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The Opinion Report of the Independent Financial Advisor
on the Acquisition of Assets Transaction

Of

Business Alignment Public Company Limited



Presented to

The Audit Committee and Shareholders

by



OptAsia Capital Company Limited

November 16, 2017

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Subject The Opinion of the Independent Financial Advisor on the Acquisition of Assets Transaction
 of Business Alignment Public Company Limited

Attention Audit Committee and Shareholders of Business Alignment Public Company Limited

Attachment:

- 1) Business overview information of Business Alignment Public Company Limited
- 2) Summary of assets valuation by Independent Property Appraiser
- 3) Overview information of cancer patients in Thailand

- Reference:
- 1) Memorandum of Understanding (MOU) to study the feasibility of the establishment of a cancer hospital dated October 30, 2017;
 - 2) Resolution of the Board of Directors' meeting of Business Alignment Public Company Limited No. 6/2017, dated October 17, 2017 and Information Memorandum on the Acquisition of Assets in a cancer specialized hospital project of Business Alignment Public Company Limited, dated October 17, 2017;
 - 3) Form 56-1 of Business Alignment Public Company Limited for the year ended December 31, 2016;
 - 4) Audited and reviewed financial statements of Business Alignment Public Company Limited for 12 months period ended December 31, 2014 – 2016 and 9 months period ended September 30, 2017;
 - 5) Report of the valuation of land for a cancer hospital prepared by Brent Joe Cosens Consulting Company Limited, dated October 11, 2017;
 - 6) Proposal of design of a cancer hospital prepared by A Plus I Company Limited and proposal of engineering system service for building prepared by EEC Engineering Network Company Limited;
 - 7) Company Affidavit, Memorandum of Association, and other documents, including interviews with the management of Business Alignment Public Company Limited, and related parties;

Transaction background

According to the resolution of the meeting of the Board of Directors of Business Alignment Public Company Limited ("BIZ" or "the Company") No. 6/2017 held on October 17, 2017, the Board of Directors has approved to propose to the Shareholders' meeting to consider and approve the project of a hospital specialized in cancer treatment ("Project"), which is the establishment of a hospital for specific treatment of cancer located on Si Racha-Nong Kho road, Nongkham sub-district, Si Racha district, Chonburi province with the investment amount of Baht 500 million (including value of land) by establishing a joint venture company with a registered capital of Baht 200 million which can be divided into a number of ordinary shares of 2,000,000 shares with par value of Baht 100 per share. The Company will hold shares in proportion of 65.00 percent of the registered capital of the JV Company and the JV Company will become a subsidiary of the Company. The Company will use the working capital of the Company in an amount of Baht 130 million for the investment and remaining shares will be held by a group of physicians, which is unrelated person and do not have relationship between them. A group of physicians will have a shareholding of 35.00 percent of the registered capital of the JV Company, amounting to Baht 70 million.

The transaction is considered the acquisition of assets based on Notification of the Capital Market Supervisory Board Re: disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 dated October 29, 2004 ("the Notification of the Acquisition and Disposition of Assets"). The highest transaction size, which is calculated by Total Value of Consideration criteria, is equal to 67.60 percent of the Company's total consolidated assets according to the financial statements of the Company ended June 30, 2017 reviewed by the Company's auditor and the Company has not entered into any transaction of the acquisition of assets during the past 6 months.

Therefore, the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand ("SET") and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. However, there are no shareholders who have any interest in this transaction. The Company approved the appointment of OptAsia Capital Company Limited to be the independent financial advisor (IFA) to render opinion to minor shareholders of the Company regarding the transaction of the acquisition of assets.

The opinion of the IFA in this report is based on the Information and documents obtained from the Company which is accurate and complete, as well as this opinion and are based on current information that can be recognized at the date of preparation of this report, including the information disclosed to the public on the website of the Securities and Exchange Commission (www.sec.or.th), the website of the Stock Exchange of Thailand (www.set.or.th), and the information disclosed to the general public.

The IFA has studied by using knowledge, competency, and carefulness based on professional standard by considering and providing opinion under the circumstances and information that can be recognized at the present time. If there are significant changes in situation and information, it may affect the study results of the IFA, as well as the decision of the shareholders to the transaction of the acquisition of assets.

In providing opinion to the shareholders, the IFA has considered the reasonableness of the acquisition of assets and the appropriateness of the value of transaction attributed to various factors in which the IFA has considered the information carefully and reasonably in accordance with standards of the profession ought to be done.

Abbreviation

Business Alignment Public Company Limited	BIZ or the Company
Newly established company resulting from a joint venture to operate a hospital specializing in cancer treatment between the Company and Group of physicians as a subsidiary of the Company.	Joint Venture Company or JV Company
Hospital specializing in cancer treatment project	Project or Cancer Hospital
Provincial Health Office	PHO
Group of medical staff who has a shareholding of 35 percent of the registered capital of the joint venture company consists of Professor Dr. Pitayapoom Patranutaporn, Ms. Nattha Somkusol and Group of 3 cancer specialist physicians	Group of physicians
Memorandum of Understanding to study the feasibility of the establishment of a cancer hospital	MOU
The Valuers Association of Thailand	VAT
The Stock Exchange of Thailand	SET
The Securities and Exchange Commission	SEC
OptAsia Capital Company Limited	OptAsia or the IFA
Brent Joe Cosens Consulting Company Limited which the Independent Property Appraiser approved by the Valuers Association of Thailand (" VAT ") and the SEC	Independent Property Appraiser or BJC

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Executive Summary

According to the resolution of the meeting of the Board of Directors of Business Alignment Public Company Limited ("BIZ" or "the Company") No. 6/2017 held on October 17, 2017, the Board of Directors has approved to propose to the Shareholders' meeting to consider and approve the project of a hospital specialized in cancer treatment ("Project"), which is the establishment a hospital for specific treatment of cancer located on Si Racha-Nong Kho road, Nongkham sub-district, Si Racha district, Chonburi province with the investment amount of Baht 500 million (including value of land) by establishing a JV Company with a registered capital of Baht 200 million which can be divided into a number of ordinary shares of 2,000,000 shares with par value of Baht 100 per share. The Company will hold shares in proportion of 65.00 percent of the registered capital of the JV Company and the JV Company will become a subsidiary of the Company. The Company will use the working capital of the Company in an amount of Baht 130 million for the investment and remaining shares will be held by a group of physicians, which is unrelated person and do not have relationship between them. A group of physicians will have a shareholding of 35.00 percent of the registered capital of the JV Company, amounting to Baht 70 million.

The transaction is considered the acquisition of assets based on Notification of the Capital Market Supervisory Board Re: disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 dated October 29, 2004 ("the Notification of the Acquisition and Disposition of Assets"). When calculating the size of transaction (total amount of investment of the project) according to the acquisition or disposition, the transaction of the acquisition of assets is classified as Type 1 with a maximum total value of the consideration equal to 67.60 percent of the Company's total consolidated assets according to the financial statements of the Company ended June 30, 2017 reviewed by the Company's auditor and the Company has not entered into any transaction of the acquisition of assets during the past 6 months.

Therefore, the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand ("SET") and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. However, there are no shareholders who have any interest in this transaction. The Company approved the appointment of OptAsia Capital Company Limited to be the independent financial advisor (IFA) to render opinion to minor shareholders of the Company regarding the transaction of the acquisition of assets.

OptAsia Capital Company Limited ("OptAsia" or "the IFA") as the independent financial advisor to shareholders appointed by the Company has considered the advantages and disadvantages of entering and

not entering the transaction, and the risks of this acquisition transaction. Details of their analysis are given below;

(1) Advantages and benefits of entering into the transaction

- Supporting income to be more stable and diversifying the risks of business operation.
- Being an investment that yields a good return.
- Receiving privileges in terms of investment promotion from the investment in the special economic area (Eastern Economic Corridor: EEC).

(2) Disadvantages of entering into the transaction

- A subsidiary of the Company has increasing liabilities from loans of financial institutions, including interest expenses.
- Being an investment that is not the core business of the Company.
- Having operating costs taking place prior to the consideration of the shareholders of the Company.

(3) Advantages of the transaction with connected person and disadvantages of the transaction with third party

- Convenient for coordination and negotiation

(4) Disadvantages of the transaction with connected person and advantages of the transaction with third party

- Executing land trading transaction may cause benefits more than the market price.

(5) Advantages of not entering into the transaction

- Not having liabilities and interest expenses from the investment in the project.
- Reducing the risks from the investment in the project.

(6) Disadvantages of not entering into the transaction

- Losing an opportunity to generate income from new business.

(7) Risks of entering into the transaction

- Risk of termination of joint venture contract.
- Risk of reliance on medical staff.
- Risk of competition in the hospital business.
- Risk of financing.
- Risk of project delay.
- Risk of an increase in the costs of project.
- Risk of the shareholders do not approve the investment.

(Please see more details in section 2.3 - 2.6)

In addition to the topic of risk analysis in many areas aforementioned, when considering the appropriateness of value of the investment in accordance with the study, analysis, and improvement of the estimate investment and the returns of project based on the assumption mentioned above, the rate of return on investment of the project (project IRR) is equal to 20.55 percent and a payback period of 8.12 years with

the Equity IRR of 27.76 percent. Moreover, if conducting a sensitivity analysis of different scenarios that affect the returns on investment such as an increase in the costs of project, the delay of the project construction, a reduction in prices of treatment program, a reduction in the number of patients, an increase in interest rate etc. They may result in a lower return - the Project IRR will be in a range of 18.28 – 20.55 percent and the payback period of the project will be in a range of 8.12 - 8.92 years with the Equity IRR in a range of 24.28 - 27.76 percent. The situation arising from the reduction in prices of treatment program will have the most significant impact to the returns on investment of the project compared to other situations. However, the investment in the project can generate a return at the appropriate level under several circumstances, therefore, **the investment in the project is appropriate.**

Therefore, the IFA has considered that the shareholders shall vote to **approve** the transaction of the acquisition of assets this time. However, the final decision shall be at own discretionary of the shareholders in which the IFA has duty to provide opinion to the shareholders of the Company as appropriate based on the information received from the Company, as well as from the interviews with the management and the relevant departments of the Company. The shareholders should consider the information in the invitation to the General Meeting and its attachments before making decision.

Details of the opinion of the IFA could be summarized as follows;

1. Characteristics and details of the transaction

1.1 Objective and background of the transaction

According to the resolution of the meeting of the Board of Directors of Business Alignment Public Company Limited ("BIZ" or "the Company") No. 6/2017 held on October 17, 2017, the Board of Directors has approved to propose to the Shareholders' meeting to consider and approve the project of a hospital specialized in cancer treatment ("Project"), which is the establishment a hospital for specific treatment of cancer located on Si Racha-Nong Kho road, Nongkham sub-district, Si Racha district, Chonburi province with the investment amount of Baht 500 million (including value of land) by establishing a JV Company with a registered capital of Baht 200 million which can be divided into a number of ordinary shares of 2,000,000 shares with par value of Baht 100 per share. The Company will hold shares in proportion of 65.00 percent of the registered capital of the JV Company and the JV Company will become a subsidiary of the Company. The Company will use the working capital of the Company in an amount of Baht 130 million for the investment and remaining shares will be held by a group of physicians, which is unrelated person and do not have relationship between them. A group of physicians will have a shareholding of 35.00 percent of the registered capital of the JV Company, amounting to Baht 70 million.

