 24
Part 6	Summary of opinion of the independent financial advisor	Part 6 Page 1
Attachment 1	Summary information of Intermedical Care and Lab Hospital Public Company Limited	
Attachment 2	Summary information of Suksawat Medical Company Limited	
Attachment 3	Summary information of important agreement	

Glossary

Abbreviation	Meaning
IMH or the Company	: Intermedical Care and Lab Hospital Public Company Limited
PCH	: Suksawat Medical Company Limited
IMHB	: IMH Bearing Hospital Company Limited
The IFA	: Welcap Advisory Company Limited
The IFA Report	: Opinion report of the independent financial advisor on asset acquisition transaction
The Asset Acquisition Transaction	: Investment in IMH BEARING Hospital Project
The SEC	: The Office of the Securities and Exchange Commission
The SET	: The Stock Exchange of Thailand
The Public Limited Companies Act	: Public Limited Companies Act, B.E.2535 (including amendment)
The Securities and Exchange Act	: Securities and Exchange Act B.E.2535 (including amendment)
The Notifications on Asset Acquisition or Disposition	: The Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (including amendment) , and the 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 and Disposition of Assets, dated 29 October 2004 (including amendment)
P/E	: Price to earnings ratio
P/BV	: Price to book value ratio

Part 1: Executive summary

The Board of Directors' Meeting of Intermedical Care and Lab Hospital Public Company Limited (the "Company" or "IMH") No. 1/2022 held on 27 February 2022 had resolved to propose the Shareholders' Meeting to consider approving the investment in IMH BEARING Hospital Project, with not less than 600 beds, by IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company in which Suksawat Medical Company Limited ("PCH") holds shares representing 80.00 percent of its registered and paid-up capital ("New Company") for operating hospital business with 30-year land lease, construction of building and operating IMH BEARING Hospital in total amount of not exceeding THB 5,500 million with an objective to expand business and increase competence in medical service of the Group from present in which the Company operates Prachapat Hospital which is general hospital with 100 beds in which the Company has invested through Suksawat Medical Company Limited in 2021.



IMH BEARING Hospital will be the hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day. The investment in project will increase capacity of in-patient department of IMH Group from 100 beds to not less than 700 beds which will increase the Company opportunity to create revenues in future and increase competency of the Company in hospital business.

The details of memorandum of understanding on joint investment and land lease are as follows:

Signing date	22 February 2022
Counterparty	<ol style="list-style-type: none"> 1. Suksawat Medical Company Limited ("PCH") – Investment Partner 1 2. Ms.Sorrapa Soparat - Investment Partner 2¹ 3. Mr.Pornarit Chounchaisit - Investment Partner 3² 4. Mr.Pornarit Chounchaisit - Land Lessor 5. Ms.Pensuda Chounchaisit - Land Lessor 6. Mr.Chayaboon Chounchaisit - Land Lessor
Objective	Investment partners intend to establish new company under name "IMH BEARING Hospital Company Limited" to engage in hospital business and enter into land lease agreement to construct and operate hospital business.
Joint venture	<ul style="list-style-type: none"> • Investment partners will establish IMHB with registered capital of THB 50.00 million. • Investment Partner 1: invest in proportion of 80 percent of registered capital, or equivalent to THB 40.00 million. • Investment Partner 2: invest in proportion of 10 percent of registered capital, or equivalent to THB 5.00 million. • Investment Partner 3: invest in proportion of 10 percent of registered capital, or equivalent to THB 5.00 million. • All three investment partners agree to appoint "Mr.Sittiwat Kamkatwong and Ms.Poramaporn Pavarojkit" as the authorized director of IMHB.
Leased asset	<ul style="list-style-type: none"> • Vacant land with area in number of 12 rais located on land title deed no. 14053 – 14061, 14084 – 14092, 4560, and 8529
Condition of lease	<ul style="list-style-type: none"> • Lessor agrees to enter to land lease agreement with IMHB on the date as agreed. • Lease term of 30 years, in which the Lessor agree to extend lease term for another 30 years with rental rate to be agreed. • Lessor and Lessee, each agree to responsible for half of expenses relating to register of leasehold rights. • Upfront payment and rental rate over 30 years period, totaling value of THB 446,537,772.50, will be paid as follows: <ul style="list-style-type: none"> • Year 1: upfront payment of THB 44,653,772.25. • Year 2: upfront payment of THB 44,653,772.25. • Year 3: upfront payment of THB 44,653,772.25. • Year 4 - 5: rental of THB 10,080,000.00 per year. • Year 6 - 10: rental of THB 10,584,000.00 per year. • Year 11 - 15: rental of THB 11,113,200.00 per year. • Year 16 - 20: rental of THB 11,668,860.00 per year. • Year 21 - 25: rental of THB 12,252,303.00 per year. • Year 26 - 30: rental of THB 12,864,918.15 per year.

	<ul style="list-style-type: none"> From the date of MOU, the Lessor agrees not to sell or transfer ownership on land to other party, except receive permission from PCH or IMHB.
Other important condition	<ul style="list-style-type: none"> This MOU will be effective after the shareholder meeting of Intermedical Care and Lab Hospital Public Company Limited approve the transaction.

Remark: 1. Such person assists the Company in collaborating with Mr.Pornarit Chounchaisit to procure land for development.
2. Such person is one of landlord of land to be leased.

From the above memorandum of understanding, the Company need request approval from shareholders' meeting so that the memorandum of understanding will become effective and create the landlord's confidence, and reserve such land which locate in good location, and appropriate for investment of project IMHB. After receive approval from shareholders' meeting, the Company will need to approve spin-off of PCH and procure investment proceed thereafter. After procuring sufficient fund, the Company will invest as per plan. However, as the memorandum of understanding only specify preliminary condition of land lease agreement and has not been registered with Department of Land, so it is not binding with landlord, the Company so still have risk from landlord will not perform in accordance with memorandum of understanding in future.

In this regard, from the memorandum of understanding on joint investment and land lease, PCH will preliminarily invest in IMHB in proportion of 80.00 percent. Therefore, if there is any capital increase in proportion to shareholding, PCH and other investment partners will have duty to procure investment proceed in accordance with their shareholding. However, in case other investment partner is not able to procure proceed, PCH as the major shareholder may procure additional proceed instead and have shareholding more than 80.00 percent. Therefore, the shareholding in IMHB and source of fund still unclear. However, the Company's executives expect that PCH will contribute capital not less than shareholding proportion. Therefore, according to executives' projection, PCH will hold share in IMHB not less than 80.00 percent.

Furthermore, if the Company cannot procure sufficient fund within April 2024, the Company will consider to reduce project size to align with investment proceed at that time or may consider to cancel IMHB project which will be depended on the Company's board of directors resolution, and the Company will inform shareholders thereafter. In this regard, the sunk cost in which the Company has paid is THB 4.58 million.

The transaction is considered as acquisition transaction. If considering transaction size pursuant to the Notification of Asset Acquisition or Disposition, the transaction size is 466.06 percent per consideration criteria which is compared with the Company's total assets as of 31 December 2021 which was THB 1,180.10 million, and if considering together with acquisition transaction of the Company in past 6 months before entering into this transaction of THB 23.36 million, the aggregate transaction size is 468.04 percent per consideration criteria.

The Acquisition Transaction is considered as type 4 transaction, i.e., transaction size is 100 percent or higher pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (including amendment), and the 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 and Disposition of Assets, dated 29 October 2004 (including amendment) (the "Notifications on Asset Acquisition or Disposition"). Therefore, the Company is obliged to disclose information memorandum regarding the transaction to the SET, appoint independent financial advisor to provide opinion on the transaction, and convene shareholders' meeting to

consider approving the transaction in which the transaction must get approval with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and casting their votes, excluding voting rights of shareholders who have interest.

In this regard, the Company has all qualifications to exempt from submitting relisting application to the SET as the transaction is not considered as backdoor listing due to following reason.

- 1) The acquired business is in a similar line of business and supports the business of the Company
- 2) The Company does not have a policy to make a major change in its main business
- 3) After the acquisition of assets, the Company still has suitable qualifications for listing on the SET
- 4) There will be no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company

From the above criteria, the Company so appoints Welcap Advisory Company Limited (“IFA” or “Advisor”) to act as the independent financial advisor to provide opinion on the Asset Acquisition Transaction to the Company’s shareholders to use as supporting information to make decision on agenda.

From the study of relevant information, e.g., condition to enter into transaction, advantage and disadvantage of entering into transaction, risk from entering into transaction, advantage and disadvantage of not entering into transaction, the opinion of the IFA can be summarized as follows:

Advantage of entering into transaction

1. Increase competency and expand hospital business

At present, the Company engages private hospital with specialize on health check-up which provide annual health check-up service, health risk check-up, and pre-employment check-up, out-patient department, vaccinate service, and seminar service, and operates general hospital with 100 beds, i.e., Prachapat Hospital, which provide medical service similar to project that the Company will invest. This investment will expand the Company’s hospital business from focusing on health check-up in which the Company can refer patient to receive medical treatment at affiliate hospital as the invested project will cover comprehensive medical service from health check-up, out-patient department, in-patient department, and can provide service to both general patient and patient under Social Security Office Campaign.

Therefore, this investment will increase competency and advantage from entering into business which can utilize benefit from existing business of the Company and growth trend of medical industry in Thailand in generating additional revenues and return from investment to allow the Company to have strong operating result.

2. Increase competency in generating revenues of the Company

The investment in project will increase the Company’s source of revenues. In past, the Company only incurred revenues from hospital service by focusing on health check-up and revenues from environmental monitoring service, and in 2021, the Company has acquired ordinary shares of Suksawat Medical Company Limited which operate Prachapat Hospital, a general hospital with 100 beds, so the Company incurred additional revenues from hospital business. The revenues structure (excluding other income) is as follows:

Revenues from service	2019		2020		2021	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Revenues from hospital service	286.70	85.83	215.63	90.52	310.27	32.86
Revenues from environmental monitoring service	47.33	14.17	22.58	9.48	10.84	1.15
Revenues from hospital business	-	-	-	-	623.00	65.99
Total	334.03	100.00	238.21	100.00	944.11	100.00

Source: 2020 annual report of the Company and 2021 financial statement of the Company

Therefore, the investment will allow the Company to incur additional revenues from new hospital. In addition, the Company will be able to provide comprehensive medical service, and with the larger size of hospital, it tend to attract more customers. Therefore, the Company's revenues may increase in future, as well as the Company may also receive benefit from economy of scale as the larger size of business.

3. Diversify risk of the Company

This investment will diversify risk of the Company from business competition as the Company's existing business is off-site health check-up, which is easy to enter to the business, especially for the large hospital which may expand its business to off-site service, including environmental monitoring service of the Company which have decreasing revenues trend.

Furthermore, the investment in new hospital at Bearing which is considered as good location, located at southern area of Bangkok in Bangna District and Samuthprakarn which is densely populated and have potential to grow, as well as located near to BTS Bearing which is convenience to transport and near to facilities, department stores, and important premise, e.g., Bitec Bangna, and Bangkok Mall which is during construction and expect to operate in 2023. It will also expand customer base of the Company. In addition, as there were few number of competitors in that location. So, it is considered as the diversification of the Company's risk in term of business location.

4. The investment is appropriate based on study of the project feasibility

From the project feasibility study by the IFA, the IFA finds that the project in which the Company will invest will generate net present value of THB 2,633.91 million, and internal rate of return of 14.03 per year which is higher than average of weighted average cost of capital of the project which is 8.94 percent per year. Those demonstrate the capability of project to generate return which is higher than cost of the Company. Therefore, the transaction is deemed appropriate in term of financial aspect.

Disadvantage of entering into transaction

1. The Company will incur additional debt and interest burden in future

By entering into the transaction, the Company need to use loan from financial institution as the source of fund to operate at 50 percent of project value. That may increase the Company's debt to equity ratio as well as interest burden which may increase with amount of incurred debt. However, as the Company also plan to

procure funding from issuance of newly issued ordinary shares of PCH to the public for the first time, therefore, the Company may be able to maintain debt to equity ratio not exceeding 1 time. In this regard, the debt to equity ratio tends to decrease continuously aligning with repayment schedule of loan. From the financial projection of the project, the IFA finds that the project has earnings before interest and tax as well as overall cash flow which can service interest and principal incurred from loan since the first year of the projection (2025) onwards. Therefore, the project is able to service debt throughout the projection period.

2. The Company may loss capability to generate debt in future

Loan from local financial institution for use in project may require the Company to maintain debt service coverage ratio (DSCR) and/or debt to equity ratio in accordance with financial covenant specified in facility agreement in which the Company will enter with commercial bank. In this regard, such financial covenants are usually general terms in which commercial banks require from their customers. Therefore, the Company may lose capability to generate debt in the future if there is a need for debt utilization, e.g., to use as funding for new project investment or to enhance business liquidity.

3. The Company will not be able to commence project if the Company cannot procure funding from IPO of PCH

In entering into this transaction, an important condition is procuring funding from the IPO of PCH, which is uncertain and subject to approval of the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, as well as success of offering of ordinary shares after receiving approval, e.g., period in which the IPO is complete, amount of fund raising which may not reach target which will be depended on economic environment, capital market, and both internal and external factors at that time. In this regard, the Company will not proceed with any action until the source of funds for the project is clear and is considered as a condition for entering into the transaction.

In this regard, even such source of funds will not create a dilution effect to the Company as there is no dependence on capital increase at the Company level, but it will create a dilution effect at PCH instead. In addition, as such condition will prohibit the Company to commence the project and will incur opportunity cost during the period before the IPO of PCH, e.g., opportunity to commence immediately after receiving approval from shareholders which allow the Company to receive return earlier, and opportunity of competitor to adjust and compete etc.

Furthermore, the Company will incur sunk costs for designer expenses in which the Company needs to pay even if the project is not able to proceed, as well as independent financial advisor fees for providing opinion of this transaction, totaling amount of THB 4.58 million.

Risk from entering into transaction

1. Risk from not procuring sufficient funding

The Company may face risk from not procuring sufficient funding for development of project as the Company plans to seek funding from loan from financial institution and IPO of PCH. Therefore, it is possible that the Company may not receive credit limit from financial institution while the IPO of PCH may not succeed and depended on the approval by the Office of the Securities and Exchange Commission, the Stock Exchange of

Thailand. The approval will be based on complete of qualification pursuant to listing criteria of the Stock Exchange of Thailand, readiness of the Company to proceed on initial public offering in various aspects, e.g., business structure, management structure, board of director, independent director, accounting system, and internal control system etc., as well as success of offering of ordinary shares after getting approval, e.g., offering period of newly issued ordinary shares, amount of fund raising which may not reach target which will be depended on economic environment, capital market, and both internal and external factor at that time.

Even the approval of this transaction is required for negotiation with owner of the land which will used to develop project. However, if the Company's shareholders meeting approves the transaction, but the Company cannot procure sufficient funding or there is no clear on source of fund, the Company will not proceed any action until there is clear on source of fund for project development which is considered as condition for entering into the transaction, and the Company will incur sunk cost on preliminary designer expenses as well as independent financial advisor fee for providing opinion on this transaction, totaling amount of THB 4.58 million.

2. Risk from not registering leasehold rights on land

Even the shareholders' meeting approve the transaction, the Company will not proceed any action relating to construction of IMH Bearing Hospital until there is certainty on source of fund as aforementioned. This include not registering leasehold rights on land with landlord to use as operating premise. Therefore, even the Company can negotiate with the landlord on the concept, but the Company will still face risk on uncertainty as the land lease is not legally enforceable during the period before IPO of PCH. This may cause the Company to loss opportunity to invest as planned.

The Company believes that such risk is low as IMH Bearing Hospital Company Limited or newly established company for investing in IMH Bearing Hospital Project will be partly invested by landlord which imply intention of landlord to bear risk and return of the project together with the Company in future.

3. Risk from delay of construction

The investment in IMH Bearing Hospital Project is considered as major investment of the Company in which the Company expected to invest approximately THB 5,500 million, and expect to construct for the period of 2 years. Therefore, the Company may face risk if the construction has started but there is any event which cause the project construction to delay or not able to complete. In such case, it will affect the Company's operating and liquidity at that time.

In this regard, the Company well aware of such risk and will implement various measure to reduce risk from delay of construction, e.g., monitor and control cost and timeline to be as planned, selection of reputable contractor and project advisor which have experienced and reliable, impose delay penalty if the contract deliver work beyond schedule, insure the project construction, request for retention from contractor to compensate for any loss during the construction and after the delivery of work etc. The Company so opine that risk from delay of construction is limited.

4. The Company lack of experience in operating large hospital

The Company started business from providing health check-up. Then, in 2021, the Company expanded to hospital by acquiring PCH shares which operate Prachapat Hospital with 100 beds. The Company so have experienced in managing hospital for only 1 year. While the investment in new hospital will have beds not less than 600 beds which is considered as significant larger hospital. Therefore, the management of hospital may be differed as Prachapat Hospital has been operated for long time and has been accepted by patients, and have specialized medic team before the Company invested in. While the new hospital, the Company will have to build customer base from scratch, procure new medic team, as well as impose management and systems to comply with standard etc. In this regard, the Company may face risk if the operating result is not be as expected. However, even the project size is differed from current business, but the Company can still utilize experienced in management of PCH which is considered as important milestone of entering into hospital business, In addition, the Company also plans to recruit expertise personnel to assist in operation of IMH Bearing Hospital Project to yield the best benefit to the Company and shareholders.

5. Risk from lack of medical staff

The IMH Bearing Hospital in which the Company will invest will provide comprehensive medical service with number of beds not less than 600 beds. Therefore, it will require significant number of medical staff to provide service as planned, e.g., specialized medic in each field, nurse, medical technician, and others. The Company so may face risk form procurement and attracting of medical staff. In some case, e.g., not able to attract reputable medical staff which is considered as factor to attract customer to use service of hospital, and not able to attract sufficient staff to operate hospital with 600 beds etc. This may affect operating result to not be as expected.

In past, the Company have not faced problem with regard to insufficient of medical staff, and expect to procure sufficient medic team. At present, the Company was accepted by Dr.Sukhum Karnjanapimai, former permanent secretary of the Ministry of Public Health, to hold position as high level executive and oversee on such project. The Company also emphasize on creating relationship with medical staff and specialized medic in various field as well as facilitate on providing service in term of medical equipment, work premise, compensation and welfare, and promote development of knowledge and skill of staff to create relationship between company and staff in long-term and reduce such risk.

6. Risk from volatility of interest rate

As the investment proceed for this project will partly come from loan from financial institution. If considering loan from local financial institution of the Group at present, the interest rate is floating by referring to MLR. Therefore, if the credit line in which the Company will receive have floating interest rate scheme and the interest rate is changed, such financial institution may increase or decrease interest rate as per condition in facility agreement. Therefore, the Company may face risk from change of interest rate on loan used in developing IMH Bearing Hospital Project.

7. Risk from operating result is not as expected

The operating result from investing in project may not be as expected as subject to actual performance which may be differed from assumption used in preparation of financial projection. Therefore, if there is any event which may cause any change, e.g., economic condition, environment condition, and government policy, it may affect feasibility of the project which is prepared per 4.2.4 to change. In this regard, the investors can refer to sensitivity analysis for investment in project in part 5 no. 5.2 sensitivity analysis.

In term of appropriateness of price for this transaction, the IFA analyzes the financial projection of IMH Bearing Hospital Project with the details as follows:

No.	Indicator	Base case	Sensitivity analysis	
			Min	Max
1.	Internal rate of return	14.03 percent	12.62 percent	15.49 percent
2.	Net present value	THB 2,633.91 million	THB 1,165.04 million	THB 4,706.78 million
3.	Payback period	9.13 years	8.71 years	9.60 years

From the above table, as all cases result in internal rate of return more than average weighted average cost of capital of project of 8.94 percent, and the net present value of project is positive. **Therefore, the IFA opines that investment in IMH Bearing Hospital Project is deemed reasonableness in term of price.**

From the reason above, the IFA so opines that the transaction **is deemed reasonableness and appropriateness in term of price for investing in IMHB project**, and opine that the Company's shareholders **should approve this transaction**. However, shareholders should consider reasonableness and the IFA's opinion which is based on assumption that information, documents, and draft document in which the IFA receive, as well as information from interview with the Company's executive and relating person, are true, complete, and correct. The shareholders also should consider condition for entering into transaction.

In this regard, the IFA opines that assumptions used in preparation of financial projection is appropriate. However, such assumptions are based on consideration of economic condition and information in study period. Therefore, if there is any change in future, it may affect the IFA's opinion. In this regard, the decision to approve or not approve is depended on Company's shareholders discretion.

Part 2: Guideline and Information Used in Preparation of Report

The IFA considers and studies information with respect to the Asset Acquisition Transaction from information received from the Company and other relating documents, interview with the executive team, and public information, as well as other relating information including, but not limited to:

1. Resolution of the Company's board of directors and information memorandum disclosed on the SET with respect to the Asset Acquisition Transaction.
2. Important documents, e.g., affidavit, memorandum of association, article of association, and list of shareholders etc.
3. Financial statement of the Company and its affiliates etc.
4. Annual report and annual registration statement (56-1) of the Company.
5. Interview with the Company's executive and relating person.
6. Statistic information from the SET and market circumstance.
7. Documents, information, and agreements relating to the Asset Acquisition Transaction.

In this regard, the opinion of the IFA is based on assumption that information and/or documents in which the IFA receive, as well as information from interview with the Company's executive and relating person, are correct and true. The IFA considers and studies such information with prudent and care in accordance with professional standard. Furthermore, the IFA assumes that agreements or business arrangements is effective and legally enforceable and there is no change, revoke, or cancel of any conditions as well as there is no events or any conditions which may significantly affect the Asset Acquisition Transaction.

Therefore, if the information and/or documents in which the IFA receive is not correct and/or true, or agreements and business arrangements is not effective and/or legally enforceable, and/or there is change, revoke, or cancel of conditions, and/or there is any events or conditions, which may significantly affect the Asset Acquisition Transaction, it may affect the IFA's opinion and the IFA is not able to provide opinion on such effect to the Company and the Company's shareholders.

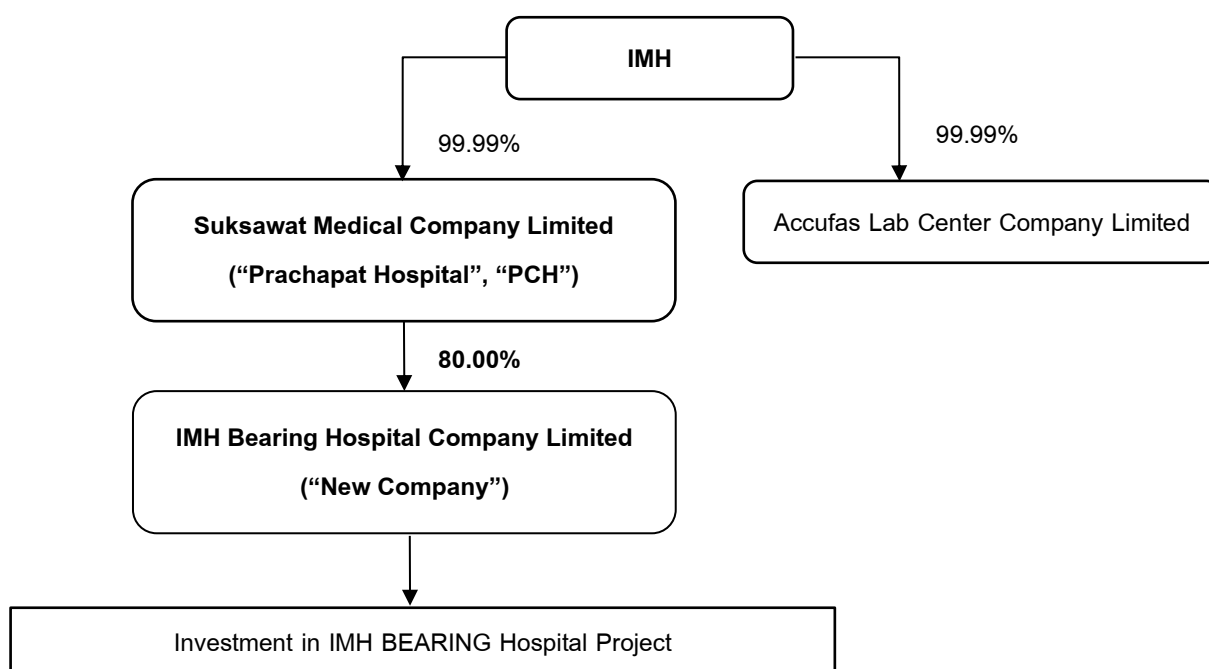
The opinion of the IFA is prepared based on information received by the IFA as well as industry circumstance, economic condition, and other factor which occur during the preparation, and may subsequent change significantly, and affect the opinion of the IFA. In this regard, the IFA is not obliged to amend this IFA Report.

This IFA Report is prepared for the Company's shareholders to use as supporting information to make decision on Asset Acquisition Transaction. In this regard, the decision to approve or not approve the Asset Acquisition Transaction is based on each shareholders discretion. The Company's shareholders should study information in documents attached with the invitation to shareholders' meeting letter with prudent and care before making decision on agenda in order to make appropriate decision. The IFA Report does not certify the success of the transaction as well as potential effect, and the IFA will not be responsible for any consequence that may arise from entering into such transactions, whether directly or indirectly.

Part 3: Characteristic and detail of transaction

3.1 Objective and background of transaction

The Board of Directors' Meeting of Intermedical Care and Lab Hospital Public Company Limited (the "Company" or "IMH") No. 1/2022 held on 27 February 2022 had resolved to propose the Shareholders' Meeting to consider approving the investment in IMH BEARING Hospital Project, with not less than 600 beds, by IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company in which Suksawat Medical Company Limited ("PCH") holds shares representing 80.00 percent of its registered and paid-up capital ("New Company") for operating hospital business with 30-year land lease, construction of building and operating IMH BEARING Hospital in total amount of not exceeding THB 5,500 million with an objective to expand business and increase competence in medical service of the Group from present in which the Company operates Prachapat Hospital which is general hospital with 100 beds in which the Company has invested through Suksawat Medical Company Limited in 2021.



IMH BEARING Hospital will be the hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day. The investment in project will increase capacity of in-patient department of IMH Group from 100 beds to not less than 700 beds which will increase the Company opportunity to create revenues in future and increase competency of the Company in hospital business.

The transaction is considered as acquisition transaction. If considering transaction size pursuant to the Notification of Asset Acquisition or Disposition, the transaction size is 466.06 percent per consideration criteria

which is compared with the Company's total assets as of 31 December 2021 which was THB 1,180.10 million, and if considering together with acquisition transaction of the Company in past 6 months before entering into this transaction of THB 23.36 million, the aggregate transaction size is 468.04 percent per consideration criteria.

The Acquisition Transaction is considered as type 4 transaction, i.e., transaction size is 100 percent or higher pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (including amendment), and the 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 and Disposition of Assets, dated 29 October 2004 (including amendment) (the "Notifications on Asset Acquisition or Disposition"). Therefore, the Company is obliged to disclose information memorandum regarding the transaction to the SET, appoint independent financial advisor to provide opinion on the transaction, and convene shareholders' meeting to consider approving the transaction in which the transaction must get approval with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and casting their votes, excluding voting rights of shareholders who have interest.

In this regard, the Company has all qualifications to exempt from submitting relisting application to the SET as the transaction is not considered as backdoor listing due to following reason.

- 1) The acquired business is in a similar line of business and supports the business of the Company
- 2) The Company does not have a policy to make a major change in its main business
- 3) After the acquisition of assets, the Company still has suitable qualifications for listing on the SET
- 4) There will be no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company

From the above criteria, the Company so appoints Welcap Advisory Company Limited ("IFA" or "Advisor") to act as the independent financial advisor to provide opinion on the Asset Acquisition Transaction to the Company's shareholders to use as supporting information to make decision on agenda.

In this regard, the calculation of figure in this IFA Report, the decimal number may be rounded from the second decimal place or third decimal place (as the case may be). Therefore, the actual result may not match with figure shown in this IFA Report.

3.2 Date of transaction

The Company expects to enter into the Transaction after getting approval from the 2022 Annual General Meeting of shareholders which will be held on 30 April 2022. Preliminarily, if the Company gets an approval for the Transaction from 2022 AGM, the Company expects to process within timeline, as follows:

	Procedures	Schedule (Estimated)
1	Sourcing for fund of project	Quarter 2 / 2022 – Quarter 1 / 2023
2	Establishment of New Company	
3	Signing long-term land lease agreement after certain source of funds	
4	Project designs and process for submission of Environment Impact Assessment report (EIA report), request for the construction permit and Sourcing for construction contractors	Quarter 1 / 2023

	Procedures	Schedule (Estimated)
5	Process of construction, including pile work, building structure work and MEP system, interior decoration and landscaping work	2023 – 2024
6	Requesting for premises license and license to operate medical establishment business	Quarter 4 / 2024
7	Opening of IMH BEARING Hospital	Quarter 1 / 2025
		Total approximately 3 years

Currently, the Company is in the process of procedure 1-3 in the table above.

3.3 Counterparty and relationship

Project developer : IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company (“New Company”) for land lease and operate IMH BEARING Hospital project. New Company has detail as follows:

Registered and : THB 50,000,000, divided into 500,000 shares,
Paid-up Capital with a par value of THB 100 per share
Business Type : Hospital Business
Directors : Mr. Sittiwat Kamkatwong and Miss Poramaporn Pavarojkit (Both are directors of IMH and PCH)

Shareholders name	No. of shares	%
1. Suksawat Medical Company Limited (“PCH”) (IMH holds 99.99% shares of PCH)	400,000	80.00
2. Miss Sorrapa Soparat	50,000	10.00
3. Mr. Pornarit Chounchaisit	50,000	10.00
Total	500,000	100.00

Relationship with the Company : Newly established subsidiary

Land lessor : (1) Mr. Pornarit Chounchaisit (2) Miss Pensuda Chounchaisit and (3) Mr. Chayaboon Chounchaisit

Relationship with the Company : All land lessors are not connected persons with the Company pursuant to the Notifications on Connected Transactions.

Contractor : Not yet available since the Company will seek and select for contractor after the shareholders approved the Transaction.

Relationship with the Company : The contractor will not be a connected person with the company pursuant to the Notifications on Connected Transactions.

3.4 Determination of transaction size

The transaction is considered as acquisition transaction pursuant to the Notification of Asset Acquisition or Disposition. The transaction size determination is referred from the Company's consolidated financial statement for the fiscal year ended 31 December 2021, which is audited by certified public accountant. The calculation details are as follows:

Basis	Formula	Calculation	Transaction Size
1. Net Tangible Assets (NTA)	$\frac{\text{NTA of assets acquired} \times \text{Proportion of assets acquired}}{\text{NTA of the listed company}} \times 100$	unable to calculate because the company has not yet been established	
2. Net Profit	$\frac{\text{Net profits of the assets acquired} \times \text{Proportion of assets acquired} \times 100}{\text{Net operating profits of the listed company}}$	unable to calculate because the company has not yet been established	
3. Total Value of Consideration	$\frac{\text{Total value of transaction paid} \times 100}{\text{Total assets of the listed company}}$	5,500.00 1,180.10	466.06%
4. Value of Securities	$\frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Paid-up shares of the company}}$	unable to calculate because no new shares are issued	

From the calculation of transaction size, the highest transaction size per consideration criteria is 466.06 percent of total assets of the Company as of 31 December 2021, which was THB 1,180.10 million, and if considering together with acquisition transaction of the Company in past 6 months before entering into this transaction of THB 23.36 million, the aggregate transaction size is 468.04 percent per consideration criteria.

The Acquisition Transaction is considered as type 4 transaction, i.e., transaction size is 100 percent or higher pursuant to the Notification Asset Acquisition or Disposition. Therefore, the Company is obliged to disclose information memorandum regarding the transaction to the SET, appoint independent financial advisor to provide opinion on the transaction, and convene shareholders' meeting to consider approving the transaction in which the transaction must get approval with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and casting their votes, excluding voting rights of shareholders who have interest.

In this regard, the Company has all qualifications to exempt from submitting relisting application to the SET as the transaction is not considered as backdoor listing due to following reason.

1. The acquired business is in a similar line of business and supports the business of the Company

This Transaction is the investment in IMH BEARING Hospital which is an expansion of Company business namely hospital and medical treatment for general working people. IMH BEARING Hospital will enhance the capability in medical treatment of the Company and expand service base for patients. Thus, IMH BEARING Hospital will enhance, support and create opportunities for the Company and subsidiaries' current main business.

2. The Company does not have a policy to make a major change in its main business

The Company does not have a policy to change its main business. IMH BEARING Hospital will enable the subsidiary of the Company to expand its capacity to continuously operates the medical treatment business, which is its main business, further on.

3. After the acquisition of assets, the Company still has suitable qualifications for listing on the SET

IMH BEARING Hospital does not engage in any illegal activities. In addition, after investing in IMH BEARING Hospital, the Company still has suitable qualifications to maintain its listing status on the SET, i.e. (a) the directors, executives and controlling persons of the Company have the required qualifications and do not have any prohibited characteristics or any characteristics indicating the lack of suitability to be trusted to manage a business whose shares are held by the public; (b) the Company has in place a good corporate governance system in which the independent directors and the Audit Committee have the required composition and qualifications as prescribed; (c) the Company's auditor is on the approved list of the Office of the Securities and Exchange Commission (the "SEC Office"); (d) the Company has in place a sufficient and appropriate internal control system; (e) the Company and its subsidiaries do not have any conflict of interest; (f) the Company maintains its free float requirement; and (g) the Company has set up a provident fund in accordance with the law governing provident funds.

4. There will be no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company

The Company has no material change in the composition of the Board of Directors, shareholders, or controlling persons of the Company. After investing in IMH BEARING Hospital, the Company does not have a policy to change the members of the Board of Directors and the executives of the Company.

Therefore, the Company is required to disclose the information memorandum to the Stock Exchange of Thailand (SET), to arrange for a shareholders' meeting of the Company in order to obtain approval on the entering into the Transaction, whereby the resolution on the matter must be passed by votes of no less than three-fourths (3/4) of the total votes cast by the shareholders attending the shareholders' meeting and eligible to vote, excluding the votes cast by the interested shareholders, and to appoint an independent financial advisor (IFA) to provide opinion on the appropriateness and the reasonableness of the Transaction to shareholders of the Company.

3.5 General characteristic of transaction

The Company would like to invest in IMH BEARING Hospital Project, with not less than 600 beds, by IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company in which Suksawat Medical Company Limited (“PCH”) holds shares representing 80.00 percent of its registered and paid-up capital (“New Company”) for operating hospital business with 30-year land lease, construction of building and operating IMH BEARING Hospital in total amount of not exceeding THB 5,500 million to enhance the capacity of medical treatment.

IMH BEARING Hospital will be the hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day. The investment in project will increase capacity of in-patient department of IMH Group from 100 beds to not less than 700 beds which will increase the Company opportunity to create revenues in future and increase competency of the Company in hospital business.

The investment budget of IMH BEARING Hospital is based on projection by one of architect firm, which have years of experience in designing renowned hospital building in Thailand with the Company’s management decision. The investment budget of hospital not less than 600 beds on approximately 90,000 square meters, including, the price checking with suppliers, which can be summarized, as follows:

Description	Budget (Estimated) (THB Million)
1. Land Rental – Land lease fee and 30-year rental fee	450
2. Construction and systematic work (relied on one of architecture firm)	4,355
3. Medical tools and equipment	560
4. Office supplies and others	135
Total of not exceeding	5,500

For above estimated budget, the Board of Directors propose the Shareholders’ Meeting to consider approving the authorization of the Board of Directors to change the budgets allocation of each category as appropriate with the total budget of not exceeding THB 5,500 million.

The transaction is considered as acquisition transaction. If considering transaction size pursuant to the Notification of Asset Acquisition or Disposition, the transaction size is 466.06 percent per consideration criteria which is compared with the Company’s total assets as of 31 December 2021 which was THB 1,180.10 million, and if considering together with acquisition transaction of the Company in past 6 months before entering into this transaction of THB 23.36 million, the aggregate transaction size is 468.04 percent per consideration criteria.

The Acquisition Transaction is considered as type 4 transaction, i.e., transaction size is 100 percent or higher pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (including amendment), and the 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 and Disposition of Assets, dated 29 October 2004 (including amendment) (the “Notifications on Asset Acquisition or Disposition”). Therefore, the Company is obliged to disclose information memorandum regarding the transaction to the SET, appoint independent financial advisor to provide opinion on the transaction, and convene shareholders’ meeting to consider approving the transaction in which the transaction must get approval with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and casting their votes, excluding voting rights of shareholders who have interest.

In this regard, the Company has all qualifications to exempt from submitting relisting application to the SET as the transaction is not considered as backdoor listing due to following reason.

- 1) The acquired business is in a similar line of business and supports the business of the Company
- 2) The Company does not have a policy to make a major change in its main business
- 3) After the acquisition of assets, the Company still has suitable qualifications for listing on the SET
- 4) There will be no material change in the composition of the Board of Directors, shareholders or controlling persons of the Company

From the above criteria, the Company so appoints Welcap Advisory Company Limited (“IFA” or “Advisor”) to act as the independent financial advisor to provide opinion on the Asset Acquisition Transaction to the Company’s shareholders to use as supporting information to make decision on agenda.

In this regard, the calculation of figure in this IFA Report, the decimal number may be rounded from the second decimal place or third decimal place (as the case may be). Therefore, the actual result may not match with figure shown in this IFA Report.

3.6 Criteria used in determination of value of acquired asset

In determining the total value consideration for the Investment of IMH BEARING Hospital project, the Company estimated based on the negotiation of land lessors and for the construction cost based on projection by one of architect firm, which have years of experience in designing renowned hospital building in Thailand. Then the management considers the investment cost of IMH BEARING Hospital project, not less than 600 beds with the size of approximately 90,000 square meters, including, the quotation price request from suppliers.

3.7 Total value of consideration and term of payment

The total value of consideration of the Transaction is the investment cost of IMH BEARING Hospital in total amount of not exceeding THB 5,500 million The Company will pay by installments and conditions agreed with the land lessor and contractors/suppliers in the future and will seek for contractors/suppliers after getting approval from shareholders’ meeting.

3.8 Detail of acquired asset

IMH BEARING Hospital Project is the project of operating IMH BEARING Hospital with 30-year land lease and construction of building by IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company in which Suksawat Medical Company Limited (“PCH”) holds shares representing

80.00 percent of its registered and paid-up capital ("New Company") in total amount of not exceeding THB 5,500 million.

The location of project is on Sukhumvit 107 Road (Soi Bearing) at Land title deed no. 14053-14061, 14084-14092, 4560 (formerly 1784) and 8529 (formerly 8592), Dealing file number 955-963, 986-994, 324 and 606, Bangna, Phra Khanong, Bangkok. The Company will enter into the land lease agreement for approximately 12 Rais of land for 30 years. The Company shall have the rights to renew the lease for another 30 years with the annual rental fee agreed with the lessor.

The investment budget of IMH BEARING Hospital is based on projection by one of architect firm, which have years of experience in designing renowned hospital building in Thailand with the Company's management decision. The investment budget of hospital not less than 600 beds on approximately 90,000 square meters, including, the price checking with suppliers, which can be summarized, as follows:

Description	Budget (Estimated) (THB Million)
1. Land Rental – Land lease fee and 30-year rental fee	450
2. Construction and systematic work (relied on one of architecture firm)	4,355
3. Medical tools and equipment	560
4. Office supplies and others	135
Total of not exceeding	5,500

For above estimated budget, the Board of Directors propose the Shareholders' Meeting to consider approving the authorization of the Board of Directors to change the budgets allocation of each category as appropriate with the total budget of not exceeding THB 5,500 million.

IMH BEARING Hospital will be the hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day.

This Project will enhance the Company's revenue and ability by expansion to a comprehensive medical service. This expansion will enable IMH BEARING Hospital to be a One-stop services. In addition, the Company also serves social security group which is the Company has experienced in this service.

3.9 Condition for entering into transaction

1. The 2022 Annual General Meeting of shareholders of the Company shall have resolved to approve the Transaction, whereby the resolution on the matter must be passed by votes of no less than three-fourths (3/4) of the total votes cast by the shareholders attending the shareholders' meeting and eligible to vote, excluding the votes cast by the interested shareholders, which there is no interested shareholders and no votes cast excluded in this transaction. From the list of the Company's shareholders as of 21 March 2022, which is record date to determine list of shareholders who entitle to attend the meeting, the shareholder who have interest in proposed agenda and will

not have rights to cast his vote is Mr.Pornarit Chounchaisit who hold shares in the Company in the amount of 180,000 shares.

2. The Company shall have the certain and adequate source of funds before starting any action relevant to the operation or construction of IMH BEARING Hospital project.
3. In case of using source of funds from the Initial Public Offering of newly issued ordinary shares of PCH ("IPO") and listing on the SET. The Company shall arrange
 - a. The Shareholders' Meeting of the Company shall have resolved to approve the Initial Public Offering of newly issued ordinary shares of PCH ("IPO").
 - b. The SEC shall have to approve the Initial Public Offering of newly issued ordinary shares of PCH ("IPO").
 - c. The SET shall have to approve ordinary shares of PCH to be listed on the SET.
 - d. PCH shall receive adequate proceeds from the IPO for IMH BEARING Hospital Project.

3.10 Source of fund

Project will be funded by cashflow of the Company approximately THB 50 million, loan from financial institutions and the Initial Public Offering of newly issued ordinary shares of PCH ("IPO") and listing on the SET. PCH is during the preparation for IPO. In this regard, IMH, the parent company, is the listed company in the Stock Exchange of Thailand and has experienced in listing the Company in the Stock Exchange of Thailand. However, to list PCH in the Stock Exchange of Thailand, PCH will need to have complete qualification per listing criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Therefore, to achieve the IPO per planned timeframe, the Company so appoints financial advisor to act as advisor who will submit listing application, including the Company is during proceed on necessary matter, e.g. due diligence, preparation of internal control system, and preparation of financial statement in accordance with TFRS etc. The Company expects that PCH will submit application and draft prospectus to the Office of the Securities and Exchange Commission within quarter 3 of 2022. If PCH get approval to offer newly issued ordinary shares to public (IPO), it is expected that the offering will occur within 2022 based on assumption that the application will be approved by relevant authorities, economic condition, market circumstance, as well as external and internal factor of the Company at that time which support said offering of newly issued ordinary shares to public (IPO).