The transaction is considered the acquisition of assets based on Notification of the Capital Market Supervisory Board Re: disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 dated October 29, 2004 ("the Notification of the Acquisition and Disposition of Assets"). When calculating the size of transaction (total amount of investment of the project) according to the acquisition or disposition, the transaction of the acquisition of assets is classified as Type 1 with a maximum total value of the consideration equal to 67.60 percent of the Company's total consolidated assets according to the financial statements of the Company ended June 30, 2017 reviewed by the Company's auditor and the Company has not entered into any transaction of the acquisition of assets during the past 6 months.

Therefore, the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand ("SET") and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. However, there are no shareholders who have any interest in this transaction. The Company approved the appointment of OptAsia Capital Company Limited to be the independent financial advisor (IFA) to render opinion to minor shareholders of the Company regarding the transaction of the acquisition of assets in which the Company will propose for the approval of the entering

into the transaction in the extraordinary general meeting of shareholders No. 1/2018 which will be held on January 9, 2018.

1.2 Transaction date

The Company will register a JV company after approval from the Company shareholders with the initial capital at Baht 100,000 and the shareholders meeting of the JV company will be called up to increase the registered capital to Baht 200 million within 30 days from the date of approval of the project. The purchasement and land transfer will proceed after the completion of the share register. The Company will start the construction of a hospital specializing in cancer treatment after receiving the approval by the extraordinary general meeting of shareholders of the Company No. 1/2018 which will be held on January 9, 2018 in which the development and construction will begin within 3 months after the project is approved and the duration of the processes for relevant licenses, including the construction is approximately equal to 16 months within year of 2018 - 2019. Therefore, the Company expects that the project will be able to start around December 2019. Please see more details in Section 2.2.5. Schedule and implementation procedure

1.3 Agreement parties

1.3.1 Purchase of land

Parties	:	Mr. Poompan Patranutaporn Mr. Poompit Patranutaporn Mr. Poompat Patranutaporn and Mrs.Panpit Patranutaporn (owners of the land who are spouse and children reaching legal age of Professor Dr. Pitayapoom Patranutaporn who will hold 20% of the registered capital of a JV company) as a seller and the JV Company as a buyer.
Relationship with the Company	:	Seller has no relationship with the Company, major shareholders, directors, and executives of the Company.

1.3.2 Construction

Parties	:	Company or JV Company that will be established which is under the recruitment process of the main contractors.
Relationship with the Company	:	Contractor has no relationship with the Company, major shareholders, and executives of the Company.

1.3.3 The purchase of radiation equipment, tools, and medical devices

- (1) The purchase of a set of radiation equipment, treatment planning system, treatment quality and accuracy checking tools, management information system of patient information, etc.

Parties : Business Alignment Public Company Limited as a seller
JV Company as a buyer.

Relationship with the Company : JV Company that will be established after the project approval as a buyer.

- (2) Tools and other medical devices.

Parties : Another approximately 10 sellers of medical devices

Relationship with the Company : Sellers have no relationship with the Company, major shareholders, directors, and executives of the Company.

1.4 General characteristics and size of the transaction

1.4.1 General characteristics of the transaction

According to the resolution of the meeting of the Board of Directors of Business Alignment Public Company Limited ("BIZ" or "the Company") No. 6/2017 held on October 17, 2017, the Board of Directors has approved the joint venture company that will be established to purchase land in the area of 5 rais 3 ngans 62 square wahs at a price of Baht 9.68 million per rai from the land owner who is a close relative of one of the group of people who join the joint venture, totaling approximately Baht 59.00 million (including fees and expenses of the purchase of land) which the Company will construct a hospital specializing in cancer treatment on the aforementioned land with the total project value of approximately Baht 500.00 million.

JV Company will have a registered capital of Baht 200 million which can be divided into a number of ordinary shares of 2,000,000 shares with par value of Baht 100 per share. The Company will hold shares in proportion of 65.00 percent of the registered capital, representing the number of ordinary shares of 1,300,000 shares and the investment amount of Baht 130 million (one hundred thirty million Baht). The remaining shares will be held by a group of physicists which will have a shareholding of 35.00 percent of the registered capital of the JV Company. Details are as follows;

Shareholding structure of the joint venture company

	Shareholder name	No. of share	Percentage (%)
1	Business Alignment Public Company Limited	1,300,000	65.00
2	Professor Dr. Pitayapoom	400,000	20.00

	Shareholder name	No. of share	Percentage (%)
	Patranutaporn ⁽¹⁾		
3	Ms. Nattha Somkusol ⁽²⁾	195,000	9.75
4	Group of 3 cancer specialist physicians	105,000	5.25
	Total	2,000,000	100.00

(1) Deputy Director of Siriraj Piyamaharajkarun Hospital and Management team / Chief of Cancer Center

(2) Managing Director of Thermtch medical Co., Ltd., an importer and distributor of cancer treatment equipment and instruments. (There will be no transaction with the JV company.)

Note Investors are unrelated person and do not have relationship between them.

- Structure of directors of the JV Company

The Board of Directors of the joint venture company must compose of not less than 7 members in which the Company has the right to nominate at least 4 persons and the group of physicians has the right to nominate at least 3 persons. The Quorum of the Board of Directors, the voting in the Board of Directors' meeting, the appointment of Chairman of the Company, as well as the authority to sign for binding of the joint venture company, the Company is authorized to set and must specify in the agreement between the shareholders who agreed to enter into a joint venture between the Company and the group of physicians.

1.4.2 Size of the transaction

The investment in the project is considered the acquisition of assets based on Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: the major acquisitions or disposition of assets dated 31 August 2008 (and later amendments) and the Notification of Board of Governor of the Stock Exchange of Thailand and additional Notification of the Capital Market Supervisory Board Re: disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 ("the Notification of the Acquisition and Disposition of Assets"). The highest transaction size, which is calculated by Total Value of Consideration criteria, is 67.60% of the Company's total consolidated assets according to financial statements of the Company ended June 30, 2017 reviewed by the Company's auditor and the Company has not entered into any transaction of the acquisition of assets during the past 6 months.

Therefore, the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. Details of the calculation of size of the transaction are as follows;

Calculation of size of the transaction

The calculation of size of the transaction is calculated from the financial information based on the the interim financial statements of the Company ended June 30, 2017 which is the most recent financial statement. The details are as follows;

Company information (Unit: Million Baht)	BIZ As of June 30, 2017
Total assets	739.69
Intangible assets	0.19
Total liabilities	247.93
Non-controlling interests	-
Net Tangible Assets (NTA)	491.57
Net profit for last 4 quarters (from Q3/2016 to Q2/2017)	82.38

● Calculation of size of the transaction

Comparison of the calculation of the transaction size

Calculation method	Formula	Percentage
1. Book value of net tangible assets	$\frac{\text{Shareholding proportion} \times \text{NTA of JV Company}}{\text{NTA of BIZ}} \times 100$	- Cannot be calculated - Due to the JV Company is not yet in operation
2. Net operating profit	$\frac{\text{Shareholding proportion} \times \text{net profit of JV Company}}{\text{Net profit of BIZ}} \times 100$	- Cannot be calculated - Due to the JV Company is not yet in operation
3. Total value of consideration	$\frac{\text{Amount paid}}{\text{Total assets of BIZ}} \times 100$ $\frac{500.00^{/1} \times 100}{739.69}$	67.60
4. Total value of securities issued by the Company to compensate for the assets acquisition	$\frac{\text{Number of shares issued by BIZ to pay for assets acquisition}}{\text{Total issued and paid-up shares of BIZ}} \times 100$	- Cannot be calculated - Due to the Company did not issue shares to pay for assets acquisition

Note : ^{/1} Criteria for determining the value of money paid is calculated from the total project value.

Please see more details about the total project value in Section 9 Investment structure and sources of fund

The size of the transaction based on the total value of consideration resulting in the highest transaction size, equal to 67.60 percent of the total assets of the Company which is calculated from the financial statements of the Company for 6 months period ended June 30, 2017 reviewed by the Company's auditor and since the Company has not entered into any transaction of the acquisition of assets during the past 6 months, the transaction is considered as Type 1 transaction under the Notification of Acquisition or Disposition.

1.5 Value of consideration and terms of payment

The project of the hospital specializing in cancer treatment with a total project value of approximately Baht 500.00 million (including value of land) has the terms of payment as follows;

1. Costs of land (including fees and other related expenses) amounting to Baht 59.00 million, which will be fully paid in cash on the transfer date of land ownership which must be approved by the extraordinary general meeting of shareholders No. 1/2018.

(Please see more details in Attachment 2)

2. Costs of building and engineering system service amounting to approximately Baht 200.00 million. Details as follows;

Details	Reference company	Value (approximately)	Date
Design and civil work	A Plus I Company Limited	Baht 140 million	11 September 2017
Design and engineering system	EEC Engineering Network Company Limited	Baht 60 million	20 October 2017

For the details of construction and payments will be negotiated with the main contractor later. However, the Company has no relationship with two companies that submitted the proposal. The company has selected two companies that specialize in the design of hospital or a medical center and they can also offer a hospital model that meets the needs and budget of the project

3. Costs of machine, equipment, and medical devices amounting to Baht 186.00 million consists of;
 - (1.1) Radiation equipment, tools, and medical devices related to radiation treatment are expected to purchase from the Company will be worth approximately Baht 120 million (reference prices according to quotations which the Company offered to other hospitals during 2016-2017) in which the payment will be made when delivery and installation have been done successfully.
 - (1.2) Machine and other medical devices such as restraint, Biological Safety Cabinet, bed, ambulance, equipment, and supplies, etc. worth about Baht 66 million (reference prices according to current prices of the Comptroller General's Department and quotations from equipment suppliers during

2016-2017) in which the details of payment will be negotiated with each supplier of machine and medical devices later.

4. Other expenses prior to the operation such as interest expenses during the construction, costs and fees for acquiring licenses, and other miscellaneous costs of approximately Baht 27.00 million.
5. Expenses of reserve for the investment of approximately Baht 28.00 million which estimated at 5% of total investment.

The project value is based on the Company's feasibility study.

1.6 Value of acquired assets

The joint venture company will acquire assets as follows;

1. 5-3-62.0 rais of land worth approximately Baht 59.00 billion (including fees and expenses of land purchase).
2. Building worth approximately of Baht 200.00 million.
3. Machine, tools, and medical devices worth about Baht 186.00 million.

1.7 Expected benefits of the Company

The benefits that are expected to arise from the investment in the project of hospital specializing in cancer treatment are as follows;

1. Increasing the potential of business operation in the long term.
2. Expanding the type of business from the sales and installation of medical devices related to radiation and increasing opportunities and choices of treatment for patients
3. Increasing sources of income and diversify risks to other businesses which increase opportunity to generate more stable income and cash flow.

1.8 Sources of funds

1. Source of funds of the Company that is used in payment of the transaction came from working capital of approximately Baht 130 million.
2. Sources of funds of the project have details as follows;
 - 2.1 The funding from the shareholders' equity approximately Baht 200 million
 - Funding from the Company approximately Baht 130 million
 - Funding from the group of physicians approximately Baht 70 million
 - 2.2 Loan from financial institutions under approximately Baht 300 million
the JV Company

The Company expects approximately a 10 years loan (including the first two years with Grace period) and place land, buildings, Medical equipment as well as the Company and authorized directors as guarantee of

loan. If necessary, the Company has to be a guarantee of the loan in proportion of the shareholding. The company will ask for a guarantee fee from the JV Company, in which details will be agreed on.

1.9 Terms of transaction

Since the highest transaction size, which is calculated by Total Value of Consideration criteria, is 67.60% of the Company's total consolidated assets according to financial statements of the Company for 6 months period ended June 30, 2017 reviewed by the Company's auditor, in addition, the Company has not entered into any transaction of the acquisition of assets during the past 6 months, the entering into the transaction is considered as Type 1 transaction under the Notification of Acquisition or Disposition in which the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction.