However, after Shareholders' Meeting approves this Transaction, the Company shall not take any action if the IPO of PCH will not be as planned or the adequate source of funds for operating project is uncertainty.

Part 4: Reasonableness of Transaction

4.1 Objective and necessity of entering into transaction

The Company intends to invest in IMH BEARING Hospital Project with not less than 600 beds by IMH Bearing Hospital Company Limited, a newly established indirect subsidiary of the Company in which Suksawat Medical Company Limited ("PCH") holds shares representing 80.00 percent of its registered and paid-up capital ("New Company") for operating hospital business with 30-year land lease, construction of building and operating IMH BEARING Hospital in total amount of not exceeding THB 5,500 million ("Transaction") with an objective to expand business and increase competence in medical service which is similar or support current business of the Company.

IMH BEARING Hospital will be the hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day which will increase the Company opportunity to create revenues in future and increase competency of the Company in hospital business.

4.2 Advantage of entering into transaction

4.2.1 Increase competency and expand hospital business

At present, the Company engages private hospital with specialize on health check-up which provide annual health check-up service, health risk check-up, and pre-employment check-up, out-patient department, vaccinate service, and seminar service, and operates general hospital with 100 beds, i.e., Prachapat Hospital, which provide medical service similar to project that the Company will invest. This investment will expand the Company's hospital business from focusing on health check-up in which the Company can refer patient to receive medical treatment at affiliate hospital as the invested project will cover comprehensive medical service from health check-up, out-patient department, in-patient department, and can provide service to both general patient and patient under Social Security Office Campaign.

Therefore, this investment will increase competency and advantage from entering into business which can utilize benefit from existing business of the Company and growth trend of medical industry in Thailand in generating additional revenues and return from investment to allow the Company to have strong operating result.

4.2.2 Increase competency in generating revenues of the Company

The investment in project will increase the Company's source of revenues. In past, the Company only incurred revenues from hospital service by focusing on health check-up and revenues from environmental monitoring service, and in 2021, the Company has acquired ordinary shares of Suksawat Medical Company Limited which operate Prachapat Hospital, a general hospital with 100 beds, so the Company incurred additional revenues from hospital business. The revenues structure (excluding other income) is as follows:

Revenues from service	2019		2020		2021	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Revenues from hospital service	286.70	85.83	215.63	90.52	310.27	32.86
Revenues from environmental monitoring service	47.33	14.17	22.58	9.48	10.84	1.15
Revenues from hospital business	-	-	-	-	623.00	65.99
Total	334.03	100.00	238.21	100.00	944.11	100.00

Source: 2020 annual report of the Company and 2021 financial statement of the Company

Therefore, the investment will allow the Company to incur additional revenues from new hospital. In addition, the Company will be able to provide comprehensive medical service, and with the larger size of hospital, it tend to attract more customers. Therefore, the Company's revenues may increase in future, as well as the Company may also receive benefit from economy of scale as the larger size of business.

4.2.3 Diversify risk of the Company

This investment will diversify risk of the Company from business competition as the Company's existing business is off-site health check-up, which is easy to enter to the business, especially for the large hospital which may expand its business to off-site service, including environmental monitoring service of the Company which have decreasing revenues trend.

Furthermore, the investment in new hospital at Bearing which is considered as good location, located at southern area of Bangkok in Bangna District and Samuthprakarn which is densely populated and have potential to grow, as well as located near to BTS Bearing which is convenience to transport and near to facilities, department stores, and important premise, e.g., Bitec Bangna, and Bangkok Mall which is during construction and expect to operate in 2023. It will also expand customer base of the Company. In addition, as there were few number of competitors in that location. So, it is considered as the diversification of the Company's risk in term of business location.

4.2.4 The investment is appropriate based on study of the project feasibility

From the project feasibility study by the IFA, the IFA finds that the project in which the Company will invest will generate net present value of THB 2,633.91 million, and internal rate of return of 14.03 per year which is higher than average of weighted average cost of capital of the project which is 8.94 percent per year. Those demonstrate the capability of project to generate return which is higher than cost of the Company. Therefore, the transaction is deemed appropriate in term of financial aspect.

4.3 **Disadvantage of entering into transaction**

4.3.1 The Company will incur additional debt and interest burden in future

By entering into the transaction, the Company need to use loan from financial institution as the source of fund to operate at 50 percent of project value. That may increase the Company's debt to equity ratio as well as interest burden which may increase with amount of incurred debt. However, as the Company also plan to

procure funding from issuance of newly issued ordinary shares of PCH to the public for the first time, therefore, the Company may be able to maintain debt to equity ratio not exceeding 1 time. In this regard, the debt to equity ratio tends to decrease continuously aligning with repayment schedule of loan. From the financial projection of the project, the IFA finds that the project has earnings before interest and tax as well as overall cash flow which can service interest and principal incurred from loan since the first year of the projection (2025) onwards. Therefore, the project is able to service debt throughout the projection period.

4.3.2 The Company may loss capability to generate debt in future

Loan form local financial institution use in project may require the Company to maintain debt service coverage ratio (DSCR) and/or debt to equity ratio in according with financial covenant specified in facility agreement in which the Company will enter with commercial bank. In this regard, such financial covenant are usually general term in which commercial bank require from its customers. Therefore, the Company may loss capability to generate debt in future if there is need on debt utilization, e.g., to use as funding for new project investment or enhance business liquidity.

4.3.3 The Company will not be able to commence project if the Company cannot procure funding from IPO of PCH

In entering into this transaction, the importance condition is procuring of funding from IPO of PCH which is uncertain and subject to approval of the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, as well as success of offering of ordinary shares after receiving approval, e.g., period in which the IPO is complete, amount of fund raising which may not reach target which will be depended on economic environment, capital market, and both internal and external factor at that time. In this regard, the Company will not proceed any action until the source of fund for the project is clear and is considered as condition for entering into the transaction.

In this regard, even such source of fund will not create dilution effect to the Company as there is no dependence on capital increase at the Company level, but it will create dilution effect at PCH instead. In addition, as such condition will prohibit the Company to commence the project and will incur opportunity cost during the period before IPO of PCH, e.g., opportunity to commence immediately after receiving approval from shareholders which allow the Company to receive return earlier, and opportunity of competitor to adjust and compete etc.

Furthermore, the Company will incur sunk cost for designer expenses in which the Company need to pay even the project is not able to proceed, as well as independent financial advisor fee for providing opinion of this transaction, totaling amount of THB 4.58 million.

4.4 Advantage of not entering into transaction

4.4.1 The Company will not incur additional debt and will not have interest burden in future

With regard to this investment, portion of funding will be form local financial institution which will used for construction of building and use as working capital for the project. In this regard, if the Company considers not to enter to the transaction, the Company will not need to incur debt which will allow the Company to maintain debt to equity ratio and not have interest burden in future.

4.4.2 The Company will not bear risk from investment in this project

If the Company considers to not invest in this project, the Company will not have to bear risks from entering into the project as specified in 4.6.

4.4.3 The Company will maintain capability on debt generating and allow to utilize proceed from IPO of PCH for other purpose

If the Company considers not to enter to this transaction, the Company will still have working capital and maintain capability on debt generating from requesting of credit line from financial institution as the Company's debt to equity does not increase. In addition, the Company can utilize proceed from IPO of PCH for other purpose if the IPO is success as expected which will benefit the Company if the Company intends to invest in future project which provide better return and/or risk compared to current project.

4.5 Disadvantage of not entering into transaction

4.5.1 The Company will loss opportunity from investing in this project

If the Company decides not to invest in this transaction, the Company will loss opportunity to increase revenues, as well as opportunity to receive return from investment in project. From the projection, the IFA finds that the project is feasible with internal rate of return of 14.03 percent compared to cost of capital of the project which is 8.94 percent. Furthermore, the project will generate positive net present value which is benefit the Company. Therefore, by not entering into the transaction, the Company will loss opportunity to increase competency in medical industry.

4.5.2 The Company need to spend time for investing in other projects

If the Company decides not to invest in this transaction, the Company will need to seek other projects to invest in order to enhance the Company's operating result. Therefore, the Company will incur opportunity cost if the Company decides not to invest in project. Furthermore, the other projects may provide worse return and/or risk compared to this project in which such other projects will provide worse investment worthiness.

4.6 Risk from entering into transaction

4.6.1 Risk from not procuring sufficient funding

The Company may face risk from not procuring sufficient funding for development of project as the Company plan to seek funding from loan from financial institution and IPO of PCH. Therefore, it is possible that the Company may not receive credit lint from financial institution while the IPO of PCH may not success and depended on the approval by the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand. The approval will be based on complete of qualification pursuant to listing criteria of the Stock Exchange of Thailand, readiness of the Company to proceed on initial public offering in various aspects, e.g., business structure, management structure, board of director, independent director, accounting system, and internal control system etc., as well as success of offering of ordinary shares after getting approval, e.g., offering period of newly issued ordinary shares, amount of fund raising which may not reach target which will be depended on economic environment, capital market, and both internal and external factor at that time. However, the Company has

appointed financial advisor to act as advisor who will submit listing application, including the Company is during proceed on necessary matter, e.g. due diligence, preparation of internal control system, and preparation of financial statement in accordance with TFRS etc. At present, the IPO plan still achieve timeframe as specified in which the shareholders can see additional details in 3.10 source of fund.

Even the approval of this transaction is required for negotiation with owner of the land which will used to develop project. However, if the Company's shareholders meeting approves the transaction, but the Company cannot procure sufficient funding or there is no clear on source of fund, the Company will not proceed any action until there is clear on source of fund for project development which is considered as condition for entering into the transaction, and the Company will incur sunk cost on preliminary designer expenses as well as independent financial advisor fee for providing opinion on this transaction, totaling amount of THB 4.58 million.

However, if the transaction can not be complete as per above condition, it will not affect the Company in any aspect apart from sunk cost as aforementioned.

4.6.2 Risk from not registering leasehold rights on land

Even the shareholders' meeting approve the transaction, the Company will not proceed any action relating to construction of IMH Bearing Hospital until there is certainty on source of fund as aforementioned. This include not registering leasehold rights on land with landlord to use as operating premise. Therefore, even the Company can negotiate with the landlord on the concept, but the Company will still face risk on uncertainty as the land lease is not legally enforceable during the period before IPO of PCH. This may cause the Company to loss opportunity to invest as planned.

The Company believes that such risk is low as IMH Bearing Hospital Company Limited or newly established company for investing in IMH Bearing Hospital Project will be partly invested by landlord which imply intention of landlord to bear risk and return of the project together with the Company in future.

4.6.3 Risk from delay of construction

The investment in IMH Bearing Hospital Project is considered as major investment of the Company in which the Company expected to invest approximately THB 5,500 million, and expect to construct for the period of 2 years. Therefore, the Company may face risk if the construction has started but there is any event which cause the project construction to delay or not able to complete. In such case, it will affect the Company's operating and liquidity at that time.

In this regard, the Company well aware of such risk and will implement various measure to reduce risk from delay of construction, e.g., monitor and control cost and timeline to be as planned, selection of reputable contractor and project advisor which have experienced and reliable, impose delay penalty if the contract deliver work beyond schedule, insure the project construction, request for retention from contractor to compensate for any loss during the construction and after the delivery of work etc. The Company so opine that risk from delay of construction is limited.

4.6.4 The Company lack of experience in operating large hospital

The Company started business from providing health check-up. Then, in 2021, the Company expanded to hospital by acquiring PCH shares which operate Prachapat Hospital with 100 beds. The Company so have experienced in managing hospital for only 1 year. While the investment in new hospital will have beds not less than 600 beds which is considered as significant larger hospital. Therefore, the management of hospital may be differed as Prachapat Hospital has been operated for long time and has been accepted by patients, and have specialized medic team before the Company invested in. While the new hospital, the Company will have to build customer base from scratch, procure new medic team, as well as impose management and systems to comply with standard etc. In this regard, the Company may face risk if the operating result is not be as expected. However, even the project size is differed from current business, but the Company can still utilize experienced in management of PCH which is considered as important milestone of entering into hospital business, In addition, the Company also plans to recruit expertise personnel to assist in operation of IMH Bearing Hospital Project to yield the best benefit to the Company and shareholders.

4.4.5 Risk from lack of medical staff

The IMH Bearing Hospital in which the Company will invest will provide comprehensive medical service with number of beds not less than 600 beds. Therefore, it will require significant number of medical staff to provide service as planned, e.g., specialized medic in each field, nurse, medical technician, and others. The Company so may face risk form procurement and attracting of medical staff. In some case, e.g., not able to attract reputable medical staff which is considered as factor to attract customer to use service of hospital, and not able to attract sufficient staff to operate hospital with 600 beds etc. This may affect operating result to not be as expected.

In past, the Company have not faced problem with regard to insufficient of medical staff, and expect to procure sufficient medic team. At present, the Company was accepted by Dr.Sukhum Karnjanapimai, former permanent secretary of the Ministry of Public Health, to hold position as high level executive and oversee on such project. The Company also emphasize on creating relationship with medical staff and specialized medic in various field as well as facilitate on providing service in term of medical equipment, work premise, compensation and welfare, and promote development of knowledge and skill of staff to create relationship between company and staff in long-term and reduce such risk.

4.6.6 Risk from volatility of interest rate

As the investment proceed for this project will partly come from loan from financial institution. If considering loan from local financial institution of the Group at present, the interest rate is floating by referring to MLR. Therefore, if the credit line in which the Company will receive have floating interest rate scheme and the interest rate is changed, such financial institution may increase or decrease interest rate as per condition in facility agreement. Therefore, the Company may face risk from change of interest rate on loan used in developing IMH Bearing Hospital Project.

4.6.7 Risk from operating result is not as expected

The operating result from investing in project may not be as expected as subject to actual performance which may be differed from assumption used in preparation of financial projection. Therefore, if there is any event which may cause any change, e.g., economic condition, environment condition, and government policy, it may affect feasibility of the project which is prepared per 4.2.4 to change. In this regard, the investors can refer to sensitivity analysis for investment in project in part 5 no. 5.2 sensitivity analysis.

4.7 Summary of opinion on reasonableness of transaction

From the risk factors, advantages, disadvantages from entering into the transaction and not entering into the transaction as aforementioned, the IFA opines that investment in this project will allow the Company to increase revenues channel, diversify investment of the Company, expand existing business. It is expected that the Company's operating result will be improved. However, the Company's shareholders may consider disadvantage of entering into the transaction, e.g., loan from financial institution, and risk from entering into transaction, e.g. risk from not procuring sufficient fund, risk on land, risk on delay of construction, risk from operating result is not as expected, as well as other conditions for making decision on this transaction.

From the above reason, the IFA opines that the Asset Acquisition Transaction is deemed **appropriateness.**

Part 5: Reasonableness of Price

5.1 Financial projection

In determining reasonableness on price, the IFA will prepare projection of free cash flow to firm of IMH Bearing Hospital Project which is hospital with comprehensive medical service targeting on the middle class customers in Southern Bangkok area including Bangkok and Vicinity. Primarily, the hospital building has not over 26 floors located on a land which has a size approximately of 12 Rais with lease term of 30-year on Sukhumvit 107 Road (Soi Bearing) near BTS-Bearing station. IMH BEARING Hospital will have usage area of approximately 90,000 square meters with the In-patient capacity of not less than 600 beds per day. The IFA will assess internal rate of return, net present value, and payback period of the project to determine the reasonableness of price.

In this regard, the IFA prepares financial projection for 30 years from 2023 to 2052 which is in accordance with term of land lease agreement of 30 years. The IFA does not consider option to extend lease term for another 30 years as the executive does not have solid plan to extend lease term while the rental rate shall be mutually agreed among the lessor and lessee. So, there is high uncertainty.

In preparing financial projection, the IFA refers information from interview with IMH's executive with regard to investment structure, investment plan, operating plan, and considers industry information and overall country economic, as well as other relating documents. The IFA studies and analyzes reliable and reasonableness of assumptions received from interview with IMH's executive and adjust some assumptions to comply with conservative basis.

With regard to industry information, the IFA considers information of listed company engaging in business similar to IMH Bearing Hospital by concerning number of total beds and target customer group. The list of peer companies are as follows:

No.	Company Name	Ticker	Number of in-patient beds as of 31 December 2020
1.	Chularat Hospital Public Company Limited	CHG	749
2.	Ladprao General Hospital Public Company Limited	LPH	206
3.	Praram 9 Hospital Public Company Limited	PR9	225*
4.	Rajthanee Hospital Public Company Limited	RJH	353
5.	Sikarin Public Company Limited	SKR	558

Source: Annual report (56-2), annual registration statement (56-1), and presentation of each company

Remark: * Number of beds as of 31 December 2021

However, due to limitation on information, some peer companies may not have some information to be compared. In this regard, the Company will compare with only peer companies which have comparable information. The details of key assumptions are as follows:

5.1.1 Revenues from hospital business

In operating of IMH Bearing Hospital, the executive expects that it will incur 4 types of revenues as follows:

1. Revenues from SSO patient: this revenues come from providing services to member of SSO according to number agree with Social Security Office.
2. Revenues from patient under Car Accident Protection Act, B.E. 2535 (including amendment): this revenues come from providing service to people protected by said law.
3. Revenues from in-patient department: this revenues come from providing service to general people who pay expenses by themselves or use their rights on health insurance.
4. Revenues from out-patient department: this revenues come from providing service to general people who pay expenses by themselves or use their rights on health insurance.

The projection of each type of revenues are as follows:

Revenues from SSO patient

In determining revenues from SSO patient, the executives expect that they will allocate in-patient department bed of 89 beds to serve member of SSO in amount of 300,000 members. It will take 4 years to reach maximum utilization (Ramp-up Period) per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively. The project will incur revenues in accordance with lump sum payment rate pursuant to the Notification of Medical Committee under Social Security Act of THB 1,640 per member.

The IFA considers assumption of executives and opines that if considering in-patient department bed of 89 beds compared to serving member of SSO in amount of 300,000 members, it imply the utilization rate of 100.00 percent which is quite high. In determine such utilization, the IFA compares with actual operating performance of Prachapat Hospital between May 2020 to September 2020 (the IFA considers applying information during such period as information after September 2020 was affected by COVID-19 situation while the executives cannot procure operating performance before May 2020 as IMH has just acquired PCH in March 2021. So, there is limitation to analyze historical actual information). The calculation details are as follows:

Type of information	Detail	Source of information
Number of member of SSO serviced by IMH Bearing Hospital	300,000 people	Management expectation
<u>Multiplied by</u> % OPD Visit	245.96%	Prachapat Hospital
Number of OPD	737,873 times per year	

Type of information	Detail	Source of information
Multiplied by OPD to IPD Conversion Rate	2.03%	Prachapat Hospital
Number of IPD	15,000 cases	
Multiplied by Length of stay	2.16 days	Prachapat Hospital
Number of beds used to provide service per year (bed x day)	32,449 beds	
Divided by Number of days in each year	365 days	
Number of beds required in operation	89 beds	

Therefore, the IFA so considers utilization rate of comparable companies. The utilization rate of in-patient department beds are as follows:

Year	CHG	LPH	PR9	RJH	SKR	Average
2018	65.50%	n.a.	67.90%	76.20%	n.a.	69.87%
2019	67.92%	n.a.	62.20%	75.50%	n.a.	68.54%
2020	64.33%	n.a.	52.00%	63.40%	n.a.	59.91%

Source: Annual report (56-2), annual registration statement (56-1), and presentation of each company

Remark: n.a. mean there is no information disclose to public

From the above table, the IFA so assumes utilization rate of 65.00 percent, which is referred from utilization rate of in-patient department bed in 2018 to 2020 of the comparable companies which if 64.77 percent, to comply with conservative basis which imply service capacity for member of SSO in amount of 195,000 members (calculate from number of member of 300,000 member multiplied by utilization rate of in-patient department bed of 65.00 percent). It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively. The revenues will be based on lump sum payment rate of THB 1,640 per member which is in accordance with relevant notification, and apply growth rate of 1.41 percent per annum by referred from compound annual growth rate of lump sum payment rate between 2012 to 2021. The details of projection in each years are as follows:

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Number of member (members)	-	-	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Ramp-up efficiency (percent)	-	-	40.00%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of member – net (members)	-	-	78,000	117,000	156,000	195,000	195,000	195,000	195,000	195,000
Lump sum payment (THB per member)	-	-	1,710.29*	1,734.38	1,758.81	1,783.59	1,808.71	1,834.19	1,860.03	1,886.23
Revenues from SSO patient (THB million)	-	-	133.40	202.92	274.37	347.80	352.70	357.67	362.71	367.81
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Number of member (members)	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of member – net (members)	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Lump sum payment (THB per member)	1,912.80	1,939.74	1,967.07	1,994.78	2,022.88	2,051.37	2,080.27	2,109.57	2,139.29	2,169.43
Revenues from SSO patient (THB million)	373.00	378.25	383.58	388.98	394.46	400.02	405.65	411.37	417.16	423.04
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Number of member (members)	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of member – net (members)	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Lump sum payment (THB per member)	2,199.99	2,230.98	2,262.40	2,294.27	2,326.59	2,359.37	2,392.60	2,426.31	2,460.48	2,495.14
Revenues from SSO patient (THB million)	429.00	435.04	441.17	447.38	453.69	460.08	466.56	473.13	479.79	486.55

Remark: Calculate from lump sum payment rate of THB 1,640 per member adjusted by growth rate of 1.41 percent per annum for 3 years (from 2022 to 2025)

Revenues from patient under Car Accident Protection Act, B.E. 2535 (including amendment)

In determining revenues from patient under Car Accident Protection Act, B.E. 2535 (including amendment), the executives expect that they will allocate in-patient department bed of 30 beds to serve 300 cases per month by referred to size of hospital and number of case of Prachapat Hospital which have approximately 30 cases per month while having 100 beds compared to number of beds of IMH Bearing Hospital which is 600 beds. It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively. The project will incur revenues in accordance with lump sum payment rate pursuant to the Ministerial Regulation on Criteria for Receiving Preliminary Compensation, Amount of Preliminary Compensation, Requesting and Payment of Compensation (No.2), B.E. 2557, which pay medical service fee not exceeding THB 30,000 per case.