The Company will enter into such transaction only when the extraordinary general meeting of shareholders of the Company No. 1/2018 which will be held on Tuesday, January 9, 2018 has approved the entering into the transaction. However, there are no shareholders who have any interest in this transaction.

1.10 Opinion of the Board of Directors of the Company

The Company's Board of Directors' meeting No. 6/2017 held on October 17, 2017 has considered details regarding the transaction and has opinion that the investment budget for the project is reasonable in accordance with the reference data based on the feasibility study done by both the Company and its financial advisor, the appraised value of the independent property appraiser which is Brent Joe Cosens Consulting Company Limited, quotation from the construction designer which is A Plus I Company Limited, quotation from the engineering designer which is EEC Engineering Network Company Limited, suppliers of machine, devices, and equipment, as well as reference prices according to the relevant government agencies and other private companies. When comparing the market prices and the determined costs are at reasonable level. In addition, the Board of Directors has contemplated the business opportunity, marketing, and the returns on investment, as well as other impacts so the Board of Directors has opinion that the project will benefit the Company and the shareholders of the Company, then agreed to propose to the extraordinary general meeting of Shareholders No. 1/2018 for consideration and approval of the investment in project of a hospital specializing in cancer treatment for the next step.

1.11 Opinion of the Audit Committee and/or Directors that is different from that of the Board of Directors

All 3 members of the Audit Committee have mutually considered and agreed with the opinion of the Board of Directors of the Company. On November 16, 2017, the meeting of the Audit Committee was held to consider the opinion of the independent financial advisor regarding the transaction in which the Audit Committee has considered and has opinion in accordance with the IFA's opinion then agreed to propose to the extraordinary general meeting of Shareholders.

2 Reasonableness of the entering into the transaction

In considering the reasonableness of the transaction of the acquisition of assets, the IFA has considered the following factors;

2.1 Objective and necessity of the entering into the transaction

Business Alignment Public Company Limited) (“the Company” or “BIZ”) has operated the distribution and installation of medical equipments for cancer treatment through radiotherapy by importing the equipment from the world’s leading professional in cancer treatment equipment and technology. The company’s operations also include the maintenance service of the mentioned equipments. The Company acts as a supplier, working on the construction process, renovation of the standard radiation room to prevent radiation leak, as well as the provision of other products required to be used in conjunction with radiotherapy machine and coordination and maintenance service for medical devices in order to maintain the effectiveness of radiotherapy machine and related tools to be available for use as long as the lifespan of each product. The main customers are government hospitals receiving allocated budget for each project. According to the nature of business of the Company mentioned above, revenues from the orders each year is unpredictable resulting in the Company unable to recognize stable revenues each year, and the Company will be able to recognize revenue only when products are delivered and installed completely. Therefore, the Company’s executives have views to expand the scopes of business operations to enhance the Company’s potential to expanding scopes of business which will also help the Company to recognize higher revenue and profit.

According to statistics of the death of people in Thailand, there are patients dying of cancer as the number one ranking and the number is increasing every year. While the modern tools and equipment for cancer treatment are not sufficient to the demand, especially patients who are required for treatment by radiotherapy and chemotherapy. After the executives have the opportunity to talk and discuss with a group of physicians who have experiences in the treatment of cancer directly, the executives realized that the current Thai population could not access to the services for the treatment of cancer thoroughly, furthermore, patients have to wait for a long time or there are congestions of patients in government hospitals (please see more details in Attachment 3: Overview information of cancer patients in Thailand). As a result, the Company sees importance and opportunity to establish a hospital specializing in cancer treatment with advanced technology and international quality standard of treatment. The business operation requires the dependence on strengths of each other in which the Company is a major investor having expertise in tools and equipment for the treatment of cancer, while a group of physicians have experiences in the treatment of cancer. This joint investment can benefit both parties and it is expected that the hospital will mainly receive cancer patients with a referral from government hospitals, including patients from private hospitals which do not have tools or equipment for the treatment by the aforementioned approaches.

In the past, the executives and the group of physicians have studied and explored several locations in the outskirts of Bangkok and nearby provinces to set up a cancer hospital. Later, the government has announced a policy to promote investment in the Eastern Economic Corridor (EEC), the executives and the group of physicians then began to have an idea to establish a hospital by considering the number of population, the number of cancer patients in Chonburi province and nearby provinces. It appears that there are insufficient numbers of hospitals to provide cancer treatment services, then, the Company has therefore considered a location not far from the community and convenient for travel, 10 km. from Sriracha or 30 km. from Central of Chonburi province, and eligibility to receive investment promotion from the government have been mainly considered. As a result, the executives have decided to establish a hospital at Nongkham sub-district, Si Racha district, Chonburi province in which the details of the project will be discussed later.

The investment in the project is considered the acquisition of assets based on Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: the major acquisitions or disposition of assets dated 31 August 2008 (and later amendments) and the Notification of Board of Governor of the Stock Exchange of Thailand and additional Notification of the Capital Market Supervisory Board Re: disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 (“the Notification of the Acquisition and Disposition of Assets”). The highest transaction size, which is calculated by Total Value of Consideration criteria, is 67.60% of the Company’s total consolidated assets according to financial statements of the Company for 6 months period ended June 30, 2017 reviewed by the Company’s auditor and since the Company has not entered into any transaction of the acquisition of assets during the past 6 months, the transaction is considered as Type 1 transaction under the Notification of Acquisition or Disposition.

Therefore, the Company has duty to appoint the Independent Financial Advisor to render the opinion on transaction of the acquisition of assets to the shareholders and disclose the information memorandum of the acquisition of assets to the Stock Exchange of Thailand and propose to the meeting of the shareholders of the Company to consider and approve the transaction with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders’ votes who have an interest in the transaction. The Board of Directors’ meeting has appointed OptAsia Capital Company Limited as the independent financial advisor to provide opinion to the minor shareholders of the Company regarding the transition of the acquisition of assets.

2.2 Nature of the business and transaction

2.2.1 Nature of the business

The JV Company has a plan to launch operations in a hospital specializing in the treatment of cancer which is located at Nongkham sub-district, Si Racha district, Chonburi province on the land size of 5 rais 3 ngans 62 square wahs (totaling 2,362 square meters) with 30 rooms for services. In addition, the JV Company also supply tools and equipment that are modern for the use in inpatient and outpatient treatment in which the

treatment can be classified into two main types which are radiotherapy and chemotherapy. The characteristics of the services are as follows;

(1) Radiation therapy Linac is the main medical equipment. Radiation therapy is a treatment technique that uses radiation to treat diseases. The types of radiation used for this approach include Ionizing radiation which has features similar to the radiation used for X-ray as usual but higher energy when used to treat the diseases which may be common diseases, benign tumor or various types of cancer. The application of this approach depends on the medical indications of an individual patient. Linac can be divided according to the treatment method into 5 categories as follows;

1.1. 2 Dimensional Conventional Radiation Treatment (2D RT) is a technique of standard radiation used as the treatment of patients from the past to the present. This technique plays an important role, especially the supportive treatment or the relief of pain of patients. In addition, 2D RT can completely cure patients in almost all parts of the body. In 2D RT, radiotherapist will simulate model of treatment by using X-ray images to determine the scope and the direction of the radiation based on the relation between the position of the tumor and bone anatomy. Most 2D RT will have the scope as a square or circle, resulting in the exposure to the radiation of normal tissue around the lesion. Therefore, 2D RT has limitations in the direction of the radiation and the numbers of radiation beams.

1.2. 3 Dimensional Conformal Radiation Treatment (3D CRT) is the radiation treatment by planning the treatment in 3D system and determining the scope of treatment from computer X-Ray image by defining the shape of the radiation beam to be in the shape and direction of the radiation beam appropriate to the lesion with 3D visualization system, resulting in a more accurate planning of radiation, higher dose of radiation on specific lesions, and an ability to see the dispersal of radiation within the patient's body which helps reduce the amount of radiation on normal tissue close to lesion and reduces in the side effects from radiation in both the short and long terms.

1.3. Intensity Modulated Radiation Therapy (IMRT) is a technique of radiation similar to the advanced 3D CRT which provides precision and scope of radiation to lesions better than conventional 3D CRT. This technique was developed to allow the radiation machine to rotate around the patient. It can control the speed of rotation, the amount of radiation, and the movement of the radiation shielding material, resulting in a reduction in the period of radiation and a more accurate and efficient radiation.

1.4. Volumetric Modulated Radiation Therapy (VMAT) is a technique of radiation that was developed from techniques of IMRT and Dynamic Arc Radiation Therapy. VMAT is the radiation technique that can adjust intensity of radiation beam together with the radiation beam that can be moving or rotating. As a result, this technique is very complicated and depending on complex calculation by treatment

planning system to calculate the amount of radiation which requires people with specific expertise to control and calculate the amount of radiation accurately and precisely. This technique can control the amount of radiation to the lesion according to the shape of the tumor and help reduce the amount of radiation to normal tissue around the tumor, resulting in a reduction in the side effects of radiation. This technique also adjusts the amount of radiation rate per time unit and the speed of the head of radiation machine which helps reduce the duration of radiation while the amount of radiation still specifically covers only the tumor.

- 1.5. Stereotactic Radiosurgery (SRS) / Stereotactic Radiotherapy (SRT) is a radiation technique which will incorporate radiation beam to the tumor or targeted cancer by requiring the use of computer X-Ray images and/or diagnosis from electromagnetic waves machine to determine the position of radiation. According to this technique, it requires a precise position of radiation treatment to reduce errors. SRS / SRT is suitable for small tumors in which the physician will use image of CT / MRI in assessing the targeted position and having equipment to help patients make slightest movement. During the extended radiation or radiation machine may be able to adjust the projected distance according to the movement of patients such as breathing. According to these techniques, physician can provide high amount of radiation to the patient within the radiation of only 1-5 times compared to the conventional radiation treatment that takes several weeks.

Then, the Linac can be used for all types of treatments as mentioned above.

- (2) Chemotherapy is a method of treatment by providing medicine to destroy or stop the growth of cancer cells. The objectives are to treat patients to recovery from cancer and do not repeat, control the tumor to be smaller or not bigger, and manage cancer not spread to other organs, in addition, it can also relieve symptoms for cancer patients in an invasive stage so that patients can have a better quality of life. However, chemotherapy treatment does not specifically affect to the cancer cells only. It may affect the normal cells and the function of other organs which can result in some side effects to the body. The chemotherapy can be applied into the body of the patient in several ways as follows;

- Oral chemotherapy is available in some cases.
- Intravenous chemotherapy is the most popular method due to this method can quickly help spread medicine throughout the body.
- Intramuscular chemotherapy, this is not a popular method due to the medicine causes irritation and may damage the skin and muscle.

However, patients may receive chemotherapy in several methods together and may receive only one day or several consecutive days or once a week in which the physician will choose the regimen and schedule of chemotherapy that is appropriate to the type of disease and the physical condition of the patient.

2.2.2 Summary of the Memorandum of Understanding (MOU) to study the feasibility of the establishing of a cancer hospital

- Signing date : October 30, 2017
- Parties : The Company and a group of physicians
- Important agreement :
 1. The Company and a group of physicians agreed to cooperate in studying the feasibility of the project, including the appropriateness of the joint venture by fully utilizing skills and expertise of each party in compliance with the MOU.
 2. During the MOU is valid, the Company and the group of physicians will not enter into any agreements with third parties to study the feasibility of the project or joint venture to establish a cancer hospital in Chonburi province, or other provinces in Eastern region.
 3. This MOU has a period of legal binding to study the feasibility for a period of 1 year from the date on which both parties have signed the MOU and may mutually agree to extend the term of the agreement in writing.
- Joint venture of the project :
 1. The Company and the group of physicians have agreed to establish a JV Company in which the Company will have a shareholding proportion of 65 percent of the registered capital and the group of physicians of 35 percent of the registered capital. The shares will be paid by cash.
 2. The joint venture between the Company and the group of physicians requires an approval from the meeting of the Board of Directors and after receiving an approval from the meeting of the shareholders of the Company, the registration of the establish of a joint venture must be completed within 30 days from the date the shareholders's meeting of the Company approved the establishment of the joint venture.
 3. The Board of Directors of the joint venture company must compose of not less than 7 members in which the Company has the right to nominate at least 4 persons and the group of physicians has the right to nominate at least 3 persons. The Quorum of the Board of Directors, the voting in the Board of Directors' meeting, the appointment of Chairman of the Company, as well as the authority to sign for binding of the joint venture company, the Company is authorized to set and must specify in the agreement between the shareholders who agreed to enter into a joint venture between the Company and the group of physicians.
 4. Agreement on the management of the joint venture company, responsibilities, rights and obligations between the Company and the

group of physicians will be agreed in the shareholders agreement and the agreement will be used to register for a regulation of the JV Company.

5. Subsequent to the establishment and operation of the JV Company, If the Company and the group of physicians have an opinion that the joint venture company has the potential to expand to other regions or to become a listed company on the Stock Exchange of Thailand, both parties need to discuss the possibilities and agreed on further business expansion or becoming a listed company (case by case). The interests of both parties, business image, and medical ethics of the joint venture company will be mainly taken into consideration.

Termination of the MOU : 1. The Company and the group of physicians agreed in writing to terminate the MOU.

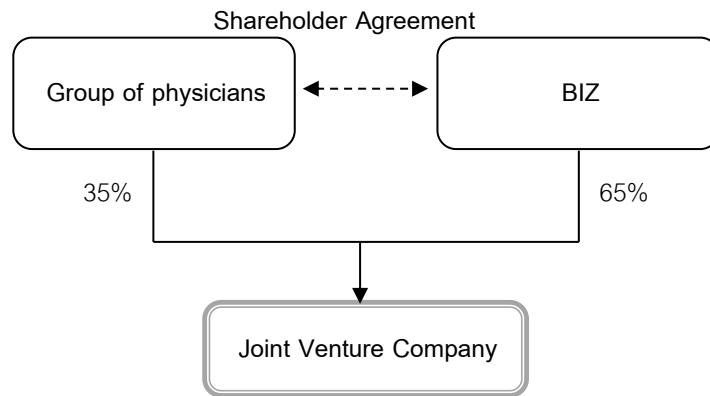
2. Either the Company or the group of physicians may terminate the MOU if there are reasonable grounds for termination and the party who wishes to terminate has submitted a written notice to the other party to correct the cause of termination but the other party does not fix within 15 days after receiving a written notice. If so, the party wishes to terminate the MOU can submit a letter stating the grounds for termination to the other party at least 30 days (after the deadline to resolve the issue for the notice of termination.) in advance and the other party has no right to claim any compensation or costs of damage from the party wishes to terminate the MOU.
3. The Company and the group of physicians have mutually agreed that the feasibility study of the project is not satisfactory and decided not to set up a joint venture company.
4. The Company and the group of physicians have not extended the terms of the MOU in cooperation of conducting the feasibility study on the establishment of a cancer hospital when the expiration of the contract is reached.
5. When the Company informs in writing to the group of physicians that the Company can not participate in the joint venture project due to the Company not receive an approval from the Board of Directors or the shareholders of the Company or the joint venture shall be contrary to the rules or regulations of the SET or the SEC or against other laws related to the Company.

(Note: The termination of the MOU under Clause 3 has not occurred since the

Board of Directors of the Company approved the transaction as the feasibility study of the project is satisfactory. The termination of MOU will not cause any compensation or costs of damage among parties.

2.2.3 Shareholding structure

The Company will invest in the JV Company in which the JV Company has a registered capital of Baht 200 million which can be divided into a number of ordinary shares of 2,000,000 shares with par value of Baht 100 per share. The Company will have a shareholding proportion of 65 percent, representing a value of investment of Baht 130 million and 5 persons in the group of physicians and investors will have a shareholding proportion of 35 percent, representing a value of investment of Baht 70 million. The shareholding structure is as follows;



A group of physicians comprises of physicians and persons with extensive experience and expertise regarding the treatment of cancer totaling approximately of 5 persons as follows;

1. Professor Dr. Pitayapoom Patranutaporn is a shareholder which has the highest shareholding proportion of 20 percent of the registered capital of the JV Company. Currently, he holds the position of deputy director, Siriraj Piyamaharajkarun Hospital, Head of the Cancer Center.

2. Ms. Nattha Somkusol will have a shareholding proportion of 9.75 percent. Currently, she is a Managing Director of Thermtch Medical Company Limited, an importer and distributor of equipment and accessories for cancer treatment (this company will not have trading transaction or any transactions with the JV Company). Ms. Nattha Somkusol is a senior executive in a medical equipment business. She has relationships and contacts with companies and medical personnel, and has been involved in initiating the project since its inception in the implementation of specialized cancer treatment programs. So as the project is more feasible to do and seeking a partner to invest, this joint investor is well-equipped with funding and network in the medical field and is expected to help the JV in the business and / or business expansion in the future.

3. Another 3 physicians will have a total shareholding proportion of 5.25 percent in which they are physicians who have experiences and expertise in the treatment of cancer. Currently, they are working in both public and private hospitals.

The Company will set up a JV Company within 30 days after receiving an approval for the investment by the meeting of shareholders, which is a date of January 9, 2018, with a full registered capital of Baht 200 million within the first quarter of 2018.

Note: (1) Currently, the Company and a group of physicians are under the drafting of the shareholders agreement which is expected to be completed and signed after receiving the approval from the shareholders. The Shareholder Agreement will have terms and conditions consistent with the MOU.

(2) Investment amount from the Company comes from its current working capital, not from the IPO proceeds. The Company sent the letter to the SET No. BIZ 001/2560 dated 9 January 2017 that it has already used up all the IPO proceeds.

2.2.4 Structure of Directors and Management

The structure of Directors shall be as set out in the MOU which consists of not less than 7 members and the Company has the right to nominate at least 4 persons and the group of physicians has the right to nominate at least 3 members. The Quorum of the Board of Directors, the voting in the Board of Directors' meeting, the appointment of Chairman of the Company, as well as the authority to sign for binding of the JV Company, the Company is authorized to set and must specify in the agreement between the shareholders who agreed to enter into a joint venture between the Company and the group of physicians.

For the structure of management such as the defined organizational structure, staff recruiting, the joint venture company will continue to follow the progress of the work prior to the start of commercial operations.

The cancer hospital will hire full-time physicians to provide medical treatment to patients and the group of physicians who are shareholders of the JV Company will provide consultation as well, including physicians who have expertise in cancer treatment that the JV Company will invite to work with the hospital further.

2.2.5 Schedule and implementation procedure

After receiving the resolution from the extraordinary general meeting of Shareholders of the Company No. 1/2018 held on January 9, 2018, there will be important steps as shown below;

Estimate period of time	Procedure
December 2017 – June 2018	Expected timing for the approval of the BOI
January 2018	- Shareholders' meeting to consider the establishment of a cancer hospital project. - Registration of the JV Company

January – March 2018	- Searching for a construction contractor. - Applying for construction permit with Provincial Health Office (PHO).
March – May 2018	Asking for permits to operate a hospital.
May 2018 – September 2019	Construction period of the hospital building (16 months).
August 2019	Installing radiation machine and important equipment.
September – November 2019	- Requesting for permit to engage with the hospital operation with PHO - Requesting for a permit to operate a specialized hospital from the Department of Medical Science - Requesting for a permit to possess radiation machine from the Office of Atoms for Peace
around December 2019	Starting commercial operation (preliminary schedule).

*According to estimates of the IFA, there will be the construction investment and requesting for related permits for 2 years from 2018 to 2019 and commercial revenue from January 2020 onwards.

Activities	2017	2018												2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
(1) Applying for promotion from BOI and expected for an approval	●																									
(2) Shareholders' meeting		●	●																							
(3) Registration the JV Company ¹		●	●																							
(4) Searching for a construction contractor		●	●	●																						
(5) Applying for construction permit with PHO ²		●	●																							
(6) Asking for permit to run hospital				●	●																					
(7) Start construction building						●	●																			
(8) Installing radiation machine																					●	●				
(9) Test Run radiation machine																						●	●			
(10) Requesting for permit to engage with the hospital operation with PHO ²																								●	●	
(11) Requesting for a permit to operate a specialized hospital from the Department of Medical Science																								●	●	
(12) - Requesting for a permit to possess radiation machine from the Office of Atoms for Peace																								●	●	
(13) Start commercial operation																										●

Note: - ¹ The company and a group of physicians will register a JV company after approval from the Company shareholders with the initial capital at Baht 100,000 and the shareholders meeting of the JV company will be called up to increase the registered capital to Baht 200 million within 30 days from the date of approval of the project. The purchasement and land transfer will

proceed after the completion of the share register.

- ^{1/2} After applying for construction permit with PHO and the hospital has been completed. The JV Company has to requesting for permit to engage with the hospital operation with PHO to check on availability of facilities and tools to be used in hospital operations.

- Construction period of 16 months is the forecast from the Company.

- After the installation of the radiation machine in step 9, it will be tested run for 2-3 weeks, and according to steps 11 and 12, the irradiator machine must be approved by the Department of Medical Sciences and the Office of Atoms for peace before commercial operation.

- The Company inquired the Office of Natural Resources and Environmental Policy and Planning regarding preparation of environmental impact assessment report and received a reply on November 16, 2017 that the project location was not located near a river, shore, lake, or beach. Moreover, the project is small in size, with no more than 30 beds for inpatients, so it is not required to prepare an EIA report.

2.2.6 Investment in assets of the project

A. Purchase of equipment and tools

The Company conducted a survey of lists of tools and equipment necessary for operating a cancer hospital, thus the Company has surveyed prices and sellers of such equipment in order to compare prices and select. The summary of lists of equipment is as follows;

No	Machine and equipment	Amount (Million Baht)	Seller
1	Main tools and accessories items (1) - (4)	120.00	the Company
2	X-Ray machine	25.00	Other company*
3	Medical devices such as restraint, Biological Safety Cabinet, bed, ambulance, equipment, and supplies, etc.	41.00	Other company*
Total		186.00	

* The JV Company will purchase from several suppliers that offer the best trading conditions and these companies are not related to the Company and persons associated with the hospital project.

A.1 Details of the tools and equipment

(1) One unit of Linac radiation machine is the main tool used in the treatment of cancer with radiotherapy by using radiation from distance (Teletherapy) that can generate X-ray radiation with high energy away from the area to be treated in which the radiation will be used at the cancer tumor to destroy the area of lesions only.