The IFA considers assumption of executives and opines that if considering in-patient department bed of 30 beds compared to serving of 300 cases per month, it imply the utilization rate of 100.00 percent which is quite high. In addition, if comparing size of hospital between IMH Bearing Hospital and Prachapat Hospital which has 600 beds and 100 beds, respectively, IMH Bearing Hospital should have approximately 180 cases per month (or equivalent to utilization rate at 60.00 percent). The IFA so applies utilization rate of in-patient department beds at 60.00 percent which will imply number of case of 180 cases per month (the calculation details are similar to revenues from SSO patient, the difference is only length of stay which is 2.97 days referred from actual operating performance of Prachapat Hospital between May 2020 to September 2020). It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively. The revenues will derived from THB 15,087.72 per case by referred from revenues per case of PCH in 2020 and apply growth rate of 1.88 percent per annum by referred from average Thailand inflation rate in past 20 years. The details of projection in each years are as follows:

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Number of case (cases per moth)	-	-	180	180	180	180	180	180	180	180
Ramp-up efficiency (percent)	-	-	40.00%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case - net (cases per moth)	-	-	72	108	144	180	180	180	180	180
Revenues (THB per case)	-	-	16,558.68	16,869.65	17,186.46	17,509.22	17,838.05	18,173.04	18,514.33	18,862.03
Revenues from patient under Act (THB million)	-	-	14.31	21.86	29.70	37.82	38.53	39.25	39.99	40.74
Projection year	11	12	13	14	15	16	17	18	19	20

Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Number of case (cases per moth)	180	180	180	180	180	180	180	180	180	180
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case - net (cases per moth)	180	180	180	180	180	180	180	180	180	180
Revenues (THB per case)	19,216.26	19,577.14	19,944.80	20,319.37	20,700.96	21,089.73	21,485.79	21,889.30	22,300.38	22,719.18
Revenues from patient under Act (THB million)	41.51	42.29	43.08	43.89	44.71	45.55	46.41	47.28	48.17	49.07
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Number of case (cases per moth)	180	180	180	180	180	180	180	180	180	180
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case - net (cases per moth)	180	180	180	180	180	180	180	180	180	180
Revenues (THB per case)	23,145.84	23,580.52	24,023.37	24,474.52	24,934.16	25,402.42	25,879.48	26,365.49	26,860.64	27,365.08
Revenues from patient under Act (THB million)	50.00	50.93	51.89	52.86	53.86	54.87	55.90	56.95	58.02	59.11

Remark: Calculate from revenues of THB 15,087.72 per case adjusted by growth rate of 1.88 percent per annum for 5 years (from 2020 to 2025)

Revenues from in-patient department

In determining revenues from in-patient department, the executives expect that they will allocate in-patient department bed of 481 beds with utilization rate of 100.00 percent, and expect to incur average revenues of THB 22,000 per bed per day which is referred from actual operating performance of Prachapat Hospital between May 2020 to September 2020 which is THB 22,021.06. It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively.

The IFA considers assumption of executives and opines that the utilization rate of 100.00 percent is quite high. The IFA so considers assuming utilization rate of in-patient department bed of 65.00 percent, which is referred from utilization rate of in-patient department bed in 2018 to 2020 of the comparable companies which is 64.77 percent. It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40

percent, 60 percent, 80 percent, and 100 percent, respectively. The revenue will be referred from executives assumption, which is THB 22,000 per bed per day, and apply growth rate of 1.88 percent per annum by referred from average Thailand inflation rate in past 20 years. The details of projection in each years are as follows:

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Number of bed (beds)	-	-	481	481	481	481	481	481	481	481
Ramp-up efficiency (percent)	-	-	40.00%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of bed – net (beds)	-	-	192	289	385	481	481	481	481	481
Utilization rate (percent)	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Revenues per bed per day (THB)	-	-	24,144.86*	24,598.30	25,060.26	25,530.89	26,010.36	26,498.84	26,996.48	27,503.48
Revenues from in-patient department (THB million)	-	-	1,102.14	1,684.25	2,287.85	2,921.50	2,968.23	3,023.97	3,080.76	3,147.22
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Number of bed (beds)	481	481	481	481	481	481	481	481	481	481
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of bed – net (beds)	481	481	481	481	481	481	481	481	481	481
Utilization rate (percent)	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Revenues per bed per day (THB)	28,019.99	28,546.21	29,082.31	29,628.47	30,184.89	30,751.77	31,329.28	31,917.65	32,517.06	33,127.73
Revenues from in-patient department (THB million)	3,197.56	3,257.61	3,318.79	3,390.38	3,444.62	3,509.31	3,575.21	3,652.33	3,710.76	3,780.45
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Number of bed (beds)	481	481	481	481	481	481	481	481	481	481
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of bed – net (beds)	481	481	481	481	481	481	481	481	481	481

Utilization rate (percent)	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Revenues per bed per day (THB)	33,749.87	34,383.69	35,029.42	35,687.27	36,357.48	37,040.27	37,735.89	38,444.57	39,166.56	39,902.11
Revenues from in-patient department (THB million)	3,851.44	3,934.52	3,997.46	4,072.53	4,149.02	4,238.51	4,306.32	4,387.19	4,469.58	4,565.99

Remark: Calculate from revenues of THB 22,000 per bed per day adjusted by growth rate of 1.88 percent per annum for 5 years (from 2020 to 2025)

Revenues from out-patient department

Revenues from out-patient department, the executives expect that they will provide service to out-patient department of 2,500 cases per day. It will take 4 years to reach maximum utilization (Ramp-up Period), per target in which the efficiency rate in year 1, year 2, year 3, and year 4 onward, is 40 percent, 60 percent, 80 percent, and 100 percent, respectively. The revenues will be THB 2,000 per case by referred from actual operating performance of Prachapat Hospital between May 2020 to September 2020 which is THB 1,975.60 per case. The IFA opines that the executives assumption is possible. If comparing service rate of 2,500 case per day compared to OPD room of IMH Bearing Hospital of 220 rooms, it imply service rate of 11.36 cases per room which is possible when comparing to information of peer companies with details as follows:

Service rate (case per day)

Year	CHG	LPH	PR9	RJH	SKR	Average
2018	49.30	n.a.	10.39	n.a.	n.a.	29.84
2019	48.48	n.a.	10.67	n.a.	n.a.	29.58
2020	41.85	n.a.	7.42	n.a.	n.a.	24.63

Source: Annual report (56-2), annual registration statement (56-1), and presentation of each company

Remark: n.a. mean there is no information disclose to public

However, the IFA has considers revenues per case of peer company and finds that revenue per case of CHG for the OPD in 2020 was approximately THB 1,794.00 per case. The IFA so assumes revenues of THB 1,800 per case to comply with conservative basis (the IFA consider to apply information of CHG as the other comparable companies do not disclose information to public), and apply growth rate of 1.88 percent per annum by referred from average Thailand inflation rate in past 20 years. The details of projection in each years are as follows:

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Number of case per day (cases)	-	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Ramp-up efficiency (percent)	-	-	40.00%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case per day - net (cases)	-	-	1,000	1,500	2,000	2,500	2,500	2,500	2,500	2,500
Revenues per case (THB)	-	-	1,975.49*	2,012.59	2,050.38	2,088.89	2,128.12	2,168.09	2,208.80	2,250.28
Revenues from out-patient department (THB million)	-	-	721.05	1,101.89	1,496.78	1,911.34	1,941.91	1,978.38	2,015.53	2,059.01
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Number of case per day (cases)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case per day - net (cases)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Revenues per case (THB)	2,292.54	2,335.60	2,379.46	2,424.15	2,469.67	2,516.05	2,563.31	2,611.44	2,660.49	2,710.45
Revenues from out-patient department (THB million)	2,091.95	2,131.23	2,171.26	2,218.10	2,253.58	2,295.90	2,339.02	2,389.47	2,427.69	2,473.29
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Number of case per day (cases)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Ramp-up efficiency (percent)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of case per day - net (cases)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Revenues per case (THB)	2,761.35	2,813.21	2,866.04	2,919.87	2,974.70	3,030.57	3,087.48	3,145.46	3,204.54	3,264.72
Revenues from out-patient department (THB million)	2,519.73	2,574.09	2,615.26	2,664.38	2,714.42	2,772.97	2,817.33	2,870.24	2,924.14	2,987.22

Remark: Calculate from revenues of THB 1,800 per case adjusted by growth rate of 1.88 percent per annum for 5 years (from 2020 to 2025)

5.1.2 Cost and expense from hospital business

Cost from providing service to in-patient department and out-patient department

In determining cost of service, the executives divide cost into 2 types, i.e., (1) in-patient department and (2) out-patient department, by referred from cost of service of Prachapat Hospital between May 2020 to September 2020 in which cost of in-patient department was THB 7,339.66 per day and cost of out-patient department was THB 269.14 per case. In this regard, the executives assume cost of IMH Bearing Hospital for in-patient department of THB 7,400 per day and out-patient department of THB 270.00 per case. The IFA opines that such assumptions is deemed appropriate as it is referred from actual operating performance of Prachapat Hospital. In addition, the IFA assumes cost to grow at 1.88 percent per annum by referred from average Thailand inflation rate in past 20 years. The details of calculation and projection in each years are as follows:

Method to calculate number of in-patient department day

1. Number of day – SSO = number of member X % OPD Visit X OPD to IPD Conversion Rate X Length of Stay
2. Number of day – Act = number of case per year X Length of Stay
3. Number of day – IPD = number of bed X number of day per year X utilization rate of in-patient department bed

Method to calculate number of out-patient department case

1. Number of case – SSO = number of member X % OPD Visit
2. Number of case – OPD = number of case per day X number of day per year

Projected cost from providing service to in-patient department and out-patient department

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
In-patient department										
Number of day - SSO (million days)	-	-	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02
Number of day - Act (million days)	-	-	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Number of day - IPD (million days)	-	-	0.05	0.07	0.09	0.11	0.11	0.11	0.11	0.11

Total number of days for IPD (million days)	-	-	0.06	0.08	0.11	0.14	0.14	0.14	0.14	0.14
Cost of IPD per day (THB)	-	-	8,121.45*	8,273.97	8,429.36	8,587.66	8,748.94	8,913.24	9,080.64	9,251.17
Total cost of IPD (THB million)	-	-	460.09	703.09	955.06	1,218.93	1,239.09	1,262.36	1,286.07	1,313.11
Out-patient department										
Number of case – SSO (million cases)	-	-	0.19	0.29	0.38	0.48	0.48	0.48	0.48	0.48
Number of case – OPD (million cases)	-	-	0.37	0.55	0.73	0.92	0.91	0.91	0.91	0.92
Total number of cases for OPD (million cases)	-	-	0.56	0.84	1.11	1.39	1.39	1.39	1.39	1.39
Cost of OPD per case (THB)	-	-	296.32*	301.89	307.56	313.33	319.22	325.21	331.32	337.54
Total cost of OPD (THB million)	-	-	165.01	252.16	342.53	436.98	444.39	452.73	461.24	470.74
Total cost of IPD and OPD (THB million)	-	-	625.09	955.25	1,297.59	1,655.91	1,683.48	1,715.09	1,747.30	1,783.85
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
In-patient department										
Number of day - SSO (million days)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Number of day - Act (million days)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Number of day - IPD (million days)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Total number of days for IPD (million days)	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Cost of IPD per day (THB)	9,424.91	9,601.91	9,782.23	9,965.94	10,153.10	10,343.78	10,538.03	10,735.94	10,937.56	11,142.96
Total cost of IPD (THB million)	1,334.83	1,359.89	1,385.43	1,414.57	1,437.96	1,464.96	1,492.47	1,523.86	1,549.06	1,578.15
Out-patient department										

Number of case – SSO (million cases)	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Number of case – OPD (million cases)	0.91	0.91	0.91	0.92	0.91	0.91	0.91	0.92	0.91	0.91
Total number of cases for OPD (million cases)	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
Cost of OPD per case (THB)	343.88	350.34	356.92	363.62	370.45	377.41	384.50	391.72	399.07	406.57
Total cost of OPD (THB million)	478.72	487.71	496.87	507.11	515.71	525.40	535.26	546.29	555.56	565.99
Total cost of IPD and OPD (THB million)	1,813.55	1,847.61	1,882.31	1,921.68	1,953.67	1,990.36	2,027.74	2,070.15	2,104.61	2,144.14
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
In-patient department										
Number of day - SSO (million days)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Number of day - Act (million days)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Number of day - IPD (million days)	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Total number of days for IPD (million days)	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Cost of IPD per day (THB)	11,352.23	11,565.42	11,782.62	12,003.90	12,229.33	12,459.00	12,692.98	12,931.36	13,174.21	13,421.62
Total cost of IPD (THB million)	1,607.79	1,641.60	1,668.74	1,700.08	1,732.01	1,768.43	1,797.67	1,831.43	1,865.83	1,905.07
Out-patient department										
Number of case – SSO (million cases)	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Number of case – OPD (million cases)	0.91	0.92	0.91	0.91	0.91	0.92	0.91	0.91	0.91	0.92
Total number of cases for OPD (million cases)	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
Cost of OPD per case (THB)	414.20	421.98	429.91	437.98	446.21	454.59	463.12	471.82	480.68	489.71

Total cost of OPD (THB million)	576.62	588.50	598.48	609.72	621.17	633.97	644.72	656.83	669.16	682.95
Total cost of IPD and OPD (THB million)	2,184.41	2,230.10	2,267.22	2,309.80	2,353.18	2,402.40	2,442.39	2,488.26	2,534.99	2,588.02

Remark: Calculate from IPD cost of THB 7,400 per case and OPD cost of THB 270 per case, adjusted by growth rate of 1.88 percent per annum for 5 years (from 2020 to 2025)

Land rental cost

In projecting of land rental cost, the IFA refers upfront payment and annual rental rate from memorandum of understanding on joint investment and land lease (important conditions appeared in attachment 3). The details of upfront payment and annual rental rate in each year are as follows:

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Upfront payment (THB million)	44.65	44.65	44.65	-	-	-	-	-	-	-
Rental rate (THB million)	-	-	-	10.08	10.08	10.58	10.58	10.58	10.58	10.58
Total upfront payment and rental rate (THB million)	44.65	44.65	44.65	10.08	10.08	10.58	10.58	10.58	10.58	10.58
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Upfront payment (THB million)	-	-	-	-	-	-	-	-	-	-
Rental rate (THB million)	11.11	11.11	11.11	11.11	11.11	11.67	11.67	11.67	11.67	11.67
Total upfront payment and rental rate (THB million)	11.11	11.11	11.11	11.11	11.11	11.67	11.67	11.67	11.67	11.67
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Upfront payment (THB million)	-	-	-	-	-	-	-	-	-	-
Rental rate (THB million)	12.25	12.25	12.25	12.25	12.25	12.86	12.86	12.86	12.86	12.86

Total upfront payment and rental rate (THB million)	12.25	12.25	12.25	12.25	12.25	12.86	12.86	12.86	12.86	12.86
--	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Selling and administrative expenses

In projecting of selling and administrative expenses, the executives expect that selling and administrative will be 40.00 percent of revenues from service. However, the IFA considers such proportion of PCH and finds that such proportion was 47.14 percent and 45.50 percent in 2018 and 2019, respectively. The IFA so assumes selling and administrative expenses at 47.00 percent of revenues from service to comply with conservative basis. The IFA does not apply information of PCH in 2020 and 2021 as such period was affected by COVID-19 situation.

Furthermore, as the assumptions used in this projection are referred from information of PCH which is 100-bed hospital while IMB Bearing Hospital will have 600 beds in which the size is significant difference and some information may not be directly compared. the IFA considers the appropriateness of overall revenue, cost, and expense assumption by comparing with revenue per bed and earnings before interest and tax margin (EBIT Margin) of peer companies with details as follows:

Revenue per bed (THB million)

Year	CHG	LPH	PR9	RJH	SKR	Average	Min	Max
2020	7.25	8.74	15.67	5.26	6.94	8.77	5.26	15.67
Rebase to figure in 2028 with inflation rate of 1.88 percent per annum	8.42	10.15	18.18	6.10	8.06	10.18	6.10	18.18

From the projection of IMH Bearing Hospital Project prepared by the IFA, the average revenue per bed in 2028 of IMH Bearing Hospital Project is approximately THB 8.70 million per bed which is in range of revenue per bed of peer companies. The IFA so opines that the assumption is possible.

EBIT Margin

Year	CHG	LPH	PR9	RJH	SKR	Average	Min	Max
2018	17.80%	12.13%	7.89%	20.27%	10.41%	13.70%	7.89%	20.27%
2019	17.13%	8.28%	12.03%	26.30%	9.68%	14.68%	8.28%	26.30%
2020	20.25%	9.48%	8.74%	24.14%	12.13%	14.95%	8.74%	24.14%
2021	44.14%	23.15%	9.93%	40.61%	28.76%	29.32%	9.93%	44.14%

Source: Annual report (56-2), annual registration statement (56-1), and presentation of each company

Remark: In 2021, EBIT margin was significantly increased as hospital industry was positively affected by COVID-19 situation.

From the projection of IMH Bearing Hospital Project prepared by the IFA, the average EBIT Margin of IMH Bearing Hospital Project is approximately 15.40 percent which is in range of EBIT Margin of peer companies. The IFA so opines that the assumption is possible.

Income tax expense

The IFA assumes corporate income tax rate at 20.00 percent pursuant to relevant law.

5.1.3 Capital expenditure and depreciationCapital expenditure

The IFA projects capital expenditure which divide into 3 categories, i.e., (1) building construction, (2) medical and office equipment, and (3) land upfront payment and rental. The details of each capital expenditure are as follows:

Type	Amount (THB million)	Source of information
Building construction	4,355.64	The IFA refers from construction cost prepared by design consultant. That advisor has experienced in construction on many mega projects, including hospital.
Medical and office equipment	697.50	The IFA refers from management projection which is prepared based on Ministerial Regulation on Qualification of Medical Premise and Medical Treatment, B.E. 2558 in which such regulation will impose qualification of hospital which is depended on size of hospital, e.g., type of departments in hospital and required equipment etc., and

Type	Amount (THB million)	Source of information
		Ministerial Regulation on Specification and Number of Medical Equipment and Automotive in Medical Premise in which such regulation will impose minimum requirement on equipment.
Land upfront payment and rental	446.54	Memorandum of understanding on joint investment and land lease (important conditions appeared in attachment 3).
Total	5,499.68	

Maintenance budget

The IFA projects annual maintenance expenses for building at 2.00 percent of capital expenditure by referred from opinion of design consultant. That advisor has experienced in construction on many mega projects, including hospital. For the medical and office equipment, the IFA projects annual maintenance expenses of 2.00 percent of capital expenditure by referred from such proportion of PCH in 2021 which is approximately 2.04 percent.

Depreciation

The IFA projects depreciation by referred from assumption of executives in which building will be depreciated on straight-line basis over operating period of 28 years (Project period is 30 years, but the construction period is 2 years, so the operating period is 28 years), and equipment will be depreciated on straight-line basis over 10 years which is expected average useful life of equipment.

5.1.4 Working capital

The IFA assumes working capital by referred from actual operating performance of Prachapat Hospital in 2019 and does not consider information in 2020 and 2021 as information of PCH in such period was affected by COVID-19 situation. The details are as follows (1) average collection period of 21.36 days, (2) average inventory period of 6.83 days, and (3) average payment period of 122.48 days. The IFA opines that such assumptions are deemed appropriate as referred from actual operating performance of Prachapat Hospital.

5.1.5 Source of fund

According to management plan, they expect to source fund from both debt and equity at ratio of 1:1. From the investment projection, the project will require investment proceed of THB 5,499.68 million. Therefore, the project will require proceed from debt of THB 2,749.84 million and equity of 2,749.84 million.

For the debt, the executives expect that they will be able to borrow from financial institution with cost of fund of 4.25 percent which is referred from cost of fund of IMH as of 31 December 2021, which is between 3.75 percent to 4.25 percent, with repayment of principal starting from year 2 of operation (2026) for 10 years.