- (2) Treatment Planning System is a software system for treatment planning for radiation therapy to ensure that the radiation will be used at lesions or tumors with accuracy and does not affect nearby normal tissue which reduces the side effects occurring with patients
- (3) Oncology Information System is a software system used to record and verify the amount of radiation that a patient receives throughout the treatment, as well as information related to the radiation treatment supported by the electronic medical records of the hospital and appointment system in radiotherapy and oncology clinic for patients treated with radiotherapy and chemotherapy, for example.
- (4) QA Tools is a system and device used to monitor and verify the quality and accuracy of radiation beam and treatment plan of the patient before beginning the treatment to ensure patients that the lesion or cancer tumor will receive accurate and precise radiation according to the treatment plan.
- (5) X-Ray is a tool to create X radiation which is electromagnetic wave. In medication, it is used to see images of the internal organs in the form of black and white images with different intensity such as X-ray to detect lung cancer, X-ray to check the bone break or fracture, X-ray body to detect the position of the object or material, etc.
- (6) Restaint is a device for the treatment of the patient by using the device for fixation of the organs in order to limit the movement in the specific area required to use the radiation treatment which will increase the accuracy and precision in treatment.
- (7) Biological Safety Cabinet is a device used to prepare chemotherapy and monitor the quality of chemotherapy provided to patients who receive services in accordance with the treatment plan.

Note: according item (1) - (4) they are ordered through the Company to a manufacturer which is Varian Medical Systems., Inc. from the United States. It is expected to be Varian brand and Clinac IX Accelerator model or close models since Varian is a business partner of the Company for a long time and the Company is a sole distributor in Thailand.

A.2 Comparison of the procurement of tools and key equipment

According to the comparison of prices that the joint venture company will purchase from the Company (estimated value) and prices that the Company sold to other hospitals for main tools and equipment that are similar to a cancer hospital to be established. Details can be summarized as follows;

No	Information	Amount (Million Baht)		
		Hospital A*	Hospital B*	Joint venture company
1	Linac radiation machine 1 unit	90.00	90.00	90.00
2	Treatment Planning System	14.50	14.00	13.00

No	Information	Amount (Million Baht)		
		Hospital A*	Hospital B*	Joint venture company
3	Oncology Information System	7.00	9.00	10.00
4	QA Tools	5.00	6.60	7.00
Total		116.50	119.60	120.00

*The Company's customers are government hospitals.

According to the comparison in the table above, it found that the cancer hospital which will be held by the JV Company has estimated the investment amount in the purchase of main equipment and tools in slightly higher investment amount than other hospitals due to the hospital of the JV Company will be newly established it is necessary to invest in system for the management information system of all new patients to store patient information more effectively from the start which is different from other hospitals used to be compared in which those hospitals already have systems for recording information of existing patients. So they can invest in the system with the lower investment amount. The cost of Treatment Planning System is less than other hospitals because the newly established hospital has less complex system configuration than others. Dealing the main equipment via the Company will be more flexible and JV Company can get a better term of transaction together with maintenance service from the Company. Therefore, the IFA has opinion that the cancer hospital project has the procurement of the aforementioned tools and equipment in appropriate prices in line with market prices.

B. Purchase of land for the project's location

In the past few years, the executives and the group of physicians have studied and explored several locations in the outskirts of Bangkok and nearby provinces to set up a cancer hospital. Later, the government has announced a policy to promote investment in the Eastern Economic Corridor (EEC), the executives and the group of physicians then began to have an idea to establish a hospital by considering the number of population, the number of cancer patients in Chonburi province and nearby provinces. It appears that there are insufficient number of hospitals to provide cancer treatment services, then, locations not far from the community, convenience in transportation, and eligibility to receive investment promotion from the government.

After the executives have considered and discussed with the group of physicians, they decided to set up a hospital specializing in the treatment of cancer in Chonburi province and it appeared that the land of the family of Professor Dr.Pitayapoom Patranutaporn (a shareholder holding 20 percent of the JV Company) is suitable and in line with the cancer hospital project in which its location is at Soi Ban Khao Noy, Si Racha-Nong Kho Road (motorway 3241), Nongkham sub-district,

Si Racha district, Chonburi province. The Company has criteria for selecting a location from a combination of several factors as follows;

- Appropriate size

Land size of 5-6 rais is suitable for the construction of 30-bed hospital, which is sufficient for the provision of other infrastructure needed to operate the hospital and support for further expansion in the future without buying additional land. There is remaining land such as car parking for around 80 cars which can be used for more buildings for radiotherapy and chemotherapy. This is subject to marketing opportunities in the future.

- Location is not far from the community

The land is located in a residential area on the outskirts of Chonburi province which is distant from Sriracha about 10 kilometers. It is a residential area along with utilities & infrastructure and the good growth prospect.

- Convenience in transportation

The land is located on Si Racha-Nong Kho Road (motorway 3241) which is a 6-lane concrete road and easy to transport with several bus lines distant away from the motorway (motorway 7) less than 2 kilometers so that the patients who want to be treated can access to the service easily both from the city of Chonburi, Si Racha district and nearby provinces, as well as employees of the JV Company.

- Be able to support patients from hospitals in the nearby areas

In Eastern region, there is only one government hospital located in this area which is Chonburi Cancer Hospital that has tools and equipment ready for cancer treatment, however, it still can not serve thoroughly because the number of patients exceed its treatment capacity. Therefore, patients can travel to the hospital in the distance not very far away. The location of the cancer hospital is not in a location that will cause direct competition with general hospitals. In addition, there are also government hospitals and private hospitals in Eastern region that have insufficient equipment so cancer patients can come to the the cancer hospital.

Distance from project - Amphoe Sri Racha, Chonburi Province about 10 km.

Distance from project - Amphoe Mueang, Chonburi Province about 30 km.

Distance from project - Pattaya City, Chonburi Province about 40 km.

Distance from project - Bangkok about 115 km.

Distance from project - Rayong Province about 70 km.

- Other benefits according to government policy

The establishment of the hospital in the EEC will receive benefits in accordance with criteria of the Board of Investment.

- Land price

For the location of the project, it includes 4 plots of land with the total area of 5 rais 3 ngans 62 square wahs in which the land has been assessed value by the Independent Property Appraiser approved by the Valuers Association of Thailand (" VAT ") and the SEC, which is Brent Joe Cosens Consulting Company Limited, dated October 11, 2017. The valuation of such property is used for the purpose of assessment of the current market value of the property. It is also used for trading or reference for public disclosure. The details of valuation of the land are as follows;

No	Title deed No.	Land No.	Land size (square wah)	Market price (Baht per unit)	Total market value (Baht)
1	61028	71	847.00	23,000	19,481,000
2	188070	5663	611.00	23,000	14,053,000
3	188071	5664	346.00	23,000	7,958,000
4	188072	5665	558.00	23,000	12,834,000
Total / Average (Baht)			2,362.00	23,000	54,326,000

According to the results of the negotiations to purchase the land, the JV Company will buy the land for the location of the hospital from the family of Professor Dr.Pitayapoom Patranutaporn at the agreed purchase price of Baht 57.16 million (excluding fees and costs of land purchase), accounting for 11.43 percent of the total value of the project in which the estimated price of the land is equal to Baht 54.326 million with the increased margin of Baht 2.83 million Baht or 5.22 percent increase from the estimated price, or an increase of 0.57 percent of the project value.

Land	Purchased price	Estimated price	Difference	percentage
Value (Million Baht)	57.16	54.326	2.83	5.22
Price per square wah (Baht)	24,200	23,000	1,200	

The IFA has the opinion that the negotiated price is appropriate. The price is not much different from the appraisal price. (Please see more details in Attachment 2 Land valuation)

Promise to sell land

The family of Professor Dr.Pitayapoom Patranutaporn which owns the land has prepared a promise document to sell the land on October 31, 2017. The detailed are as follows;

- The land owner will sell the land to the JV Company and will not sell to others throughout the validity period of the agreement.

- When the Company agreed with the promise to sell the land conducted by the land owner, the land owner and the JV Company will enter into an agreement of purchase and sale, as well as register the right transfer of the land to the JV Company as soon as possible. The trading price will be determined not over than Baht 57,160,000 which will be paid on the date of right transfer, and the price does not include all applicable taxes. Fees for registration of right transfer and costs related to land ownership transfer will be shared in a proportion of 50:50 of the total costs on the transfer date.

The termination of the promise to sell land

- The Company has accepted the promise to sell the land in writing and the JV Company enters into an agreement to purchase 4 plots of land from the land owner.

- The Company has informed the land owner in writing not to accept the promise to sell land since the Company was not approved by the shareholders' meeting of the Company or 4 plots of land or part of them can not be used as a location of a hospital specializing in the treatment of cancer due to legal restrictions or other restrictions.

- The Company did not accept the promise to sell land in writing within 60 days after the registration of the JV Company.

Therefore, the IFA has an opinion that the cancer hospital project has the firm location located in areas that are convenient and easy to access for both client and its staff. The site is close to the main road of neighboring provinces in the Eastern area going to Bangkok and not far from Central of Choburi Province. The purchased price of the land is close to the market price and the increased margin in the price compared to the appraised value is relatively small which does not significantly affect the rate of return of the project. Therefore, the transaction of land trading for the project is appropriate.

C. Construction of buildings of the hospital specializing in cancer treatment

- Construction of buildings of the hospital

The Company has received proposal from A Plus I Company Limited as an architect to design the layout area of the specialized hospital on land size of about 5 rais, 362 square wahs which is expected to build the 6-storeyed building to accommodate cancer patients. The building will include space division as follows; radiation department, chemotherapy department, specialized outpatient department, emergency department, laboratory, recuperating department, medicine dispensary department, medical records department, finance department, office, meeting rooms, restaurants, shops, engineering department and supportive department, etc. with a total building area of approximately 4,800 square meters and with the expected investment amount of Baht 140 million.

- Engineering system service for building

The Company has received proposal from EEC Engineering Network Company Limited as a provider of consultation on design, engineering system for building which covers electrical and communications, air conditioning and ventilation system, environmental and sanitation system, fire protection systems, medical gas system, lift system, etc. which the Company expects to invest approximately Baht 60 million after the conclusion of the design layout is finished. Then, a contractor will be selected later.

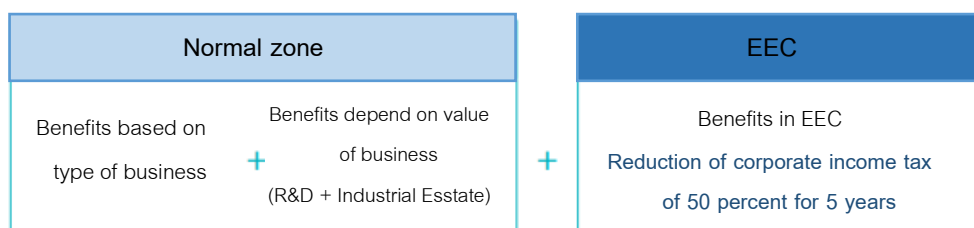
However, the Company has no relationship with two companies that submitted the proposal. The company has selected two companies that specialize in the design of hospital or a medical center and they can also offer a hospital model that meets the needs and budget of the project.

In summary, the acquisition of assets with related parties will be the transaction of purchasing equipment & tools from the Company including maintenance service and the purchase of land from a physicist holding major shareholder of JV Company. The Company expects no other transaction with related party for the Project.

2.2.7 Application for Investment Promotion

According to the government's policy to encourage investment by establishing special economic Zone which is Eastern Economic Corridor (EEC), including Chachoengsao, Chonburi and Rayong to be as a center of modern business and tourism, the Board of Investment has issued measures to promote investment in EEC to foster investment in targeted industries that use advanced technology and innovation, but environmental friendly, as well as to develop the industrial area and urban area to raise the standard of the areas

Notification of the Board of Investment No. 4/2017 dated February 8, 2017 has set criteria on the types of businesses that can be promoted. The rights and benefits that can be received are as follows;



Rights and benefits are the persons who are promoted will receive income tax exemption for profits derived from the operation of the business that is promoted in accordance with the Board of Investment's notification. To determine the proportion of investment, we must exclude costs of land and working capital which must not exceed a period of eight years from the date the business started receiving income from operations. In case that the business is specially important and beneficial to the country as prescribed by the Board of Investment's notification, the said business can get an exemption from income tax on profits derived from the operation in accordance with a period determined by the Board of Investment which shall

not exceed eight years from the date the business started receiving income from operations, including the duty exemption for machines and duty exemption for raw materials for export.

In part of the Project of the Company, it is as announced by the notification of the Board of Investment No.6/2017 dated March 24, 2017 on a policy to promote the investment in medical services which added a business category to promote in order to stimulate investment and push Thailand as a complete medical hub and advanced medical services in which the types of businesses that are promoted and related to the projects of the Company is section 7.28 medical services business in the sub-section 7.28.2 to promote the investment in specific fields that are in shortage such as heart (coronary heart disease, cardiac surgery, and heart failure), cancer (chemotherapy and radiotherapy) and kidney (dialysis center) with the following conditions;

1. Must have a recruiting plan for appropriate medical staff.
2. Must have the tools and equipment as deem proper by the Board of Directors.
3. Must receive permission from the relevant authorities, and must comply with the rules and regulations on the standard of professional or related standards of Ministry of Public Health.
4. Must consider the distribution of services and public accessibility.

In addition, the Project would also receive additional benefits from the exemption of corporate income tax for the businesses located in EEC (Chachoengsao, Chonburi, and Rayong) which is the reduction of corporate income tax of 50 percent of the normal rate for 5 years since the income tax exemption period ends in which the application must be filed within December 29, 2017.

The Company will obtain the investment promotion for the project within the aforementioned period. The applicant of the investment promotion must be founders of the company. When the project has been accepted, the BOI will provide a form to attach the supporting documents. The applicant must attach the documents of the company for the investment promotion (JV Company).

2.3 Comparison advantages and disadvantages of the entering into the transaction

(1) Advantage of the entering into the transaction

(1.1) Supporting stable income and diversifying the risks of business operation.

According to the past results of operations, the Company's income from the sales of tools and equipment for the treatment of cancer varied according to customer requirements, particularly, customers in government hospitals which may purchase more or less depending on the annual allocated budget in each year of each hospital, resulting in the fluctuation in the Company's income during year.

The establishment of a specialized hospital for cancer treatment in Chonburi is the utilization of the strengths of joint venture parties in which the Company is a major investor which has expertise in tools and equipment for the treatment of cancer, while a group of physicians are experienced in the treatment of cancer. Today, rising number of population are cancer patients every year and they are under the process of

treatment due to the insufficient equipment and medical devices, both in government and private sectors, and there are more spending for cancer treatment as well. The company expects the JV Company, which will have modern medical equipment and specialized cancer therapists, to be able to attract patients and create steady income from cancer treatment programs which require continuous treatment for approximate 1-3 years. Therefore, it is an opportunity for the Company to invest in the Project to accommodate higher demand and diversify the business operations. The JV Company will determine a dividend policy when it starts commercial operation.

(1.2) Being an investment that yields a good return.

According to the estimate of the rate of investment return based on the assumption, the investment in the project can yield the Project IRR higher than the WACC of the Company and the Net Present Value (NPV) is greater than zero, including the sensitivity analysis of the variables can be summarized as follows;

Case	Change	Project			Equity		
		IRR (%)	NPV (Million Baht)	Payback (Year)	IRR (%)	NPV (Million Baht)	Payback (Year)
Base case		20.55%	903.05	8.12	27.76%	951.58	7.28
1. Investment costs (Cost of equipment and construction)	Increase 10.0%	19.63%	871.31	8.42	25.62%	922.58	7.82
2. Delay in operation	6-month delay	19.81%	891.38	8.25	26.34%	936.27	7.51
3. Prices of treatment program	Decrease 10.0%	18.28%	687.16	8.92	24.28%	742.41	8.67
4. Number of patients	Decrease 10.0%	19.59%	812.18	8.44	26.27%	863.56	7.80
5. Changes in loan interest rate	Increase 1.0%	20.49%	897.66	8.14	27.20%	940.90	7.52

The investment in the project is an investment that provides the Project IRR of between 18.28 - 20.55 percent per annum and the net present value of cash flows is in a range of Baht 687.16 - Baht 903.05 million and a payback period of the project is between 8.12 - 8.92 years with the Equity IRR in a range of 24.28 - 27.76 percent per year. Therefore, this project is an investment that provides the appropriate rate of return.

(1.3) Receiving privileges in terms of investment promotion

The investment project in a cancer hospital located in Eastern Economic Corridor (EEC) is a type of business that has been promoted by the Board of Investment which allows the project to receive important benefits, including the tax benefits for a total period of 13 years which is the entire corporate income tax

exemption for the first 8 years and the 50 percent corporate income tax exemption for 5 years later, resulting in the better project return for shareholders.

(2) Disadvantages of entering into the transaction

(2.1) A subsidiary of the Company has increasing liabilities from loans of financial institutions, including interest expenses.

The investment in a hospital specializing in cancer treatment is estimated to be worth a total investment of about Baht 500 million in which there will be a long-term loan from financial institutions of approximately Baht 300 million with a loan period of 10 years. The aforementioned loan will increase liabilities of the Company's subsidiary in both principal and interest and the Company may be requested for loan guarantees as well.

However, the loan guarantee by the parent company is a typical case of a loan from a financial institution, especially the new projects and when the project began commercial operation in 2020. If necessary, the Company has to be a guarantee of the loan in proportion of the shareholding which is 65%. The company will ask for a guarantee fee from the JV Company, in which details will be agreed on. Moreover, the aforementioned loan will not cause any breaches in current loan covenants since the Company has separate loans for each project from financial institutions and there is no prohibition on raising debt or conditions on any financial ratios. The JV company is expected to have sufficient income and profit to be able to repay the principal and interest within the specified term which will help reduce the ratio of debt and pay dividends to the Company, which is a major shareholder, in the future.

(2.2) Being an investment that is not the core business of the Company.

In the past, the Company has main income from the core business of the distribution and installation of medical equipment for the treatment of cancer patients in the radiotherapy. Therefore, the investment in a cancer hospital can be considered an investment in non-core business of the company. However, such investment is an investment that will generate an increase in returns and also maintain the continuity of recognized income and diversify risks from its core business in the period that the Company can not distribute and install medical equipment in the normal business of the Company.

(2.3) Having operating costs taking place prior to the consideration of the shareholders of the Company.

Since the transaction is required an approval from the meeting of the shareholders of the Company with the vote of not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. So, there may be expenses caused although whether the shareholders will approve or not such as consulting fee of the IFA, the costs of preparation of the notice of shareholders' meeting, costs of submitting documents, the costs of meeting venue, as well as other consulting fees, etc.

2.4 Advantages and disadvantages between the transaction with connected person and the transaction with third party

(1) Advantages of the transaction with connected person and disadvantages of the transaction with third party

(1.1) Flexible for coordination and negotiation

In case that the joint venture company will purchase the land from the connected person which is the purchase of land from the family of Professor Dr. Pitayapoom Patranutaporn in which Professor Dr. Pitayapoom Patranutaporn will be participating as one of major shareholders in the JV Company. According to the relationships, the negotiation on the purchase of land is easier than negotiation with third parties and the coordination of the deal is also better. In addition, it does not require a deposit to buy the land which is a normal condition on the purchase of land in general which may be at risk of not receiving the deposit if the Company's shareholders do not approve the Company's investment in the project.

For the purchasement of Linac with the Company as exclusive distributor in Thailand, this will flexible for coordination and negotiation better than JV Company.

(2) Disadvantages of the transaction with connected person and advantages of the transaction with third party

(2.1) Executing land trading transaction may cause the connected person receive benefits more than the market price

The entering into the transaction with connected persons may have the advantage more than the occurring market price which may be the disadvantage of the transaction. The Company recognizes the importance of such matter so that the Company has appointed the independent appraiser approved by the SEC to appraise the value of the land which is the appraised value of the land is equal to Baht 54.326 million (Baht 23,000 per square wah), while the price agreed after negotiation is equal to Baht 57.16 million (Baht 24,200 per square wah), with the difference increase from the market value of Baht 2.83 million, or about 5.22 percent of the market price, representing the additional margin of 0.57 percent of the total project value (Baht 500 million). As a result, the agreed price slightly differs from the market price and when considering the increasing value of the whole project, it is not material to the return of the project at all.

For the medical equipment purchasement of the JV Company, the purchase price is close to the market price in which the Company purchased from other customers under normal business conditions of the Company.

2.5 Advantages and disadvantages of not entering into the transaction

(1) Advantages of not entering into the transaction

(1.1) Not having liabilities and interest expenses from the investment in the project.

Without the establishment of a subsidiary to invest in the project, there would be no liabilities from loan from financial institutions and interest expenses. In addition, the Company would have no bearing on the capital increase of the subsidiary to finance the construction project which the Company can use the funds for other purposes.

(1.2) Reducing the risks from the investment in the project.

Since the Company has no experience in operating a cancer hospital cancer, additionally, the project requires a large amount of investment if the project operation is different from the estimates it may affect the investment budget, administrative costs, and returns in future deviating from the estimates as well. Therefore, if the Company does not consider the transaction, it can help reduce the financial risk that may occur.

(2) Disadvantages of not entering into the transaction

(2.1) Losing an opportunity to generate income from new business.

Currently, the Company has business operation in distribution and installation of medical equipment for cancer patients with radiotherapy by importing products from the manufacturers who are the world's leading specialists in equipment and technology for cancer treatment, including maintenance services of the said medical equipment. According to the results of operations in the past, the Company is unable to recognize income stably, since the customers which are government hospitals may have investment projects more or less depending on the allocated budget each year for each hospital and the Company will recognize income upon the delivery and installation of radiation machine are complete and ready to use. While, the operation of the medical center specializing in treatment of cancer the patients will require treatment consistently so the project is expected to generate stable income and can generate profits for the Company continuously.

2.6 Risks of entering into the transaction

(1) Risk of termination of joint venture agreement

The establishment of a hospital specializing in cancer treatment is a joint venture between the Company and a group of physicians led by Professor Dr. Pitayapoom Patranutaporn in a proportion of 65: 35 respectively in which both parties have signed the MOU on October 30, 2017 and will sign the shareholder agreement after receiving an approval from the Company's shareholders which will have the same conditions stated in the MOU. However, the implementation of the project in the future could pose risks to the investor if any party wishing to terminate the agreement and there is no claim of damage.

The establishment of the hospital is initiated by the mutual intention of both parties and they have spent time to study and consider together over 2 years to study in all aspects, including marketing, location, management, with the intention and aim to operate the hospital as a hospital specialized in treating cancer in the Eastern regional. The business operation needs dependence of each other's strengths which the Company is a major investor who has expertise in tools and equipment for the treatment of cancer, while a

group of physicians is who are experienced in the treatment of cancer which will be useful to the both parties. This joint venture is voluntary to both parties. Therefore, the chance of termination will be relatively low. However, if one party wishes to terminate the agreement, there would be the condition that the party must notify the other party in advance and give rights to the other party to purchase the shares held before other persons to ensure that the other party have sufficient time to prepare for the changes that may occur subsequent to termination of the agreement and to reduce the impact that may occur with the operation of the hospital. As a result, the IFA has an opinion that the aforesaid risk can be controlled and manageable.