For the equity, the executives expect that they will procure from IPO of PCH. At present, PCH has appointed financial advisor. From the IPO plan prepared by such financial advisor, PCH will be able to conduct IPO within 2022. Under assumption that PCH will offer newly issued ordinary shares of 25.00 percent to 30.00 percent of enlarged shares, the IFA expects that PCH will procure sufficient fund with the calculation details as follows:

Details	Amount
Value of portion 1 – value of PCH at present	
(A) 2021 net profit of PCH	THB 376.35 million*
(B) P/E of peer companies as of 25 February 2021	18.03 Times
Value of portion 1 [(A) x (B)]	THB 6,787.08 million
Value of portion 2 – Value of IMH Bearing Hospital Project	
(C) Investment value of project	THB 2,749.84 million
(D) Net present value of project	THB 2,633.91 million
(E) Investment proportion of PCH in project	80.00 percent
Value of portion 2 [[(C) + (D)] x (E)]	THB 4,307.00 million
Total value of portion 1 and portion 2	THB 11,094.08 million
Proportion of IPO shares	25.00 percent to 30.00 percent
Expected proceed from IPO	THB 2,773.52 to 3,328.22 million

Remark: Refer from financial statement of PCH for the fiscal year 2021, audited by certified public accountant

In this regard, from the memorandum of understanding on joint investment and land lease, PCH will preliminarily invest in IMHB in proportion of 80.00 percent. Therefore, if there is any capital increase in proportion to shareholding, PCH will have duty to procure proceed from equity portion of THB 2,199.87 million. For the

residual portion, each investment partners have duty to procure in proportion to their investment proportion. However, in case other investment partner is not able to procure proceed, PCH as the major shareholder may procure additional proceed instead. In this regard, PCH may need to procure investment proceed more than THB 2,199.87 million and have shareholding more than 80.00 percent in IMBH. Therefore, the shareholding in IMHB and source of fund still unclear. However, the Company's executives expect that PCH will contribute capital not less than shareholding proportion. Therefore, according to executives' projection, PCH will hold share in IMHB not less than 80.00 percent.

5.1.6 Discount rate

The IFA considers applying weighted average cost of capital (WACC) as the discount rate for determining net present value of the project's free cash flow to firm as the free cash flow to project is cash flow to both creditor and shareholder. Therefore, applying of weighted average cost of capital which weight cost of equity and cost of debt is deemed appropriateness. The calculation details as follows:

WACC	=	$(K_e \times E) + (K_d \times D \times (1-T))$
-------------	----------	--

Whereby,

WACC	=	Weighted average cost of capital.
K_e	=	Cost of equity which is derived by Capital Asset Pricing Model (CAPM).
K_d	=	Cost of debt of project or 4.25 percent.
E	=	Proportion of funding from equity at end of each year.
D	=	Proportion of funding from debt at end of each year.
T	=	Corporate income tax or 20.00 percent.

The details of calculation of cost of equity per Capital Asset Pricing Model (CAPM) are as follows:

K_e	=	$R_f + \beta (R_m - R_f)$
-------------------------	----------	---

Whereby,

K_e	=	Cost of equity.
R_f	=	Risk-free rate, referred from yield of 20-year government bond which is 2.93 percent (source: www.thaibma.or.th as of 25 February 2022).
R_m	=	Average monthly market return in past 20 years from March 2002 to February 2022 which is 11.21 percent. This period reflect investment circumstance of investment in the SET in various period more than short period of information (source: www.setsmart.com).

Beta (β) = Correlation-coefficient of daily return of the Company compared to return of the SET for past 2 years, from 26 February 2020 to 25 February 2022, which is 0.84 (source: Bloomberg). The IFA will adjust such Beta to reflect difference in capital structure of the Company and project. In this regard, the Levered Beta of project is between 0.72 to 1.50 depended on debt and equity portion at the end of each year.

From the above formula, the cost of equity is between 8.91 percent to 15.37 percent (average is 9.95 percent), and weighted average cost of capital is between 8.61 percent to 9.59 percent (average is 8.94 percent).

5.1.7 Financial projection

Projected statement of profit and loss (THB million)

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues from service	-	-	1,970.90	3,010.93	4,088.70	5,218.45	5,301.37	5,399.27	5,498.99	5,614.79
Cost of service	(44.65)	(44.65)	(899.56)	(1,199.77)	(1,546.85)	(1,910.56)	(1,943.15)	(1,981.90)	(2,019.47)	(2,061.56)
Gross profit	(44.65)	(44.65)	1,071.34	1,811.16	2,541.85	3,307.89	3,358.22	3,417.37	3,479.53	3,553.23
Selling expenses	-	-	(236.51)	(361.31)	(490.64)	(626.21)	(636.16)	(647.91)	(659.88)	(673.77)
Administrative expenses	-	-	(689.82)	(1,053.83)	(1,431.04)	(1,826.46)	(1,855.48)	(1,889.75)	(1,924.65)	(1,965.18)
Earnings before interest and tax	(44.65)	(44.65)	145.01	396.03	620.16	855.22	866.58	879.71	895.00	914.28
Finance expenses	(29.22)	(87.65)	(116.87)	(111.02)	(99.34)	(87.65)	(75.96)	(64.28)	(52.59)	(40.90)
Earnings before tax	(73.87)	(132.30)	28.15	285.00	520.82	767.57	790.61	815.43	842.41	873.37
Income tax expenses	-	-	-	(21.39)	(104.16)	(153.51)	(158.12)	(163.09)	(168.48)	(174.67)
Profit for the period	(73.87)	(132.30)	28.15	263.61	416.66	614.06	632.49	652.35	673.93	698.70
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Revenues from service	5,704.01	5,809.39	5,916.71	6,041.35	6,137.37	6,250.78	6,366.29	6,500.45	6,603.78	6,725.84
Cost of service	(2,122.74)	(2,162.77)	(2,154.16)	(2,198.66)	(2,236.09)	(2,279.14)	(2,322.75)	(2,388.08)	(2,459.04)	(2,506.49)
Gross profit	3,581.28	3,646.61	3,762.55	3,842.69	3,901.28	3,971.63	4,043.54	4,112.37	4,144.74	4,219.36
Selling expenses	(684.48)	(697.13)	(710.01)	(724.96)	(736.48)	(750.09)	(763.95)	(780.05)	(792.45)	(807.10)
Administrative expenses	(1,996.41)	(2,033.28)	(2,070.85)	(2,114.47)	(2,148.08)	(2,187.77)	(2,228.20)	(2,275.16)	(2,311.32)	(2,354.05)
Earnings before interest and tax	900.39	916.20	981.70	1,003.26	1,016.71	1,033.77	1,051.39	1,057.16	1,040.96	1,058.21
Finance expenses	(29.22)	(17.53)	(5.84)	-	-	-	-	-	-	-
Earnings before tax	871.18	898.67	975.85	1,003.26	1,016.71	1,033.77	1,051.39	1,057.16	1,040.96	1,058.21

Income tax expenses	(174.24)	(179.73)	(195.17)	(200.65)	(203.34)	(206.75)	(210.28)	(211.43)	(208.19)	(211.64)
Profit for the period	696.94	718.94	780.68	802.61	813.37	827.01	841.11	845.73	832.77	846.57
Projection year	21	22	23	24	25	26	27	28	29	30
Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Revenues from service	6,850.17	6,994.59	7,105.79	7,237.16	7,370.98	7,526.43	7,646.10	7,787.50	7,931.53	8,098.87
Cost of service	(2,530.85)	(2,586.38)	(2,645.66)	(2,701.28)	(2,760.10)	(2,828.76)	(2,977.46)	(3,046.92)	(3,113.54)	(3,266.24)
Gross profit	4,319.32	4,408.21	4,460.13	4,535.88	4,610.87	4,697.67	4,668.64	4,740.59	4,817.99	4,832.64
Selling expenses	(822.02)	(839.35)	(852.69)	(868.46)	(884.52)	(903.17)	(917.53)	(934.50)	(951.78)	(971.86)
Administrative expenses	(2,397.56)	(2,448.10)	(2,487.02)	(2,533.01)	(2,579.84)	(2,634.25)	(2,676.14)	(2,725.63)	(2,776.04)	(2,834.61)
Earnings before interest and tax	1,099.74	1,120.75	1,120.41	1,134.42	1,146.51	1,160.25	1,074.97	1,080.46	1,090.17	1,026.17
Finance expenses	-	-	-	-	-	-	-	-	-	-
Earnings before tax	1,099.74	1,120.75	1,120.41	1,134.42	1,146.51	1,160.25	1,074.97	1,080.46	1,090.17	1,026.17
Income tax expenses	(219.95)	(224.15)	(224.08)	(226.88)	(229.30)	(232.05)	(214.99)	(216.09)	(218.03)	(205.23)
Profit for the period	879.79	896.60	896.33	907.53	917.21	928.20	859.98	864.37	872.14	820.93

Projected free cash flow to project (THB million)

Projection year	1	2	3	4	5	6	7	8	9	10
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Operating profit	(44.65)	(44.65)	145.01	396.03	620.16	855.22	866.58	879.71	895.00	914.28
Income tax expenses	-	-	-	(29.73)	(124.03)	(171.04)	(173.32)	(175.94)	(179.00)	(182.86)
Net operating profit after tax	(44.65)	(44.65)	145.01	366.30	496.13	684.18	693.26	703.77	716.00	731.42
Add Depreciation and amortization	-	-	229.81	234.44	239.18	244.06	249.09	256.23	261.58	267.12
Deduct Capital expenditure	(2,177.82)	(2,177.82)	(798.56)	(101.06)	(101.06)	(101.06)	(101.06)	(120.63)	(101.06)	(101.06)
Add (Deduct) Change in net working capital	-	-	96.85	32.78	45.38	46.96	4.49	4.29	4.37	4.15
Free cash flow to project	(2,222.47)	(2,222.47)	(326.89)	532.45	679.63	874.13	845.77	843.65	880.88	901.63
Discount factor	1.09x	1.20x	1.31x	1.43x	1.56x	1.69x	1.84x	2.00x	2.18x	2.37x
PV of free cash flow to project	(2,032.36)	(1,854.48)	(248.90)	371.38	436.45	516.59	459.77	421.71	404.74	380.67
Projection year	11	12	13	14	15	16	17	18	19	20
Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Operating profit	900.39	916.20	981.70	1,003.26	1,016.71	1,033.77	1,051.39	1,057.16	1,040.96	1,058.21
Income tax expenses	(180.08)	(183.24)	(196.34)	(200.65)	(203.34)	(206.75)	(210.28)	(211.43)	(208.19)	(211.64)
Net operating profit after tax	720.31	732.96	785.36	802.61	813.37	827.01	841.11	845.73	832.77	846.57
Add Depreciation and amortization	298.07	304.05	260.74	265.86	271.31	277.12	283.34	306.25	342.76	350.68
Deduct Capital expenditure	(353.06)	(101.06)	(317.04)	(101.06)	(101.06)	(101.06)	(101.06)	(282.78)	(393.50)	(101.06)
Add (Deduct) Change in net working capital	5.01	4.62	4.71	4.47	5.22	5.16	5.08	4.82	5.63	5.38
Free cash flow to project	670.34	940.57	733.77	971.88	988.84	1,008.23	1,028.47	874.03	787.66	1,101.56
Discount factor	2.58x	2.81x	3.06x	3.33x	3.63x	3.95x	4.30x	4.68x	5.10x	5.56x
PV of free cash flow to project	260.00	335.05	240.01	291.90	272.70	255.31	239.14	186.61	154.42	198.29
Projection year	21	22	23	24	25	26	27	28	29	30

Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Operating profit	1,099.74	1,120.75	1,120.41	1,134.42	1,146.51	1,160.25	1,074.97	1,080.46	1,090.17	1,026.17
Income tax expenses	(219.95)	(224.15)	(224.08)	(226.88)	(229.30)	(232.05)	(214.99)	(216.09)	(218.03)	(205.23)
Net operating profit after tax	879.79	896.60	896.33	907.53	917.21	928.20	859.98	864.37	872.14	820.93
Add Depreciation and amortization	334.19	344.02	366.18	379.22	394.67	413.49	522.20	545.79	565.68	665.35
Deduct Capital expenditure	(101.06)	(101.06)	(361.20)	(101.06)	(101.06)	(101.06)	(440.44)	(129.46)	(101.06)	(101.06)
Add (Deduct) Change in net working capital	5.67	5.20	6.08	5.80	5.91	5.80	6.55	6.26	6.38	6.05
Free cash flow to project	1,118.59	1,144.77	907.38	1,191.50	1,216.73	1,246.43	948.29	1,286.96	1,343.13	1,391.27
Discount factor	6.05x	6.59x	7.18x	7.81x	8.51x	9.27x	10.09x	10.99x	11.97x	13.04x
PV of free cash flow to project	184.89	173.74	126.45	152.47	142.96	134.48	93.94	117.07	112.19	106.70

5.1.8 Analysis of financial projection

From the financial projection per above table, the key indicators can be summarized as follows:

No.	Indicator	Amount
1.	Internal rate of return	14.03 percent
2.	Net present value	THB 2,633.91 million
3.	Payback period	9.13 years

As the internal rate of return of the project of 14.03 percent is more than average weighted average cost of capital of project of 8.94 percent, and the net present value of project is positive. **Therefore, the IFA opines that investment in IMH Bearing Hospital Project is deemed reasonableness in term of price.**

5.2 Sensitivity analysis

Reasonableness on price will be correct or near to actual is depended on correctness and appropriateness of assumption use in preparation of financial projection. Therefore, if there is any event which cause any changes, e.g., economic condition, environment, and government policy etc. It may affect financial projection, which is prepared under assumptions as mentioned in this IFA Report, to change significantly and subsequently affect the opinion of the IFA.

With those causes and factors which may change and affect opinion of the IFA, the IFA so conduct sensitivity analysis to study effect from factors which may be changed by studying and analyzing change of 3 factors, e.g., (1) change of inflation rate, (2) change of cost of service, and (3) change of discount rate, as it is factors that the IFA opines that it may significantly affect the opinion. The sensitivity analysis can be summarized as follows:

5.2.1 Change of inflation and discount rate

	Change of inflation (increase/decrease)				
	(1.00%)	(0.50%)	-	0.50%	1.00%
Internal rate of return (percent)	12.62%	13.32%	14.03%	14.76%	15.49%
Payback period (years)	9.60	9.36	9.13	8.91	8.71

Remark: The IFA applies such range as the IFA opine that it is possible to occur under current circumstance with may be changed, and cover possible volatility. However, the actual effect will be depended on industry circumstance, economic condition, and other factors which may affect in future.

Change of discount rate (increase/decrease)	Change of inflation (increase/decrease)				
	(1.00%)	(0.50%)	-	0.50%	1.00%
(1.00%)	2,463.82	2,951.16	3,484.13	4,067.55	4,706.78
(0.50%)	2,094.65	2,546.37	3,039.74	3,579.11	4,169.32
-	1,757.13	2,176.48	2,633.91	3,133.34	3,679.15
0.50%	1,448.18	1,838.07	2,262.83	2,726.00	3,231.52
1.00%	1,165.04	1,528.10	1,923.11	2,353.31	2,822.25

Remark: The IFA applies such range as the IFA opine that it is possible to occur under current circumstance with may be changed, and cover possible volatility. However, the actual effect will be depended on industry circumstance, economic condition, and other factors which may affect in future.

5.2.2 Change of cost of service and discount rate

	Change of cost of service (increase/decrease)				
	(5.00%)	(2.50%)	-	2.50%	5.00%
Internal rate of return (percent)	14.96%	14.50%	14.03%	13.56%	13.07%
Payback period (years)	8.75	8.93	9.13	9.34	9.56

Remark: The IFA applies such range as the IFA opine that it is possible to occur under current circumstance with may be changed, and cover possible volatility. However, the actual effect will be depended on industry circumstance, economic condition, and other factors which may affect in future.

Change of discount rate (increase/decrease)	Change of cost of service (increase/decrease)				
	(5.00%)	(2.50%)	-	2.50%	5.00%
(1.00%)	4,118.69	3,801.60	3,484.13	3,166.21	2,847.69
(0.50%)	3,634.77	3,337.43	3,039.74	2,741.64	2,443.01
-	3,192.65	2,913.43	2,633.91	2,354.00	2,073.62
0.50%	2,788.21	2,525.66	2,262.83	1,999.65	1,736.04
1.00%	2,417.80	2,170.58	1,923.11	1,675.33	1,427.16

Remark: The IFA applies such range as the IFA opine that it is possible to occur under current circumstance with may be changed, and cover possible volatility. However, the actual effect will be depended on industry circumstance, economic condition, and other factors which may affect in future.

5.2.3 Summary of sensitivity analysis

From the sensitivity analysis, the range of indicators are as follows:

No.	Indicator	Base case	Sensitivity analysis	
			Min	Max
1.	Internal rate of return	14.03 percent	12.62 percent	15.49 percent
2.	Net present value	THB 2,633.91 million	THB 1,165.04 million	THB 4,706.78 million
3.	Payback period	9.13 years	8.71 years	9.60 years

From the above table, as all cases result in internal rate of return more than average weighted average cost of capital of project of 8.94 percent, and the net present value of project is positive. **Therefore, the IFA opines that investment in IMH Bearing Hospital Project is deemed reasonableness in term of price.**

Part 6: Summary of Opinion of the Independent Financial Advisor

Please see details of opinion of the IFA in Part 1 “Executive Summary” in this IFA Report.

In consideration to approve or not approve the Asset Acquisition Transaction, the Company’s shareholders can consider information, reason, and opinion in each aspects as the IFA provide in this IFA Report; However, the final decision to approve or not approve the Asset Acquisition Transaction is depended on each the Company’s shareholders discretion.

Welcap Advisory Company Limited, as the Company’s independent financial advisor, hereby certify that the IFA has considered and studied information with prudent and care in accordance with professional standard and has provided opinion based on reasonableness and fair basis by concerning on benefit of the Company’s shareholders

Yours Sincerely,

.....

(Mr.Pipath Kittiakrastien)

Director

.....

(Mr.Sith Boonchusanong)

Director

.....

(Ms.Rarisa Klongprakit)

Operation Controller

Attachment 1: Summary Information of Intermedical Care and Lab Hospital Public Company Limited

1. General information

Name of company	: Intermedical Care and Lab Hospital Public Company Limited
Nature of business	: Private hospital (accepting patient for overnight stay). Operate on-site and off-site health check-up.
Office location	: 442, Bangwaek Road, Bangwaek Sub-district, Phasi Chareon District, Bangkok 10160
Registered capital	: THB 107,500,000.00, consisting of ordinary shares of 2,933,261,052.00 shares with par value of THB 1.00 per share (As of 31 March 2020).
Paid-up capital	: THB 2,933,261,052.00, consisting of ordinary shares of 2,933,261,052.00 shares with par value of THB 1.00 per share (As of 31 March 2020).

2. Policy and business overview

The Company realizes the importance of the vision, core values, missions, goals and strategies of the Company. So, the board of director and executive are involved in defining and approving of the Company's vision, core values, missions, goals and strategies, as well as monitoring the implementation of the Company's strategies so that executives and employees have the same goals. Directors and executives are responsible for reviewing the Company's vision, core values, missions, goals and strategies on annually basis. In 2020, the board of directors and the executive committee reviewed the Company's vision, mission, and goal, and deems appropriate to maintain the Company's vision, core values, mission, and goal, as follows:

Vision

Inter Medical Care and Lab Hospital and its subsidiaries aim to be the leader in comprehensive on-site occupational medicine, and industrial hygiene examination services nationwide under the international standards.

Core Values

Accurate, Fast, Impressive

Mission

To meet the needs of our customers with exceptional, accurate, fast, and precise services according to academic and legal principles to enhance customer royalty on Inter Medical Care and Lab Hospital and its subsidiaries as their first choice, we have applied advanced technologies and medical innovations of health examination and industrial hygiene examination to achieve utmost efficiency and effectiveness for both customers and service provider.

Business goal

With over 23 years of experience in on-site health examination services, we aim to synthesize academic principles, experience, and technology to produce high-value health examination and industrial hygiene examination services which is suitable and of high quality in order to fulfill our commitment of “Ethics-led academia for expertise in industrial hygiene,” and to become the leading hospital in occupational health and industrial hygiene examination services that provides the largest number of on-site health examination services in Thailand.

Major change and development in past 3 years

- 2018** :
- On 31 May 2018, InterMed Hospital held Extraordinary General Meeting of Shareholders No. 2/2018 and passed a resolution to increase capital from THB 80 million to THB 107.5 million, dividing into THB 80 million of paid-up capital and THB 27.5 million of unpaid capital for the IPO at the par value of THB 0.5. InterMed Hospital was then converted into a public company limited.
 - On 3 September 2018, shareholding structure was changed when Mr. Nimit Prasitdamrong disposed 3,299,600 shares to Dr. Sitthiwat Kamkatwong. As a result, Mr. Amnat Prasitdamrong held 2.94 percent of shares in the company. Total trade value was THB 8.25 million.
 - In October, the subsidiaries extended the laboratory standard from ISO 9001: 2008 to ISO 9001: 2015. Some of the customers requires the said standard to accept, hence the extension of ISO standard enhance capability of the company.
- 2019** :
- In October 2019, InterMed Hospital entered into the revenue share agreement for the health screening program with the 2 hospitals under social insurance operation. The service is available from 1 November 2019 - 31 December 2022.
 - The operation rooms of the Hospital Group are certified for ISO 15189:2012 and 15190:2003 - medical laboratories by the Bureau of Laboratory Quality Standard, Ministry of Public Health. The ISO certification is a useful information for the Hospital when joining the bid which requires laboratory standard.
 - The company received an award "Moral Hospital" from the Deputy Prime Minister and Minister of Commerce. The hospital was honored with this certificate as a hospital of morality. High governance Prices and service fees are transparent and fair (Good Governance Hospital) according to the Department of Internal Trade standards. Ministry of Commerce on December 19, 2019 at the Office of the Permanent Secretary of Commerce
 - On 26 December 2019, Intermedical Care and Lab Hospital Public Company Limited has been listed in the MAI Stock Exchange with the securities abbreviation IMH
- 2020** :
- The company has renovated the outpatient service (OPD) section of the head office. Medical record room, dispensary room, hearing examination room, examination room,

internal examination room, health promotion room, inpatient room, blood drawing room, X-ray room, and in the lobby, etc.

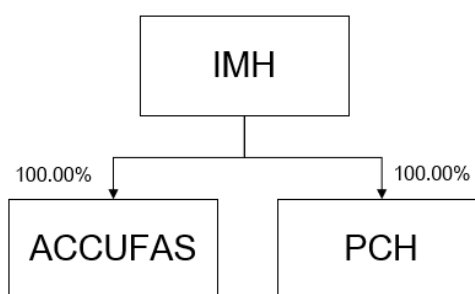
- : The company has launched a COVID-19 immunity screening service both in Drive-Thru and home-to-home service models. Along with a spray service to kill the COVID-19 virus
- : On July 8, 2020, the Company entered into a memorandum of understanding for the Vaccine Plus Project by IMH with Bangkok Insurance Public Company Limited.
- : The company has established a branch office Chonburi 2 (Phan Thong district), opening for service from 25 September 2020 onwards.
- : On December 9, 2020, the Company collaborated with Asoke Skin Hospital to manage area on fourth floor of Asoke Skin Hospital to provide health check-up service in city center for office and premium customers under concept "IMH ASOKE".

2021

- : On March 3, 2021, the Company's board of directors resolved to approve acquisition of all shares in Suksawat Medical Company Limited which operates Prachapat Hospital, a general hospital with 100 beds from Intouch Pharma Company Limited with acquisition price of THB 161,000,000 in cash.
- : On August 31, 2021, the Company's board of directors resolved to approve share repurchase program under within repurchase limit not exceeding THB 50.00 million. The amount of repurchased shares will not exceed 3 million shares, with par value of THB 0.50 per share, representing not exceeding 1.4 percent of total issued shares.

Group structure

As of 31 December 2021, IMH's group structure is as follows:



	Company	Registered capital	Shareholding percentage	Business characteristic
1	Accufas Lab Center Company Limited ("ACCUFAS")	THB 3.00 million	100.00%	Environment monitoring services
2	Suksawat Medical Company Limited ("PCH")	THB 36.00 million	100.00%	Prachapat hospital

3. Business characteristic

The company and its subsidiary engages in 3 businesses, consisting of (1) hospital services, (2) hospital business, and (3) environment monitoring services.

Revenues structure

Type of revenues	2019		2020		2021	
	THB mm	%	THB mm	%	THB mm	%
Revenues from hospital service	286.7	85.17	215.63	88.83	310.27	32.51
Revenues from environmental monitoring service	47.22	14.03	22.58	9.30	10.84	1.14
Revenues from hospital business		0.00		0.00	623	65.28
- Gain from asset disposal	0.50	0.15	0.20	0.08		0.00
- Other income	2.19	0.65	4.34	1.79	10.25	1.07
Total revenues	336.61	100.00	242.75	100.00	952.88	100.00

(1) Hospital Services

Intermedical Care and Lab Hospital Public Company Limited (“the company”) is a private hospital that specializes in occupational health that provides annual health checkups, health risk assessments, and pre-occupational checkups. The company is equipped with specialized and experienced healthcare professionals in related fields along with standardized medical equipment and facilities that can provide health checkup services both at the workplace and off-site through its X-ray vehicles and mobile medical teams. The company is headquartered on Bang Waek Road in Bangkok and operates 6 branches in Ratchaphruek (HQ), Pathum Thani, Ayutthaya, Chon Buri (Amphur Muang), Chonburi 2 (Panthong), and Rayong. In addition, the company also provides health checkup services for foreign workers, out patient department (OPD) services, vaccination, and first aid and cardiopulmonary resuscitation training among services.

After specimen collection, the company will analyze the information, issue health examination results according to the health checkup plan, conduct individual health reports, and submit the results to the client company within 30 days of the checkup. In the event that the client is an individual requiring a straightforward procedure such as a pre-occupational health check-up, the client will be able to receive the results on the same day or by mail.

Services Consist of:

1) Annual Health Checkups

The company provides annual health checkups for state and private clients both at the client’s workplace and off-site according to the client’s needs while offering a variety of health checkup programs according to age group. The company provides 4 basic health checkup programs that were designed to suit the needs of clients of all ages and risk factors and can tailor its programs to suit the client’s specifications. In addition, the company has additional health checkup programs such as tumor marker tests, premarital screening, osteoporosis

prevention, and oxidative stress tests. Organizations will normally provide annual health checkups for their employees as part of their benefits package.

The Department of Labor Protection and Welfare has issued legislation to ensure workplace safety by requiring employers to provide health checkups for employees with occupational health risks, such as:

Risk Factor Assessment

The company provides health checkup services for employees according to legal requirements, consisting of checkups for employees with exposure risks to substances such as hazardous chemicals, viruses, bacteria, and radiation, as well as employees that work in environments with extreme heat, cold, vibration, brightness, noise, or other environments that may pose a health threat to the worker. Tests include blood poison levels and lung and hearing capacity tests. The employer is required to provide its employees with health checkups within 30 days from the day the employee begins working, followed by checkups at least once per year. Doctors conducting the checkup must be certified occupational healthcare professionals to assess health and workplace readiness. Most clients in this category are industrial factories.

2) Pre-Occupational Health Checkup

The company provides pre-occupational health checkup services that conducts tests based on client specifications in order to assess pre-occupational health and readiness. Most clients in this category are industrial factories that receive services through the company's branches that are located along industrial parks.

3) Health Checkup Services for Foreign Workers

The company provides health checkup services for foreign workers according to the law to assess the worker's health and for them to attain their first work permits or renew their annual work permits. Most clients are industrial factories that the company had contracted from government hospitals. Employees would register their foreign employees to undergo health checkups at designated government hospitals. The health checkup will consist of preliminary tests for diseases such as elephantiasis and tuberculosis.

4) Vaccination Services

The company provides vaccination services to boost immunity against diseases such as quadrivalent Influenza, trivalent influenza, dengue, cervical cancer, hepatitis B, and typhoid. This service can be conducted alongside annual health checkups or as a standalone service. Clients include industrial factories and offices where the company will dispatch nurses and specialists to conduct the vaccination service.

5) Other Medical Services

5.1) Out Patient Department (OPD) Services

The company provides OPD services for common illnesses both chronic and acute such as fever, headaches, allergies, and stomach aches while more complicated conditions will be transferred to other hospitals. Most clients are the general public around industrial parks near the company's branches

5.2) Other Medical Services

The company provides other medical services such as:

- **Factory Surveys** This is a service mainly for industrial factories where expert medical personnel will survey factories to assess various risk factors for workers and create a tailored health checkup program according to specific risks.

- **Supplying Medical Staff to Client's Infirmaries** The company can station medical staff at client's infirmaries to provide preliminary checkups and drug prescriptions as part of the client's services to its employees.

- **Provide Medical Training Programs** such as first aid and cardiopulmonary resuscitation, non-communicable disease prevention, lifestyle and wellbeing, workplace illnesses, and occupational safety.

- **National Health Security Office (NHSO) Discounts** The company provides discounts to clients who qualify for certain NHSO subsidy programs. The company will file a claim with the NHSO which provides healthcare and disease prevention programs for qualified individuals for tests such as fasting blood sugar, lipid profile, and pap smears.

(2) Hospital Business

Suksawat Medical Company Limited, the Company's subsidiary, operates Prachapat Hospital which is general hospital with 100 bed, providing service to general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign, and focus on patient in Ratburana District and Trungkru District, Bangkok, with specialized medic team and standard equipment in Pediatrics, Dentistry, Obstetrics, Medicine, Neurosurgery, Rheumatology, Neurosurgery, Psychiatry, Ophthalmologist, General Surgery, Orthopedic, General Practice, and Pediatrics.

(3) Environment Monitoring Services

The company's subsidiary provides advice, consultation, and environment monitoring services, focusing on occupational health and safety factors within factories and offices such as brightness, noise, heat, dust, and chemicals as well as measuring air quality of vents, analyzing water quality, and general work atmosphere assessments. In addition, the subsidiary provides measurement, sample collection, and analysis services according to environmental impact assessment (EIA) protocols. Once the subsidiary has conducted the monitoring service, it will compile and environmental assessment report for the client.

The subsidiary is registered with the Department of Industrial Works and is ISO/IEC 17025:2005 certified by the Department of Science Service. The Department of Industrial Works provides standardized guidelines for monitoring and analysis procedures, devices used, and calibration of monitoring and analysis devices used by state and private organizations. The subsidiary can provide environment monitoring services across the country, providing staff with expertise in environmental and occupational health along with standardized tools, devices, and analysis labs.

Industry circumstance

1. Off-site health check-up business

The health checkup services business has gained considerable attention following the enforcement of sections 6 and 107 of the 1998 Labor Protection Act which requires employers to conduct health risk assessment checkups for their employees by first class modern medicine doctors. Such doctors must be certified in the field of occupational health, had received training in occupational health, or possess the qualifications specified by the Department of Labor Protection and Welfare. Under such regulations, employees must complete a health checkup within 30 days of starting their employment and conduct a health checkup at least once a year. This mandate has resulted in employers, especially large factories with numerous employees, to seek the services of hospitals. The enforcement of these regulations therefore benefitted the mobile health checkup business.

Regulation requires businesses providing off-site health checkup services in Thailand to be registered as hospitals with overnight beds. Most service providers are comprehensive hospitals that service the general public which are equipped with doctors and nurses of various specializations and include a health checkup department.

The environment monitoring business compliments the health services business, as the health checkup process will often lead to the discovery environmental risk factors at the workplace that can pose a threat to workers. While the subsidiary provides guidance or advice on environment monitoring separately, the following similar factors affect growth of the two businesses.

Growth of Workforce and Industrial Factories Based on Area

The growth of factories registered with and certified by the Ministry of Industry are as follows:

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>In Bangkok</u>												
Number of factories (thousand)	18.56	18.37	17.68	17.69	17.66	17.76	17.74	17.54	17.29	18.67	20.04	16.28
Budget (trillion bath)	0.30	0.30	0.30	0.31	0.31	0.31	0.31	0.31	0.41	0.42	0.43	0.55
Work (million)	0.56	0.56	0.55	0.55	0.55	0.55	0.55	0.53	0.53	0.58	0.62	0.50
<u>Regional</u>												
Number of factories (thousand)	108.09	110.13	111.93	114.40	117.16	120.41	123.49	122.27	120.78	123.48	126.22	122.52
Budget (trillion bath)	4.28	4.46	4.56	4.79	4.99	5.29	5.47	5.70	6.74	6.97	7.25	7.29

Work (million)	3.18	3.22	3.28	3.36	3.42	3.51	3.53	3.41	3.44	3.51	3.57	3.52
Total Number of factories (thousand)	126.65	128.51	129.61	132.10	134.83	138.17	141.24	139.82	138.08	142.15	146.27	138.80
Total Number of Workers (million)	3.75	3.78	3.83	3.91	3.97	4.07	4.08	3.94	3.97	4.09	4.19	4.02

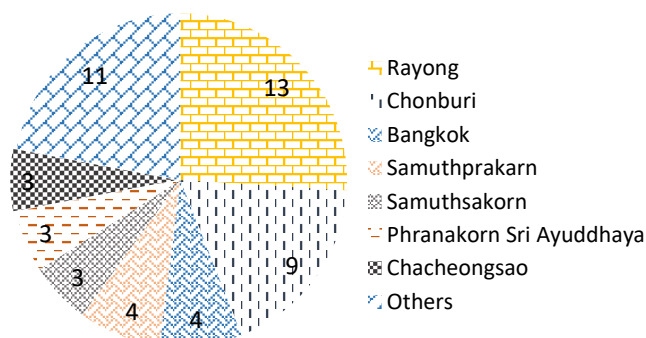
Source : Information and Communication Technology Center, Department of Industrial Works

From the total number of industrial plants across the country, there are 126,658 factories in 2008 until 2019, there are 138,807 factories, representing a growth rate of 0.77 percent while the number of workers in 2008 is 3.75 million and in 2019 there are 4.02 million people, equivalent to 0.58 percent growth.

The number of industrial factories in the registered and licensed regions increased from 108,096 factories in 2008 to 122,524 factories in 2019, representing an average annual growth rate (CAGR) of 1.05 percent and the number of workers increased from: 3.18 million people in 2008 to 3.52 million in 2019, representing an average annual growth rate (CAGR) of 0.84 percent, with the company having branches distributed in various key industrial estates. And plans to expand additional branches in various industrial estates.

Industrial Estates in Thailand

Thailand currently has over 50 industrial estates, over 40 of which are located in the central and eastern regions of the country. In addition, the Eastern Economic Corridor (EEC) which encompasses Chon Buri, Rayong, and Chachoengsao, is an area that has great potential for further investment and additional industrial factories. The locations of Thailand's industrial estates are as follows:



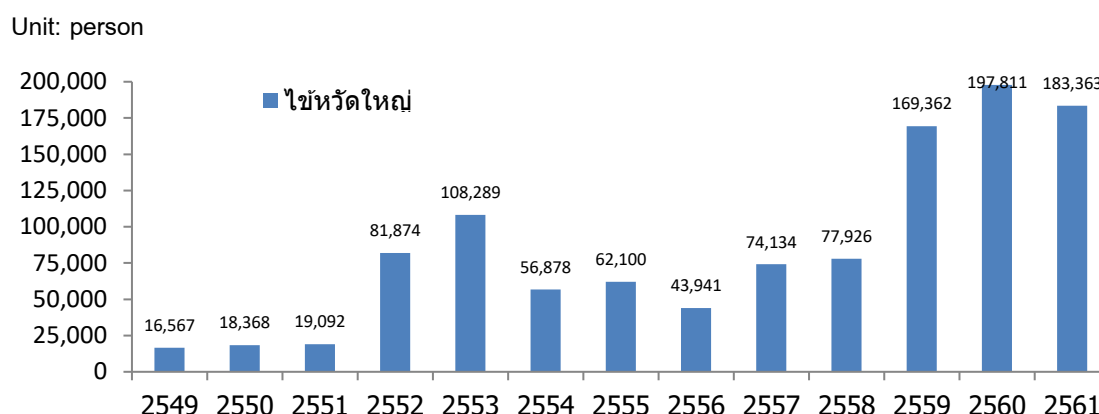
Source : Industrial Estate Authority of Thailand (IEAT)

The image above shows that areas with the highest number of industrial estates are Rayong and Chon Buri at 13 and 9 industrial estates respectively. Meanwhile, Bangkok, Samut Prakan, Samut Sakhon, Ayuthaya, and Chachoengsao each have 3-4 industrial estates while the remaining 11 industrial estates are located in other areas.

The company currently has 6 branches located in Ratchaphruek (HQ), Pathum Thani, Ayutthaya, Rayong, Chon Buri (Amphur Muang), Chon Buri 2 (Panthong) which are provinces with a high concentration of industrial estates. Branches offering the company's full range of services are Rayong and Chon Buri which process a large number of clients. Meanwhile, branches in Pathum Thani and Ayutthaya serve to support the company's mobile services. The growth of industrial factories and industrial estates is a benefit to the company and its subsidiary's medical service and environment monitoring businesses.

Influenza Situation

The company places great importance on controlling the spread of influenza, which is broadly categorized into 2 categories: seasonal influenza and new influenza strains that can infect even those who have been vaccinated. Both seasonal and new influenza strains undergo continuous mutation and therefore require annual vaccination. Since 2016, the company has increased its vaccination services while the number of influenza cases are as follows:



Data from the Bureau of Epidemiology of the Ministry of Public Health from 2006 to 2018 reveals a continuous increase in the number of influenza cases, especially in 2017 where the case count had risen to 197,811, marking a tenfold increase from 2008. The increase in health awareness and disease prevention has resulted in an increased demand for health checkups as well as vaccinations. As a result, revenue share from vaccination increased in 2017. The company has been able to maintain this increased revenue share from vaccination into 2018 and in the 3rd quarter of 2019 and is poised to increase the share even further for the whole of 2019.

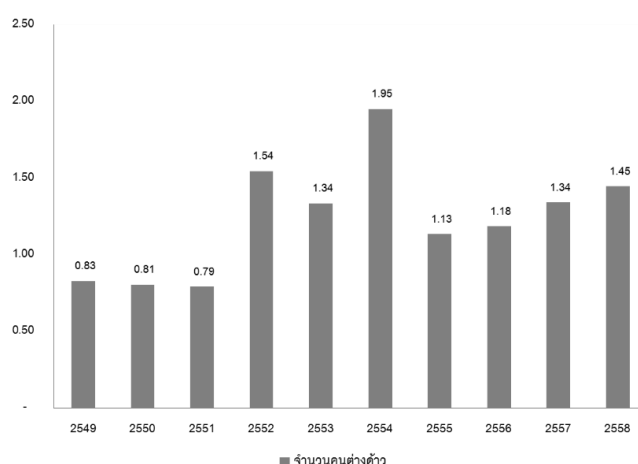
Foreign Worker Situation

Conducting health checkups for foreign workers is a key business for the company to reduce seasonal income volatility. Most activities are contracts from hospitals for foreigners who wish to renew their visas or apply for work permits. Regulations are a key driver of increased income from conducting health checkups for foreign workers. The immigration of foreign nationals into the country has supported Thailand's social and economic development, with the majority of foreigners coming from Myanmar, Cambodia, and Laos PDR. These immigrants consist of legally registered workers and their families as well as unregistered immigrants. While Thailand's social

and economic environment is more affected by immigration into the country, it is also affected by people immigrating out of the country.

The 2017 Emergency Decree on Foreign Workers Management ordered unregistered foreign workers to return to their home countries. This may benefit the company's business as it requires employers to legally register their foreign workers which includes conducting a health checkup. Failure to do so will incur a fine from 400,000 to 800,000 baht per violation. Data on foreign workers in the country is as follows:

Unit: million people



(Number of Foreign Nationals)

Source : Foreign Workers Administration Office

The number of foreign workers authorized to work in Thailand increased from 826,399 in 2006 to 1,445,575 in 2015, an increase of 619,1768 with a growth rate of 6.41%. A major increase in numbers occurred in 2011 when the Ministry of Labor removed the requirement for foreigners to prove their citizenship in order to expedite the foreign worker registration process. When the requirement was reinstated in 2012, the number of registered foreign workers decreased dramatically.

The Ministry of Labor and the Foreign Workers Administration Office continue to oversee the management of foreign workers. As the country becomes increasingly strict in enforcing foreign work permits, foreign employees will continue to require annual health checkups to renew their work permits which is a benefit to the company's business.

2. Hospital business

The spread of COVID-19 pandemic has affected the conventional business model and causing the business adjustment to align with Social Distancing Measure. The private hospital has adjusted its service to be more individual, e.g., health check-up at home, while emphasize on digital transformation and implementation of technology to increase efficiency of service and drive the business to sustain in long-term, e.g., Telemedicine which allow medical personnel and patient to interact on real-time and is considered as alternative channel for patient to access to medical service and compensate for reduction of revenues from avoidance of going to

hospital in COVID-19 outbreak even the Thai private hospital was affected from COVID-19 in 2020 and 2021. In 2021, the spread of COVID-19 in April 2021, Delta Species, which was severe and spread quickly, result in deficit of public hospital's bed to serve patient, while created opportunity for private hospital in which the revenues of private hospital was increased from COVID test, increase in number of patient, and hospital, and also compensate for reducing of normal medical revenues from patient both domestic and oversea. However, most of private hospital gradually recovered from increase in number of domestic and oversea patient. In this regard, the recovery will be based on the growth of domestic economy, government support, confidence on medical and worldwide transportation, as well as COVID-19 situation which is expected to improve. In this regard, the vaccination rate is continuously increasing, with total dosed more than 105 million doses, dividing into first dose more than 51 million doses, second dose more than 46 million doses, third dose more than 7 million doses, and fourth dose more than 3 million doses, which will create herd immunity, and finally, COVID-19 will be considered as endemic disease.

For the trend of private hospital business in long term, it is expected to grow supported by demand on health service, which is result of health awareness trend, coupled with increase of complex disease, especially as the Thailand is entering into aging society. In addition, the increase in number of middle income also increase demand on private hospital service. The demand of both domestic and oversea customers which need standard medical service and convenience, especially oversea customers who come to use medical service in Thailand is considered as factor to support Thailand as the Medical Hub. Furthermore, the increase in number of health insurance holder was significantly increased in past 3 years also considered as supporting factor for using service of private hospital.