(2) Risk of reliance on medical staff

Since the investment project of the Company is the investment in the project of medical center specializing in the treatment of cancer which will rely on healthcare professionals who have specialized knowledge which may be affected by a shortage of medical staff in the field of cancer treatment in the future. However, several shareholders of the JV Company are specialists in cancer treatment who have experiences, knowledge, and expertise in the business which can help manage staff very well. Moreover, there are also a policy to pay appropriate benefit to staff and a policy to develop the quality of staff continuously, together with a career path system, as well as training program to enhance their knowledge in order to retain staff working at the hospital in the long term.

(3) Risk of competition in the hospital business.

Current competition in the business of private hospital is relatively high both in the form of the development of quality of medical treatment, quality of service, location, and price, which are important factors to enhance and build on the competitive advantage in the business of hospitals.

Implementation of strategies by providing specialized medical treatment for cancer of the Company as the first specialized private hospital that opens covering areas in the eastern region, such as Chachoengsao, Chonburi, Rayong, Chanthaburi, Trat., etc. For the first phase, the Company focuses on the government officers, patients under universal coverage program, social security card holders, including the customers who are in the middle level. While, the number of cancer patients is rising every year and there is the only one government hospital which is Chonburi Cancer Hospital serving both radiotherapy and chemotherapy in the area. But there is still not enough capacity to meet demand for services. Therefore, the IFA has an opinion that the risks from the competition during the first phase is not very high. But in the long term, there may be more competition from other private hospitals which are interested in investing in hospitals specializing in cancer treatment.

In addition, the Company and Group of physicians have agreed in the MOU that they will not agree with others to invest in other Cancer Hospital in Chonburi Province and the Eastern area. The IFA then has the opinion that this condition is benefit to the Project and reduce risk of competition among themselves.

(4) Risk of financing

The value of investment in the project is expected to be equal to approximately Baht 500 million, consisting of proceeds from the Company of Baht 130 million and a group of physicians of Baht 70 million, totaling the amount of shareholders' equity of Baht 200 million, while the remaining of Baht 300 million comes from loans from financial institutions, currently, it is under the selection and negotiation.

In part of the proceeds from the Company, the Company used available cash in the investment in the project in which as at September 30, 2017, the Company has cash and bank deposits, and short-term investments of Baht 347.28 million and the Company does not invest in any project. Thus, the investment in the project does not affect liquidity management the operating performance of the Company and dividend payment.

For the loans from financial institutions of Baht 300 million, the Company received letters from banks and is in the process of negotiating further. If necessary, the Company has to be a guarantee of the loan in proportion of the shareholding which is 65%. The company will ask for a guarantee fee from the JV Company, in which details will be agreed on. Moreover, the aforementioned loan will not cause any breaches in current loan covenants since the Company has separate loans for each project and there is no prohibition on raising debt or conditions on any financial ratios.

As of 30 September 2017, the Company a debt to equity ratio of 0.69 times and without interest-bearing debt. If taking into account of the loan amount of 300 million Baht, debt to equity ratio would be around 1.28 times (based on the assumptions that factors on financial status and performances in the future are not taken into account). This ratio is not high for the overall picture of the Company.

The IFA views that the risk of financing is controllable and manageable and the Company & Group of physicians are reliable persons. The assets can also be used as collateral for the loan.

(5) Risk of project delay

Since the investment project of the JV Company has not yet started construction, the construction will take time and require all relevant permits for the operation of a hospital specializing in cancer treatment in which the said processes may delay resulting in the delay in start of the operation from the scheduled time. The event can also affect the ability to recognize income of the project to be delayed than the estimates as well, causing the reduction in NPV or IRR.

In order to prevent the risks of such potential, the Company expects to specify in the agreement for the project contractor by determining the compensation if the contractor is unable to complete the construction on time, as provided in the agreement and caused the projects delayed. In addition, the IFA has conducted a sensitivity analysis of variables if there is a delay of approximately 6 months (case 2), it will result in higher costs such as interest expenses, operating costs, staff costs, but the project also has IRR of 19.81 percent and Equity IRR of 26.34 percent. As a result, the IFA has the opinion that the aforementioned risks can be manageable and low.

(6) Risk of an increase in the costs of project

Since the investment project requires a period of time of about 16 months for construction which may pose potential risks regarding prices of construction materials and medical devices that may rise, causing the investment amount in the project higher than estimated. In addition, the investment amount which rises will impact on the NPV or IRR to be lower, as well as the costs of staff that will be hired and trained prior to the operation, and loan interest expenses from the construction of the project.

However, the Company has estimated additional costs for the risks as part of the investment amount for the key and high-value medical equipment. After obtaining the approval from the shareholders of the Company, the Company will purchase the medical equipment and specify timing for delivery of products to prevent risks that might arise from price changes. According to the interview with the management, over the past 1-2 years the prices of such equipment has not changed significantly or if there is such a change, the Company expects that there will not be significant changes impacting the investment value of the project.

However, the IFA has conducted a sensitivity analysis of variables if the costs of the project has changed (case 1), it will result in the need for increased investment amount in the construction and supply of important medical equipment. But the project still has IRR of 19.63 percent and Equity IRR of 25.62 percent. Thus, the IFA has the opinion that such risks can be manageable and relatively low.

(7) Risk of the shareholders do not approve the investment.

If the shareholders of the Company do not approve the transaction, the Company will lose investment opportunities to expand to new business which is expected to create income and return on a regular basis. However, the Company does not have significant costs or other investment taking place before the date of shareholders' meeting, excluding the costs of the operation to arrange the meeting of shareholders at this time, including fees for financial advisors, legal advisor, as well as the MOU to study the feasibility of the establishment of a cancer hospital which the Company has conducted in collaboration with the group of physicians will be deemed terminated in the event that the shareholders have not approved the transaction. However, the Company still operate business as usual and will search for new business opportunities for the future.

In addition to the topic of risk analysis in many areas aforementioned, when considering the appropriateness of value of the investment in accordance with the study, analysis, and improvement of the estimate investment and the returns of project based on the assumption mentioned above, the rate of return on investment of the project (project IRR) is equal to 20.55 percent and a payback period of 8.12 years with the Equity IRR of 27.76 percent. Moreover, if conducting a sensitivity analysis of different scenarios that affect the returns on investment such as an increase in the costs of project, the delay of the project construction, a reduction in prices of treatment program, a reduction in the number of patients, an increase in interest rate etc.

may result in a lower return which is the Project IRR will be in a range of 18.28 – 20.55 percent and the payback period of the project will be in a range of 8.12 - 8.92 years with the Equity IRR in a range of 24.28 - 27.76 percent. The situation arising from the reduction in prices of treatment program will have the most significant impact to the returns on investment of the project compared to other situations. However, the investment in the project can generate a return at the appropriate level under several circumstances, therefore, the investment in the project is appropriate.

3. Financial feasibility study of a cancer hospital by a discounted cash flow approach (DCF)

Cancer Hospital is a green field project that has no track record of performance, therefore, the IFA views that discounted cash flow is best suited for this kind of project because it reflects future cash flow to be received from operation and calculated into present value or rate of return.

Discounted Cash Flow Approach is a method that takes the performance of the hospital specializing in cancer treatment into account by calculating the present value of estimated net cash flows expected to be received in the future by estimating future cash flows the hospital expects to receive from treatment of patient with cancer by radiotherapy and chemotherapy in which the hospital will perform the service since diagnosis, treatment planning, medical treatment, and follow-up until the remedy is finished. The hospital also has rooms for patients in need for the treatment or observation after treatment in compliance with the symptoms and diagnosis of the physician in which assumptions are mainly set by the Company's plan.

Therefore, the calculation of net cash flow that will be used to evaluate the return on investment will be affected by 3 factors as follows;

1. Internal Rate of Return (IRR) is the calculation of return of the project, in theory, it is the total investment at the current period of time is equal to the present value of cash flow throughout the duration of the project, or the net present value (NPV) is equal to zero.

2. Payback period (payback) is the calculation of the number of years that the project can reach breakeven point from the investment in which the accumulated value of future cash flows in each year is equal to the present value of the investment.

3. Net Present Value (NPV) is the present value of the cash flows of the project by subtracting cash outflows from cash inflows with the discount rate equal to the weighted average cost of capital for the project.

In preparation of financial projections for the specialized hospital project, the IFA has used feasibility study, reference information and assumptions, received from the Company, including interviews with executives, the required information from physicians and staff involved in the field of cancer treatment, as well as information from relevant government agencies, private organizations for the purpose of evaluating the return from the project and considering the reasonableness of the transaction of operation of a hospital specializing in cancer treatment. However, based on the overall economic conditions and other external factors that affect the implementation of the project and the uncontrollable conditions, as well as the internal situation of the Company that may have changed significantly and adversely affect the determined assumptions could result in the changes in return of the project assessed by this method in the future as well.

According to the study of information and document of the project, as well as other related information, the IFA can summarize factors and assumptions used in providing the opinion regarding the appropriateness of investment as follows;

1) Basic business of the project

The operation of the hospital specializing in treatment of cancer is to accommodate the growing number of cancer patients, which is increasing continuously. The Cancer Hospital will open for services everyday. There are 2 main approaches of treatment, including (1) radiation therapy which uses a main device, Linear Accelerator, for Teletherapy. The sub approaches could be divided as 2D, 3D radiation, IMRT & VMAT, and SRS & SRT. The number of radiation of each patient will depend on type, size, and location of the cancer in which the average number of radiation is 25 times per program, and (2) chemotherapy which has the average number of chemotherapy of 5 times per program. These information was from an interview with Group of physicians, who are specialised and have direct experiences in this area. Therefore, the IFA views that they are appropriate.

The group of patients who needs treatment can be divided into 3 main groups, including 1. Self-pay 2. Patients who have welfare in accordance with criteria set by the Comptroller General's Department, including civil servants, employees of state enterprises, staff in government agencies who can use welfare from the government, and 3. Patients who use the benefits in accordance with the National Health Security Office ("NHSO") or universal coverage program and social security.

2) Duration of the projection

Total project period is 17 years starting from 2018 – 2034, dividing into construction period and license approval for 2 years and projected performance for next 15 years. The project will start construction after receiving an approval from the shareholders' meeting of the Company in January 2018 and is expected to start building around May 2018 with a construction period of approximately 16 months. Then, the Company will spend time for the installation of key tools and equipment and the application of permit to operate a hospital. It is expected that the hospital will begin commercial operation since January 2020 and the projected operating results will be estimated going forward for a period of 15 years to reflect the operations at the time of receiving tax benefits and the time of not receiving tax benefit as follows;

- Year 2018 – 2019 is the construction period and license approval
- Year 2020 - 2027 is the first 8 years of operation, the hospital will be exempted from corporation tax.
- Year 2028 – 2032 during the next 5 years corporate income tax will be exempted of 50 percent.
- Year 2033 onwards, the Company must pay the normal corporate income tax equal to 20 percent.

and the Terminal value will be equal to the net present value of cash flow in the last year (Year 2034)

3) Income from medical services

The composition of the income of the hospital derived from medical treatment which is determined based on assumptions of prices or rate of medical fees in accordance with the approaches of cancer treatment, types of benefits disbursement of patients, number of patients, and number of treatment. The details are as follows;

3.1) Service fees

Assumptions of average service fees of cancer treatment following the types of treatment in which the hospital specializing in the treatment of cancer by radiotherapy and chemotherapy has set up. The service fees of the treatments by radiotherapy will include Planning Process, CT Process, as well as RT Process in which the service fees of planning process and CT process will vary based on the approaches of radiation and the service fees of the RT process would be different based on the number of radiation which will vary according to the type of cancer, the size and location of cancer cells according to the patient's illness. The service fees of treatment by chemotherapy is the average rate of the treatment of several types of cancer in which the physician will diagnose and suggest appropriate treatment for each patient and advise the patient on how to choose the treatment approaches

In addition to the division of the service fee according to the approaches of treatment, the service fees can be classified by the benefits disbursement of the patients in which the service fees could be classified into 3 groups as follows;

1. Service fees for Self-Pay. They were referred to the fees of leading private hospitals in Bangkok and discounted around 20-30%
2. Service fees for patients who have welfare in accordance with criteria set by the Comptroller General's Department, including as civil servants, employees of state enterprises, and staff in government agencies who can use welfare from the government.
3. Service fees for patients who use the benefits in accordance with the National Health Security Office ("NHSO") or universal coverage program and social security.