4. List of directors

As of 21 March 2022, the Company's list of directors are as follows:

No.	Name-Surname	Position
1	Mr.Thanavath Phonvichai	Chairman of the Board, independent director, and chairman of audit committee
2	Mr.Sittiwat Kamkatwong	Chief executive officer and director
3	Ms.Poramaporn Pavarojkit	Deputy chief executive officer and director
4	Mr.Thibdee Mangkalee	Director
5	Ms.Tiwaporn Kuntasuwon	Independent director and member of audit committee
6	Mr.Worakart Tapasanant	Independent director and member of audit committee

Source : the Company

5. List of shareholders

As of 21 March 2022, the Company's list of shareholders are as follows:

No.	List of shareholders	Number of shares	Percent
1	Mr.Sittiwat Kamkatwong	75,250,000	35.00
2	Ms.Poramaporn Pavarojkit	32,134,800	14.95
3	Mr.Satien Pornyuenyong	28,800,800	13.40
4	Thai NVDR Company Limited	12,494,623	5.81
5	Ms.Karnda Pornyuenyong	11,199,200	5.21
6	Ms.Vimala Sgulboonrasi	6,173,400	2.87
7	Mr.Thanet Angkasakulkiat	3,150,000	1.47
8	Mr.Arnupap Rakariyapong	3,000,000	1.40
9	Mr.Thanapon Chowiwattana	1,550,000	0.72
10	Mr.Thanarat Rakariyapong	1,450,000	0.67
11	Other shareholders	39,797,177	18.51
	Total	215,000,000	100.00

Source : the Company

6. Financial statement

6.1 Statement of financial position

Statement of financial position	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Assets						
Current assets						
Cash and cash equivalent	78.64	14.70	186.73	38.01	334.12	28.31
Current financial asset - pending redemption unit	150.15	28.06	-	-	-	-
Trade and other receivable	-	-	-	-	-	-
Trade receivable - net	54.80	10.24	63.89	13.01	33.82	2.87
Other receivable - related person and company	0.01	0.00	0.09	0.02	-	-
Other receivable - other company	1.93	0.36	1.56	0.32	1.43	0.12
Contract asset - current	73.92	13.81	44.61	9.08	272.24	23.07
Short-term loan - related party	-	-	-	-	-	-
Short-term loan - other party	1.21	0.23	-	-	-	-
inventory	6.20	1.16	9.74	1.98	16.69	1.41
Other current assets	11.67	2.18	11.28	2.30	14.41	1.22
Total current assets	378.55	70.74	317.89	64.72	672.71	57.00
Non-current assets						
Restricted deposit	3.80	0.71	3.80	0.77	6.87	0.58
Investment in subsidiary	-	-	-	-	-	-
Advance payment for other company share	-	-	-	-	-	-
Property, plant, and equipment - net	144.44	26.99	151.03	30.75	159.40	13.51
Right-of-use - net	-	-	7.38	1.50	161.62	13.70
Goodwill	-	-	-	-	116.26	9.85
Intangible asset - net	4.30	0.80	6.28	1.28	51.38	4.35
Deferred tax asset	1.59	0.30	2.19	0.44	4.62	0.39
Other non-current asset	2.47	0.46	2.65	0.54	7.25	0.61
Total non-current asset	156.61	29.26	173.31	35.28	507.39	43.00
Total asset	535.16	100.00	491.20	100.00	1,180.10	100.00
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payable	65.69	12.27	29.83	6.07	56.60	4.80
Lease liabilities, due within 1 year	2.43	0.45	8.14	1.66	7.93	0.67
Long-term loan, due within 1 year	-	-	-	-	6.07	0.51

Statement of financial position	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Accrued tax payable	-	-	-	-	74.17	6.28
Provision of other current liabilities	-	-	-	-	1.76	0.15
Other current liabilities	2.62	0.49	0.85	0.17	0.89	0.08
Total current liabilities	70.74	13.22	38.82	7.90	147.41	12.49
Non-current liabilities						
lease liabilities	5.57	1.04	6.63	1.35	160.78	13.62
Long-term loan	6.62	1.24	-	-	-	-
Provision of non-current liabilities for employee benefit obligation	-	-	8.23	1.67	11.01	0.93
Deferred tax liabilities	-	-	0.64	0.13	9.63	0.82
Provision of other non-current liabilities	0.64	0.12	1.90	0.39	2.03	0.17
Accrued subsidize	-	-	-	-	4.84	0.41
Total non-current liabilities	12.82	2.40	17.40	3.54	188.29	15.96
Total liabilities	83.56	15.61	56.22	11.44	335.70	28.45
Shareholders' equity						
Common share - par value of THB 0.50	107.50	20.09	107.50	21.89	107.50	9.11
Registered capital - 215,000,000 shares	107.50	20.09	107.50	21.89	107.50	9.11
Paid-up capital - 215,000,000 shares	262.69	49.09	262.69	53.48	262.69	22.26
Share premium						
Retain earnings						
Appropriated - legal reserve	8.43	1.58	8.43	1.72	14.78	1.25
Appropriated - reserve for repurchased share	-	-	-	-	13.29	1.13
Unappropriated	72.97	13.63	56.36	11.47	459.42	38.93
Repurchased share	-	-	-	-	(13.29)	(1.13)
Total shareholders' equity	451.59	84.39	434.98	88.56	844.40	71.55
Total liabilities and shareholders' equity	535.16	100.00	491.20	100.00	1,180.10	100.00

Source: financial statement of the Company

6.2 Statement of profit and loss

Statement of profit and loss	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Revenues from service	333.93	99.20	238.21	98.13	319.64	33.54
Revenues from hospital business	-	-	-	-	623.00	65.38

Statement of profit and loss	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Other income	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Gain from asset disposal	0.50	0.15	0.20	0.08	-	-
Other income	2.19	0.65	4.34	1.79	10.25	1.08
Total revenues	336.61	100.00	242.75	100.00	952.88	100.00
Expenses						
Cost of service	234.75	69.74	180.22	74.24	198.62	20.84
Cost of hospital business	-	-	-	-	116.93	12.27
Selling expenses	19.66	5.84	15.26	6.29	19.78	2.08
Administrative expenses	67.53	20.06	63.12	26.00	84.17	8.83
Loss from asset disposal	-	-	-	-	1.82	0.19
Total expenses	321.93	95.64	258.60	106.53	421.33	44.22
Profit (loss) from operation	14.68	4.36	(15.85)	(6.53)	531.56	55.78
Finance expenses	3.82	1.14	1.54	0.64	8.75	0.92
Profit (loss) before income tax expenses	10.86	3.23	(17.39)	(7.17)	522.80	54.87
Income tax expenses	0.36	0.11	(0.79)	(0.32)	100.10	10.51
Profit (loss) for the year	10.50	3.12	(16.61)	(6.84)	422.70	44.36

Source: financial statement of company

6.3 Statement of cash flow

Statement of cash flow	Consolidated financial statement for the fiscal year ended		
	31 December 2019 Audited	31 December 2020 Audited	31 December 2021 Audited
	THB mm	THB mm	THB mm
Cash flow from operating activity			
Profit (loss) for the year	10.50	(16.61)	422.70
Adjustment for item from profit (loss) to cash received (paid)	-	-	-
Depreciation	17.97	18.23	21.32
Depreciation of right-of-use	-	6.43	11.93
Loss from write-off of fixed asset	0.02	-	-
Amortization of intangible asset	0.35	0.94	3.26
Loss (gain) from asset disposal	(0.50)	(0.20)	1.82
Loss from write-off of fixed asset	-	-	0.00
Bad debt and allowance (reverse)	0.30	0.43	0.41
Recovered bad debt	(0.81)	-	(0.15)

Statement of cash flow	Consolidated financial statement for the fiscal year ended		
	31 December 2019 Audited	31 December 2020 Audited	31 December 2021 Audited
	THB mm	THB mm	THB mm
Gain from canceling lease	-	-	(0.17)
Employee benefit expenses	-	1.61	2.27
Provision for non-current liabilities	1.70	1.90	0.14
Provision for non-current liabilities (reverse)	-	-	(0.49)
Income tax expense (income)	0.36	(0.79)	100.10
Finance expense	3.82	1.54	8.75
Profit (loss) before change in operating asset and liability	33.69	13.47	571.90
Operating asset (increase) decrease	-	-	-
Trade receivable – other party	(14.28)	(9.51)	30.84
Other receivable – other party	(0.13)	0.37	0.49
Other receivable – related party	0.07	(0.08)	0.09
Contract asset – current	-	29.31	(212.01)
Inventory	0.31	(2.32)	(1.25)
Other current asset	(3.02)	0.39	(2.84)
Other non-current asset	(1.20)	(0.18)	2.07
Operating liability increase (decrease)	-	-	-
Trade and other payable	14.32	(35.86)	3.16
Other payable – related party	-	-	-
Employee security deposit	-	-	-
Other current liabilities	1.28	(1.77)	0.04
Paid for employee benefit	-	-	(0.46)
Accrued subsidize	-	-	4.84
Cash received from operating	31.04	(6.18)	396.88
Interest paid	-	(1.54)	(8.75)
Tax paid	(4.57)	0.20	(34.39)
Net cash received from (paid) to operating activity	26.46	(7.52)	353.74
Cash flow from investing activity			
Cash paid for investment in subsidiary – net of cash received	-	-	(149.55)
Other current financial asset – unit received (paid)	-	-	-
Cash received from sale of unit (fund)	(150.05)	150.15	-
Cash received from disposal of property, plant, and equipment	0.56	0.26	2.49
Cash paid for purchased of property, plant, and equipment	(18.80)	(23.51)	(22.19)
Cash paid for purchased of land and building to be transferred	-	-	-

Statement of cash flow	Consolidated financial statement for the fiscal year ended		
	31 December 2019 Audited	31 December 2020 Audited	31 December 2021 Audited
	THB mm	THB mm	THB mm
Cash paid for purchased of intangible asset	(2.56)	(2.91)	(0.04)
Cash paid for loan to related and other party	-	-	(14.00)
Cash received from loan to related and other party	-	-	-
Cash paid for right-of-use	-	-	(1.99)
Loan to related and other party (increase) decrease	-	-	-
Dividend received from subsidiary	-	-	-
Capital increase	-	-	-
Net cash received from (paid) to investing activity	(170.85)	123.99	(185.29)
Cash flow from financing activity	-	-	-
Cash received from loan – related party	(11.05)	-	-
Cash received from long-term loan	-	-	70.00
Cash paid for long-term loan	(70.94)	-	(63.93)
Cash paid for lease liability	3.56	(8.39)	(10.78)
Right-of-use	-	-	-
Lease liability – right-of-use	-	-	-
Cash received from share premium	-	-	-
Cash received from capital increase	330.00	-	-
Cash paid for expenses relating to issuance of new shares	(27.07)	-	-
Interest paid	(3.95)	-	-
Dividend payment of parent company	-	-	-
Dividend payment for non-controlling interest	-	-	-
Dividend payment	(10.50)	-	-
Cash paid for repurchased shares	-	-	(13.29)
Net cash received from financing activity	210.06	(8.39)	(18.00)
Net cash and cash equivalent increase (decrease)	65.67	108.08	150.46
Restricted deposit	(2.90)	-	(3.07)
Cash and cash equivalent at the beginning of the year	15.87	78.64	186.73
Cash and cash equivalent at the end of the year	4.75	22.95	1.39

Source: financial statement of company

6.4 Financial ratio

Important financial ratio	Fiscal year ended, 31 December		
	2019	2020	2021
Liquidity ratio			
Current ratio (times)	5.35	8.19	4.56
Quick ratio (times)	4.01	6.46	2.50
Account receivable turnover (times)	3.96	4.01	19.30
Cash collection period (days)	90.95	89.69	18.66
Account payable turnover (times)	4.70	3.77	7.30
Cash payable period (days)	76.63	95.40	49.30
Profitability ratio			
Gross profit margin (percent)	29.70	24.34	66.53
Operating profit margin (percent)	4.36	(6.53)	55.78
Net profit margin (percent)	3.12	(6.84)	44.36
Return on equity (percent)	2.32	(3.75)	66.08
Efficiency ratio			
Return on asset (percent)	2.54	(3.24)	50.58
Return on fixed-asset (percent)	7.39	(11.24)	272.34
Financial policy ratio			
Debt to equity ratio (times)	0.19	0.13	0.40
Interest coverage ratio (times)	3.84	(10.28)	60.72

7. Analysis of operating result**7.1 Operating result and financial position**

The company and its subsidiary (the “Group”) engages in 3 businesses, consisting of (1) hospital services, (2) environment monitoring services, and (3) hospital business.

The hospital services business operated by Intermedical Care and Lab Hospital Public Company Limited (“the company”) and focus on providing service to corporate and industrial customers. The Company provide off-site health check-up by its X-ray vehicles and also have expertise medical and nurse team who can provide service at customers’ premise nationwide. The Company also provides service through its clinic which focus on pre-employment health check-up and annual health check-up. At present, the Company registered as specialized hospital on Occupational Medicine with 12 X-ray vehicles and 6 branches located at Ratchaphruek (HQ), Chon Buri (Amphur Muang), Chon Buri 2 (Phathong), Rayong, Pathum Thani, and Ayutthaya. Furthermore, the Company also emphasizes on health of customers and cause which may affect health of customers. With such concept, the Company so foresees growth opportunity and start environment monitoring services business.

Environment monitoring services business operated by Accufas Lab Center Company Limited (the “Subsidiary”) which provide environment monitoring services at customers’ work premise nationwide with advance

and efficient equipment. The services can be categorized into 4 types, 1. analyzing water quality, 2. measuring air quality of vents, 3. health and safety factors such as brightness, noise, heat, dust, and chemicals etc., 4. measuring of other environments. In this regard, most of customers are industrial client in eastern area of country, e.g., automotive, electronic, real estate, and food.

Hospital business operated by Suksawat Medical Company Limited which operates Prachapat Hospital. Prachapat Hospital provides medical service for general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign.

7.1.1 Revenues

Revenues from service

In 2020, revenues from service was THB 238.21 million, consisted of revenues from hospital service of THB 215.63 million and revenues from environment monitoring service of THB 22.58 million.

In 2021, revenues from service was THB 942.64 million (net of related party transaction), consisted of revenues from hospital service of THB 310.27 million, revenues from hospital business of THB 623 million, and revenues from environment monitoring service of THB 10.84 million.

Revenues from hospital service

In 2020, the revenue was THB 215.63 million, decreased by 24.79 percent from THB 286.70 million, as the result of COVID-19 pandemic in which the government has issued various measures to prevent the spread in many areas of Thailand which cause the limitation on transportation in which the Company could not travel to customers' premise. Even the situation was improved in quarter 3; however, it still affected country economic. The Company strived to adjust business strategy by seeking alternative revenues, e.g., revenues from COVID-19 immunity test, revenues from providing screening service; however, it was not able to compensate for decreasing of revenues from health check-up.

In 2021, the revenue was THB 310.27 million, increased by 43.89 percent from THB 215.63 million due to the consolidation of hospital business which expanded customer base, as well as providing service on Antigen Swab which can be analyzed and got the result in the same day, and service on COVID-19 immunity test, as well as providing service on alternative vaccine to corporate customers and general public. After the COVID-19 situation was alleviated in quarter 4, the Company has resumed to provide health check-up service, occupation health check-up and risk factor as specified by labor law. Therefore, the Company incurred revenues throughout the year.

Revenues from environment monitoring service

In 2020, the revenue was THB 22.58 million, decrease by 52.19 percent from THB 47.22 million, due to COVID-19 pandemic as most of the customers of the Subsidiary located in industrial area. After the country economy was affected by the pandemic, many factories have shut down. In addition, the competition in this business become more intense, so the Subsidiary was significantly affected.

In 2021, the revenue was THB 10.84 million, decreased by 51.98 percent from THB 22.58 million, due to COVID-19 pandemic as most of the customers of the Subsidiary located in industrial area. After the country economy was affected by the pandemic, many factories have shut down. In addition, the competition in this business become more intense, so the Subsidiary was significantly affected.

Revenues from hospital business

After the Company acquired Suksawat Medical Company Limited (Prachapat Hospital) and specified transfer of controlling power on 10 April 2021, the Company so recognized revenues from 11 April 2021 till 31 December 2021 of THB 623 million. Due to the COVID-19 situation which became more severe in quarter 2 and quarter 3, it result in significant number of infected patient received medical treatment at hospital. As Prachapat Hospital provides medical service for general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign, after number of infected patients were increased while the hospital beds were not sufficient, the Company so seek alternative to reduce congestion of patients and infection rate of community. Prachapat Hospital has managed quarantined zone (COVID-19 infected people who do not show symptom or show minor symptom (Green Type) of Ratburana District) to take primary treat before sending to hospital.

Other income

In 2020, the Group recorded other income of THB 4.54 million, increased by 69.20 percent from THB 2.69 million, consisted of interest income, gain from disposal of unit, revenues from rental income, and revenues from supplementary etc.

In 2021, the Group recorded other income of THB 10.25 million, increased by 125.55 percent from THB 4.54 million, consisted of interest income, gain from disposal of unit, revenues from rental income, revenues from supplementary, revenues from receiving of donation asset etc.

7.1.2 Cost

In 2020, the Group recorded cost of sale and service of THB 180.22 million (net of related party transaction), consisted of cost of hospital service of THB 161.56 million, and cost of environment monitoring service of THB 19.17 million.

In 2021, the Group recorded cost of sale and service of THB 315.55 million (net of related party transaction), consisted of cost of hospital service of THB 189.67 million, cost of hospital business of THB 116.93 million, and cost of environment monitoring service of THB 10.86 million.

Cost of hospital service

In 2020, cost of hospital service was THB 161.56 million, decreased by 19.25 percent from THB 200.07 million. Both fixed and variable cost were reduced. Personnel expenses were decreased as the Company employed daily staff in some positions. Some medical and equipment cost were decreased as the Company negotiate pricing with suppliers, e.g., flu vaccine, and rental/service expenses. The utilization rate of medical equipment was decreased as there was purchased of additional medical equipment to be sufficient for use.

In 2021, cost of hospital service was THB 189.67 million, increased by 17.40 percent from THB 161.56 million. There was increase in variable cost, e.g., medicine and medical equipment etc., align with the increase in revenues from hospital service.

Cost of environment monitoring service

In 2020, cost of environment monitoring service was THB 19.17 million, decreased by 45.45 percent from THB 35.14 million. The fixed cost, e.g., personnel expenses slightly decrease, while depreciation of equipment was increased as there was investment in equipment in previous year. The variable cost was decreased align with decrease of revenues from service.

In 2021, cost of environment monitoring service was THB 10.86 million, decreased by 43.35 percent from THB 19.17 million, align with decrease of revenues from service.

Cost of hospital business

In 2021, cost of hospital business was THB 116.93 million, increased from acquisition of Suksawat Medical Company Limited (Prachapat Hospital) in 2021, consisted of medicine, medical equipment, and personnel expenses etc.

7.1.3 Selling and administrative expenses

Selling expenses

In 2020, the Group recorded selling expenses of THB 15.26 million, decreased by 22.39 percent from THB 19.66 million, as the Group's personnel expenses slightly decreased, and commission expenses decreased aligning with decrease of revenues from service.

In 2021, the Group recorded selling expenses of THB 19.78 million, increased by 29.66 percent from THB 15.26 million, as the Company invested in Suksawat Medical Company Limited (Prachapat Hospital). Therefore, the Company consolidated selling expense in the Company's consolidated financial statement.

Administrative expenses

In 2020, the Group recorded administrative expense of THB 63.12 million, decreased by 6.53 percent from THB 67.53 million. The major decrease item was personnel expenses in 2020 of THB 22.71 million, decreased by THB 7.74 million, or equivalent to 25.43 percent from THB 30.45 million as the resignation of executive and collaboration of employees by reducing salary during the severe pandemic period of 2 months to allow the Company to pass through the crisis. For the major increase item in 2020 was provision for lawsuit claim of THB 1.90 million and expenses relating to investment analysis of THB 3 million.

In 2021, the Group recorded administrative expenses of THB 84.17 million, increased by 33.36 percent from THB 63.12 million, as the Company acquired Suksawat Medical Company Limited (Prachapat Hospital). In this regard, the Company consolidated Suksawat Medical Company Limited since quarter 2. The business acquisition has objective for expanding medical service scope from present in which the Company focused on health check-up to general hospital.

7.1.4 Finance expenses

In 2020, the Group recorded finance expenses of THB 1.54 million, decreased by 59.66 percent from 3.82 million, as the Company repaid all long-term loan which is in accordance with the objective of utilization of proceed from offering of newly issued ordinary shares to public in December 2019.

In 2021, the Group recorded finance expenses of THB 8.75 million, increased by 467.89 percent from THB 1.54 million, as the subsidiary record right-of-use on land and building lease agreement with leased term of 30 years.

7.1.5 Net profit

In 2020, the Group recorded net profit (loss) of THB (16.61) million, representing net profit (loss) margin of (6.84) percent which is decreased from previous year due to COVID-19 pandemic. The Company strived to increase revenues and decrease expenses to alleviate the effect and yield benefit to the Company.

In 2021, the Group recorded net profit of THB 422.70 million, representing net profit margin of 44.35 percent, increased from previous year as the consolidation of business result in recognizing of revenues from hospital business which is reliable and decrease volatility of revenues which was mainly from annual health check-up, as well as reducing cost of medicine and medical equipment as the Group has more negotiation power due to increase in volume.

7.2 Analysis of financial position

7.2.1 Assets

As of 31 December 2020, the Company's total assets were THB 491.20 million, decreased from previous year of THB 43.96 million. The main items were contract assets – current, property, plant, and equipment, and right-of-use.

As of 31 December 2021, the Company's total assets were THB 1,180.10 million, increased from previous year of THB 688.90 million. The main change of assets and liabilities were cash and cash equivalent, contract assets – current, right-of-use, and goodwill.

Cash and cash equivalent

As of 31 December 2020, the Group's cash and cash equivalent was THB 186.73 million, increased from previous year of THB 108.08 million. The main cash are from sale of unit (fund) of THB 150.15 million.

As of 31 December 2021, the Group's cash and cash equivalent was THB 334.12 million, increased from previous year of THB 147.39 million. The main reason was the operating result of the Company in 2021 which was grew and result in the Group having net cash flow from operation activity of THB 353.74 million, while having net cash flow to investing activity of THB 185.29 million, mainly from investment in Suksawat Medical Company Limited of THB 149.55 million, and having net cash flow to financing activity of THB 18.00 million.

Contract asset

Contract asset is the right of company to receive compensation for providing service to client. Such rights will not exceed normal operating period of the Company or not 12 month from end of each reporting period, i.e., revenues from providing service but has not collected from client.

As of 31 December 2020, contract asset of the Group was THB 44.61 million, decreased from previous year of THB 29.31 million. The main contract asset was from health check-up in quarter 4 which will be gradually billed till March 2021. Due to decrease of revenues significantly, the contract asset so decreased.

As of 31 December 2021, contract asset of the Group was THB 272.24 million, increased from previous year of THB 227.63 million. The main item come from accrued revenues from hospital service in which mostly are not exceed 12 month and came from Prachapat Hospital business of THB 224.48 million, and Occupation Medicine Hospital of THB 47.44 million.

Leasehold right and right-of-use

As of 31 December 2020, the Group's right-of-use was THB 7.38 million, increased from previous year which did not have right-of-use as the Company applied Thai Financial Reporting Standard No.16 for the first time from 1 January 2020, consisted of building rental, parking rental, photocopy leasing, automobile leasing. Those increased both right-of-use and lease liabilities.

As of 31 December 2021, the Group's right-of-use was THB 161.62 million, increased from previous year of THB 154.24 million. Lease liabilities was THB 168.70 million, increased from previous year of THB 153.93 million, as the subsidiary had land and building lease with leased term of 30 years.

Goodwill

In 2021, the Company invested in Suksawat Medical Company Limited with the consideration of THB 161.00 million. The auditor recorded goodwill by comparing with fair value of identified assets and liabilities before consolidated which was THB 44.74 million, and so recorded goodwill of THB 116.26 million as the Group foresee that such company has capability to generate revenues and profit which will enhance efficiency in business.

7.2.2 Liabilities

As of 31 December 2020, the Company's total liabilities was THB 56.22 million, decreased from previous year of THB 27.35 million. The main decrease was from decrease of current liabilities of THB 31.92 million while the non-current liabilities increased by THB 4.57 million. The main reason were from reduction of trade payable of THB 35.86 million aligning with decrease of cost of service as the overall operating result of the Group decreased in such year.

As of 31 December 2021, the Company's total liabilities was THB 335.70 million, increased from previous year of THB 279.49 million. The main change in assets and liabilities were increase in accrued tax payable of THB 74.17 million and increase in lease liabilities of THB 154.15 million, which was incurred from consolidating of financial statement from the acquisition of Suksawat Medical Company Limited.

7.2.3 Shareholders' equity

Shareholders' equity as of 31 December 2020 was THB 434.98 million, decreased by THB 16.61 million, from THB 451.59 million in previous year, as there was reduction of retain earnings which was result of loss from operation of the Company in 2020 which incurred loss of THB 16.61 million.

Shareholders' equity as of 31 December 2021 was THB 844.40 million, increased by THB 409.41 million, from THB 434.98 million in previous year, as there was increase in retain earnings which was result of profit from operation of the Company in 2021 which incurred profit of THB 422.710 million and there was share repurchased of THB 13.29 million.

Attachment 2: Summary Information of Suksawat Medical Company Limited

1. General information

Name of company	: Suksawat Medical Company Limited
Nature of business	: Private hospital (accepting patient for overnight stay). Operate on-site and off-site health check-up.
Office location	: 146, Suksawat Road, Bangpakok Sub-district, Ratburana District, Bangkok 10140.
Registered capital	: THB 36,000,000.00, consisting of ordinary shares of 360,000 shares with par value of THB 100.00 per share.
Paid-up capital	: THB 36,000,000.00, consisting of ordinary shares of 360,000 shares with par value of THB 100.00 per share.

2. Policy and business overview

The Company realizes the importance of the vision, core values, missions, goals and strategies of the Company. So, the board of director and executive are involved in defining and approving of the Company's vision, core values, missions, goals and strategies, as well as monitoring the implementation of the Company's strategies so that executives and employees have the same goals. Directors and executives are responsible for reviewing the Company's vision, core values, missions, goals and strategies, regularly. At present, the board of directors and the executive committee reviewed the Company's vision, core values, and mission, and deems appropriate to maintain the Company's vision, core values, and mission, as follows:

Vision

Hospital in family mind

Core values

Consistent, Creative, Teamwork, Attentive, Focused

Mission

Operate with fair, transparent, and provide compassionate service, continuously increase quality of employees, as well as responsible to the community

3. Business characteristic

The Company operates Prachapat Hospital which is general hospital with 100 bed, providing service to general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign, and focus on patient in Ratburana District and Trungkru District, Bangkok, with specialized medic team and standard equipment in Pediatrics, Dentistry, Obstetrics, Medicine, Neurosurgery, Rheumatology, Neurosurgery, Psychiatry, Ophthalmologist, General Surgery, Orthopedic, General Practice, and Pediatrics.

Industry Circumstance

The spread of COVID-19 pandemic has affected the conventional business model and causing the business adjustment to align with Social Distancing Measure. The private hospital has adjusted its service to be more individual, e.g., health check-up at home, while emphasize on digital transformation and implementation of technology to increase efficiency of service and drive the business to sustain in long-term, e.g., Telemedicine which allow medical personnel and patient to interact on real-time and is considered as alternative channel for patient to access to medical service and compensate for reduction of revenues from avoidance of going to hospital in COVID-19 outbreak even the Thai private hospital was affected from COVID-19 in 2020 and 2021. In 2021, the spread of COVID-19 in April 2021, Delta Species, which was severe and spread quickly, result in deficit of public hospital's bed to serve patient, while created opportunity for private hospital in which the revenues of private hospital was increased from COVID test, increase in number of patient, and hospital, and also compensate for reducing of normal medical revenues from patient both domestic and oversea. However, most of private hospital gradually recovered from increase in number of domestic and oversea patient. In this regard, the recovery will be based on the growth of domestic economy, government support, confidence on medical and worldwide transportation, as well as COVID-19 situation which is expected to improve. In this regard, the vaccination rate is continuously increasing, with total dosed more than 105 million doses, dividing into first dose more than 51 million doses, second dose more than 46 million doses, third dose more than 7 million doses, and fourth dose more than 3 million doses, which will create herd immunity, and finally, COVID-19 will be considered as endemic disease.

For the trend of private hospital business in long term, it is expected to grow supported by demand on health service, which is result of health awareness trend, coupled with increase of complex disease, especially as the Thailand is entering into aging society. In addition, the increase in number of middle income also increase demand on private hospital service. The demand of both domestic and oversea customers which need standard medical service and convenience, especially oversea customers who come to use medical service in Thailand is considered as factor to support Thailand as the Medical Hub. Furthermore, the increase in number of health insurance holder was significantly increased in past 3 years also considered as supporting factor for using service of private hospital.

4. Lits of directors

As of 5 January 2022, the list of directors are as follows:

No.	Name-Surname	Position
1	Mr.Sittiwat Kamkatwong	Director
2	Ms.Poramaporn Pavarojkit	Director
3	Mr.Amporn Jongserijit	Director
4	Mr.Sith Suthewong	Director
5	Ms.Daranee Tubkan	Director
6	Mr.Thibdee Mangkalee	Director
7	Pol.Lt..Gen.Ittipol Achariyapradit	Director

Source: The Company

5. List of shareholders

As of 28 March 2021, the list of shareholders are as follows:

No.	List of shareholders	Number of shares	Percent
1	Intermedical Care and Lab Hospital Public Company Limited	359,997	99.9992
2	Mr.Sittiwat Kamkatwong	2	0.0006
3	Ms.Poramaporn Pavarojkit	1	0.0003
	รวม	360,000	100.00

Source: The Company

6. Financial statement

6.1 Statement of financial position

Statement of financial position	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Assets						
Current assets						
Cash and cash equivalent	40.67	20.81	15.71	6.91	246.92	38.29
Trade and other receivable	7.10	3.63	1.10	0.48	0.80	0.12
Accrued medical service revenues	-	0.00	15.45	6.79	222.77	34.54
Short-term loan	13.52	6.92	-	0.00	-	0.00
inventory	2.40	1.23	4.46	1.96	9.36	1.45
Other current assets	-	0.00	-	0.00	-	0.00
Total current assets	63.69	32.58	36.72	16.14	479.85	74.40
Non-current assets						
Long-term investment	46.50	23.79	-	0.00	-	0.00
Investment property	26.50	13.56	26.19	11.51	-	0.00
Building improvement and equipment	25.67	13.13	16.79	7.38	21.38	3.32
Right-of-use	-	0.00	137.80	60.58	124.50	19.30
Intangible asset	3.97	2.03	4.80	2.11	4.65	0.72
Deferred tax asset	-	0.00	3.05	1.34	6.13	0.95
Other non-current asset	29.14	14.91	2.11	0.93	8.43	1.31
Total non-current asset	131.79	67.42	190.75	83.86	165.07	25.60
Total asset	195.48	100.00	227.47	100.00	644.92	100.00
Liabilities and shareholders' equity						
Current liabilities						
Overdraft and short-term loan from financial institution	11.63	5.95	5.12	2.25	-	0.00
Trade and other payable	66.61	34.08	24.11	10.60	25.63	3.97
Portion of liabilities						
Long-term loan, due within 1 year	3.30	1.69	2.48	1.09	-	0.00
Portion of long-term liabilities under finance lease	3.51	1.80	2.29	1.01	1.28	0.20
Short-term loan	0.02	0.01	-	0.00	-	0.00
Accrued tax payable	0.65	0.33	9.05	3.98	75.51	11.71
Accrued dividend payable	-	0.00	-	0.00	192.60	29.86
Provision of other current liabilities	-	0.00	-	0.00	1.76	0.27
Total current liabilities	85.72	43.85	43.05	18.93	296.78	46.02

Statement of financial position	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Non-current liabilities						
Long-term loan	28.15	14.40	19.40	8.53	-	0.00
Liabilities under finance lease	5.21	2.67	154.20	67.79	153.37	23.78
Employee benefit obligation	-	0.00	0.93	0.41	1.12	0.17
Total non-current liabilities	33.35	17.06	174.53	76.73	154.49	23.95
Total liabilities	119.07	60.91	217.57	95.65	451.27	69.97
Shareholders' equity						
Common share - par value of THB 100.00 in number of 360,000 shares	36.00		36.00		36.00	
Registered capital - par value of THB 100.00 in number of 360,000 shares	36.00	18.42	36.00	15.83	36.00	5.58
Retain earnings - appropriated legal reserve	-	0.00	-	0.00	3.60	0.56
Retain earnings - unappropriated	40.41	20.67	(26.10)	(11.47)	154.05	23.88
Total shareholders' equity	76.41	39.09	9.90	4.35	193.65	30.03
Total liabilities and shareholders' equity	195.48	100.00	227.47	100.00	644.92	100.00

Source: financial statement of company

6.2 Statement of profit and loss

Statement of profit and loss	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Revenues						
Revenues from medical service	201.51	98.30	223.70	91.03	666.34	98.84
Other income	3.48	1.70	22.06	8.98	7.79	1.16
Total revenues	204.39	100.00	245.75	100.00	674.13	100.00
Expenses						
Cost of medical service	146.56	71.50	159.41	65.04	155.97	23.14
Selling expenses	2.36	1.15	2.18	0.89	3.52	0.52
Administrative expenses	41.94	20.46	71.89	29.25	30.99	4.60
Other expenses	-	0.00	67.95	27.65	1.09	0.16
Total expenses	190.86	93.11	301.42	122.83	191.56	28.42
Profit (loss) from operation	14.13	6.89	(55.67)	(22.83)	482.57	71.58
Finance expenses	1.77	0.86	11.00	4.48	10.50	1.56
Profit (loss) before income tax expenses	12.36	6.03	(66.66)	(27.30)	472.07	70.03

Statement of profit and loss	Consolidated financial statement for the fiscal year ended					
	31 December 2019		31 December 2020		31 December 2021	
	Audited		Audited		Audited	
	THB mm	Percent	THB mm	Percent	THB mm	Percent
Income tax expenses	2.86	1.40	6.52	2.62	95.72	14.20
Profit (loss) for the year	9.50	4.63	(73.18)	(29.92)	376.35	55.83
Other comprehensive income						
Other comprehensive income for the year	-		-		-	
Total comprehensive income (loss) for the year	9.50	4.63	(73.18)	(29.92)	376.35	55.83

Source: financial statement of company

7. Analysis of operating result

7.1 Operating result and financial position

Suksawat Medical Company Limited engages in hospital business by operating Prachapat Hospital which provide medical service for general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign.

7.1.1 Revenues

In 2019, total revenues were THB 204.39 million, consisted of revenues from medical service of THB 201.51 million and other income of THB 3.48 million.

In 2020, total revenues were THB 245.75 million increased by 20.23 percent from previous year, consisted of revenues from medical service of THB 223.7 million increased by 11.01 percent from previous year, and other income of THB 22.06 million increased by 533.91 percent from previous year.

In 2021, total revenues were THB 674.13 million increased by 174.15 percent from previous year, consisted of revenues from medical service of THB 666.34 million increased by 197.87 percent from previous year due to COVID-19 pandemic which is more severe in quarter 2 and quarter 3 of 2021 and there were significant number of patient infected with COVID-19 being treated at hospital. As Prachapat Hospital provided medical service for general patient, patient under National Health Security Office Campaign, and patient under Social Security Office Campaign, after the number of patients were increased while the number of beds in hospital was not sufficient, the Company so seek alternative to reduce congestion of patients and infection rate of community. Prachapat Hospital has managed quarantined zone (COVID-19 infected people who do not show symptom or show minor symptom (Green Type) of Ratburana District) to take primary treat before sending to hospital. The other income was THB 7.79 million decreased by 64.69 percent from previous year.

7.1.2 Expenses

In 2019, company's total expenses were THB 190.86 million, consisted of cost of medical service of THB 146.56 million, selling expenses of THB 2.36 million, and administrative expenses of THB 41.94 million.

In 2020, company's total expenses were THB 301.42 million, increased by 57.93 percent from previous year. Cost of medical service was THB 159.41 million, increased by 8.77 percent from previous year. Selling expenses were THB 2.18 million, decreased by 7.63 percent from previous year. Administrative expenses were 71.89 million, increased by 71.41 percent from previous year. Other expenses were THB 67.95 million.

In 2021, company's total expenses were THB 191.56 million, decreased by 36.44 percent from previous year. Cost of medical service was THB 155.97 million, increased by 2.16 percent from previous year. Selling expenses were THB 3.52 million, increased by 61.47 percent from previous year. Administrative expenses were 30.99 million, decreased by 56.89 percent from previous year. Other expenses were THB 1.09 million.

7.1.3 Finance expenses

In 2020, company's finance expenses were THB 11.00 million, increased by 521.47 percent from previous year in which finance expenses were THB 1.77 million.

In 2021, company's finance expense were THB 10.5 million, decreased by 4.55 percent from previous year.

7.1.4 Net profit

Company's net profit was THB 9.50 million in 2019, while incurred loss of THB 73.18 million in 2020, and report net profit of THB 376.35 million in 2021.

7.2 Analysis of financial position

7.2.1 Assets

As of 31 December 2019, company's total assets were THB 195.48 million.

As of 31 December 2020, company's total assets were THB 227.47 million, increased from previous year of THB 31.99 million.

As of 31 December 2021, company's total assets were THB 644.92 million, increased from previous year of THB 417.45 million. The main change in assets and liabilities were cash and cash equivalent and accrued medical service revenues in which most of accrued income does not exceed 12 months which is in accordance with criteria of Social Security Office and National Health Security Office.

Cash and cash equivalent

As of 31 December 2020, company's cash and cash equivalent was THB 15.71 million, decreased from previous year of THB 24.96 million.

As of 31 December 2021, company's cash and cash equivalent was THB 246.92 million, increased from previous year of THB 231.21 million. The main change was affected by growth of operating result in 2021.

Accrued medical service revenues

As of 31 December 2020, company's accrued medical service revenues were THB 15.50 million.

As of 31 December 2021, company's accrued medical service revenues were THB 222.77 million. Most of accrued revenues are incurred from medical service for COVID-19 infected patient and is not accrued more than 12 months which is in accordance with criteria of Social Security Office and National Health Security Office.

7.2.2 Liabilities

As of 31 December 2020, company's total liabilities were THB 217.57 million, increased from previous year of THB 98.50 million.

As of 31 December 2021, company's total liabilities were THB 451.27 million, increased from previous year of THB 233.7 million. The main change of assets were accrued tax payable which was increased by THB 66.46 million, accrued dividend payable which was increased by THB 192.60 million. According to shareholders' meeting no.5/2021 minute, held on 28 December 2021, the meeting resolved to approve dividend payment from operation in the period between 1 January 2021 to 30 September 2021 at THB 535 per share to the shareholders with number of shares of 360,000 shares, totaling value of THB 192.60 million. In this regard, company paid dividend to shareholders on 28 January 2022.

7.2.3 Shareholders' equity

Shareholders' equity of company as of 31 December 2020 was THB 9.90 million, decreased by THB 66.42 million from THB 76.41 million in previous year. The reason of decrease of retain earnings were the operating loss in 2020 of THB 73.53 million.

Shareholders' equity of company as of 31 December 2021 was THB 189.10 million, increased by THB 179.2 million from previous year. The main change was increase of retain earnings which is result of operating profit om 2021 of THB 376.35 million.

Attachment 3: Summary Information of Important Agreement

1. Memorandum of understanding on joint investment and land lease

Signing date	22 February 2022
Counterparty	1. Suksawat Medical Company Limited ("PCH") – Investment Partner 1 2. Ms.Sorrapa Soparat - Investment Partner 2 ¹ 3. Mr.Pornarit Chounchaisit - Investment Partner 3 ² 4. Mr.Pornarit Chounchaisit - Land Lessor 5. Ms.Pensuda Chounchaisit - Land Lessor 6. Mr.Chayaboon Chounchaisit - Land Lessor
Objective	Investment partners intend to establish new company under name "IMH BEARING Hospital Company Limited" to engage in hospital business and enter into land lease agreement to construct and operate hospital business.
Joint venture	<ul style="list-style-type: none"> Investment partners will establish IMHB with registered capital of THB 50.00 million. Investment Partner 1: invest in proportion of 80 percent of registered capital, or equivalent to THB 40.00 million. Investment Partner 2: invest in proportion of 10 percent of registered capital, or equivalent to THB 5.00 million. Investment Partner 3: invest in proportion of 10 percent of registered capital, or equivalent to THB 5.00 million. All three investment partners agree to appoint "Mr.Sittiwat Kamkatwong and Ms.Poramaporn Pavarojkit" as the authorized director of IMHB.
Leased asset	<ul style="list-style-type: none"> Vacant land with area in number of 12 rais located on land title deed no. 14053 – 14061, 14084 – 14092, 4560, and 8529
Condition of lease	<ul style="list-style-type: none"> Lessor agrees to enter to land lease agreement with IMHB on the date as agreed. Lease term of 30 years, in which the Lessor agree to extend lease term for another 30 years with rental rate to be agreed. Lessor and Lessee, each agree to responsible for half of expenses relating to register of leasehold rights. Upfront payment and rental rate over 30 years period, totaling value of THB 446,537,772.50, will be paid as follows: <ul style="list-style-type: none"> Year 1: upfront payment of THB 44,653,772.25. Year 2: upfront payment of THB 44,653,772.25. Year 3: upfront payment of THB 44,653,772.25. Year 4 - 5: rental of THB 10,080,000.00 per year. Year 6 - 10: rental of THB 10,584,000.00 per year. Year 11 - 15: rental of THB 11,113,200.00 per year.

	<ul style="list-style-type: none"> • Year 16 - 20: rental of THB 11,668,860.00 per year. • Year 21 - 25: rental of THB 12,252,303.00 per year. • Year 26 - 30: rental of THB 12,864,918.15 per year. • From the date of MOU, the Lessor agrees not to sell or transfer ownership on land to other party, except receive permission from PCH or IMHB.
Other important condition	<ul style="list-style-type: none"> • This MOU will be effective after the shareholder meeting of Intermedical Care and Lab Hospital Public Company Limited approve the transaction.

Remark:

1. Such person assists the Company in collaborating with Mr.Pornarit Chounchaisit to procure land for development.
2. Such person is one of landlord of land to be leased.