The service fees in 2 and 3 are referred to the average fees that patients are eligible to receive.

Assumptions of the average service fees of cancer patients could be classified by treatment program and type of patients which could be summarized as follows;

The following table shows the breakdown of service fees by type of treatment and reimbursement of the service fee

(Unit: Baht per person)

Type of treatment	Self-Pay	Comptroller General's Department	NHSO & Social Security
1. Radiotherapy			
- 2D conventional radiation, 2D RT	74,700	38,300	40,800
- Number of radiation	15 times	15 times	15 times

- 3D conformal radiation, 3D RT	158,400	82,600	107,200
- Number of radiation	30 times	30 times	30 times
- Intensity modulated radiation Therapy, IMRT & VMAT	241,800	136,000	111,000
- Number of radiation	30 times	30 times	30 times
- Stereotactic radiosurgery, SRS / Stereotactic radiotherapy, SRT	157,800	96,000	77,000
- Number of radiation	1 time	1 time	1 time
2. Chemotherapy	350,000	Cannot be reimbursed ¹	54,000

Note 1. Patients under the Comptroller General's Department must receive services from government hospitals mainly and do not allow to reimburse of treatment service fees if the treatment has been served by private hospitals.

Source: estimate of the Company.

Service fees in the table above are the average rates of cancer treatment based on type of treatment and the benefits disbursement both from the treatment by radiotherapy and chemotherapy in which the service fees have increased by an average of 25 years of Consumer Price Index (CPI) of 2.91 percent per year. The growth is the based on the change in price of goods and services for consumers which the IFA views that it is a conservative assumption. Service fees in the table above are not included;

- Service fees for hospitals (VN fees) that the patients must pay in every treatment.

- Laboratory fees that the patients must pay as required for the diagnosis of each type of cancer, during the patients are in the treatment program.

In addition, service fees mentioned in the above program for general patients as Self-pay, not including the doctor fee which will be charged separately from the patient and will be discussed further in section 3.3 income from other medical treatment.

3.2) Number of patients

The estimated income from the number of patients can be divided into 2 main parts as follows;

a. Treatment Process or First-Visit Patients patients into treatment programs. Patients can be divided by type of treatment which are radiotherapy and chemotherapy. The important factors to estimate the number of patients per year, depending on the duration of treatment, steps of treatment. The Cancer Hospital will open for services everyday but the ability to give radiotherapy to patients is subject to the capability of the Linac machine. The assumptions are determined that operating hours of hospital work of about 12 hours per day, 6 days per week, totaling of 312 days per year, and the average duration of radiation is 3 persons per hour which means the total number of radiation of 11,232 times per year, and if the average number of radiation is 25 times per person. Therefore, the number of patients who receive the treatment by radiotherapy is about 449 persons per year in which the hospital has estimated the occupancy rate of radiation therapy of 50 percent per year, 75 percent per year, and 100 percent per year in year 1, year 2, and next year, respectively. For the chemotherapy, The Cancer Hospital can operate everyday, given the number of patients

who receive the treatment is 375 persons per year with the occupancy rate of 30 percent, 50 percent, 75 percent, 85 percent and 100 percent per year in year 3-6, and the following years, respectively. It is expected that the number of patients coming for treatment will be as the following table;

The table indicates the number of patients

Type of treatment	2563	2564	2565	2566	2567	2568	2569	2570
Radiotherapy								
- Maximum rate per year (person)	449	449	449	449	449	449	449	449
- Occupancy rate	50%	75%	100%	100%	100%	100%	100%	100%
- Number of patients (person)	224	335	447	446	446	448	448	447
Chemotherapy								
- Maximum rate per year (person)	375	375	375	375	375	375	375	375
- Occupancy rate	30%	50%	75%	85%	100%	100%	100%	100%
- Number of patients (person)	112	187	281	318	375	375	375	375
	2571	2572	2573	2574	2575	2576	2577	onwards
Radiotherapy								
- Maximum rate per year (person)	449	449	449	449	449	449	449	
- Occupancy rate	100%	100%	100%	100%	100%	100%	100%	
- Number of patients (person)	447	447	447	447	447	447	447	
Chemotherapy								
- Maximum rate per year (person)	375	375	375	375	375	375	375	
- Occupancy rate	100%	100%	100%	100%	100%	100%	100%	
- Number of patients (person)	375	375	375	375	375	375	375	

Source: Estimates from plans of the hospital project since the start of commercial operation in 2020 (1st year) to 2034 (15th year).

The table shows the proportion of patients by benefits disbursement and treatment methods

Radiation Therapy	Self-Pay	Comptroller General's Department	NHSO or universal coverage program and social security	Total
Proportion of patients	Year 2020-2022 proportion of 35 percent. Year 2023-2024 proportion of 40 percent. Year 2025-2026 proportion of 45 percent. Year 2027 onwards proportion of 50 percent.	Year 2020-2026 proportion of 30 percent Year 2027 onwards proportion of 25 percent	Year 2020-2022 proportion of 35 percent Year 2023-2024 proportion of 30 percent Year 2025 onwards proportion of 25 percent	100 percent in each year
Proportion of type of radiotherapy:				
2D	10%	10%	10%	
3D	30%	30%	60%	
IMRT & VMAT	60%	60%	30%	
Total	100%	100%	100%	

For the treatment of chemotherapy

- Self-Pay patients are about 80 percent of all patients.
- Patients who use universal coverage program and social security are about 20 percent of all patients.

The group of patients who can reimburse according to criteria of the Comptroller General's Department, universal coverage program and social security can receive services in affiliate hospitals. Thus, it can not be reimbursed if treated by private hospitals.

b. Patients during Follow-up Period is the period after patients were treated by chemotherapy or radiology completely according to the treatment program. Follow-up period will spend 4 years in which in the first year there will be follow-up examinations in every 3 months and every 12 months for the next three years, excluding patients eligible for reimbursement in accordance with criteria of NHSO (gold card), which will be sent back to monitoring by affiliated hospitals of each patient only. The information of treatment comes from interviews with physicians of the project in which during the follow-up treatment the hospital will have main income from OPD and VN (to be mentioned later).

The table shows the treatment and follow-up period

Year	Approximately 1 month	Year 1	Year 2	Year 3	Year 4
Period	Treatment Period	Follow-up period			
Frequency	Depend on type of cancer	Every 3 months	Every 12 months		

Note: The time period set by the hospital project in order to estimate income.

The table shows the number of patients for treatment programs and follow-up program at the hospital (Unit: person)

	2563	2564	2565	2566	2567	2568	2569	2570
Radiotherapy								
- First-Visit	224	335	447	446	446	448	448	447
- Follow-up	145	217	290	312	312	336	336	335
Chemotherapy	218	688	1,123	1,555	1,900	2,103	2,258	2,303
- First-Visit								
- Follow-up	112	187	281	318	375	375	375	375
Follow (accumulated)	90	150	225	255	300	300	300	300
	2571	2572	2573	2574	2575	2576	2577	
Radiotherapy								
- First-Visit	447	447	447	447	447	447	447	
- Follow-up	335	335	335	335	335	335	335	
Chemotherapy	2,324	2,347	2,346	2,345	2,345	2,345	2,345	
- First-Visit								
- Follow-up	375	375	375	375	375	375	375	
Follow (accumulated)	300	300	300	300	300	300	300	

Note: the estimate starts from the hospital began commercial operating in year 2020 to 2034.

From the table above, patients of First -Visit are the total patients in 12 month-period of each year and patients of Follow-up are the total patients that complete the treatment program (excluding the patients under the universal coverage program). The accumulated follow-up patients are the total follow-up patients in each year for example, patients in January 2020 will finish the treatment program and do the follow-up 4 times in 12 months – 4th, 7th, 10th month in 2020 and 1th month in 2021, and do the next step of follow-up for every 12 months in the next 3 years. In terms of number, if there are 12 patients in January 2020 finish the treatment program, they will do the follow-up in total of 36 times (accumulated follow-up) in 2020 and 12 times in 2021, and do the next step of follow-up for in the next 3 years for 12 times each year. Total number of times for 12 patients will be 84 times in 4 years and the cycle of calculation will be repeated every month.

3.3) Other hospital income

Hospital specializing in cancer treatment also have other income according to the necessity of the treatment, analysis, and monitoring of treatment, including;

- a. Doctor fee is the compensation for physicians who serve medical treatment and counseling, as well as compensation for hospital facilities in all treatment. This fee is equivalent to an average rate of 18 percent of the service fee of each type of treatment programs, except for self-pay patients that must pay doctor fee separately, which is not included in the treatment program. For the service fees of treatment programs for patients who can reimburse according to criteria of the Comptroller General's Department, universal coverage program and social security, doctor fee will be already included.
- b. Fee of Out Patient Department (OPD) the patients have to pay for all visits and consultation. It is assumed that OPD fee is equal to Baht 500 per visit which is the rate for specialist physicians that the hospital expects to collect from patients, both who are first-visit patients or follow-up patients.
- c. Room charges for In-Patient Department (IPD) to accommodate patients who are unable to go back home or there may be some patients having symptoms needed to be observed after treatment by radiotherapy or chemotherapy. It is set at Baht 3,000 per room per night serving both patients who are treated by chemotherapy and radiotherapy. This part of income comes from self-pay patients (for patients who have welfare, if the expense can not be reimbursed, there is low chance that this group of patients will use the service room).

During the radiotherapy, the average occupancy rate of room is 10 nights per person. For chemotherapy, the patients have to spend 2 nights per 1 time of chemotherapy (the average rate of chemotherapy is 5 times per program).

The table indicates the number of self-pay patients who use room in each year. (Unit: person)

	2563	2564	2565	2566	2567	2568	2569	2570
Radiotherapy patients	78	116	156	178	178	202	202	223
Chemotherapy patients	45	75	113	128	150	150	150	150

	2571	2572	2573	2574	2575	2576	2577
Radiotherapy patients	223	223	223	223	223	223	223
Chemotherapy patients	150	150	150	150	150	150	150

Note: the estimate starts from the hospital began commercial operating in year 2020

- d. Fee of Visit Number (VN), the hospital has charged the general service, including costs of venue, costs of various facilities provided by the hospital in which patients will pay at the rate of Baht 200 per visit or consultation for patients who are in treatment program and follow-up program.
- e. Laboratory Fee is the service fee regarding blood analysis, imaging with X-rays, CT-Scan / X-ray Computerized Tomography, or Magnetic Resonance Imaging (MRI) which will be collected from the patients are in treatment program. The hospital estimate income of laboratory fee by an average of Baht 350 per time per person. During treatment program of radiotherapy, 1 patient will use this service approximately of 5 times per person per program and chemotherapy of 10 times per person per program.

The rates in other income are assumed to increase by an average of 25 years of CPI rate of 2.91 percent per annum and the summary of income could be categorized as follows;

The table shows the different types of income of hospital as follows;

(unit: thousand Baht)

Type of Income	2563	2564	2565	2566	2567	2568	2569	2570
Radiotherapy	31,078	47,784	65,720	69,928	71,961	76,904	79,139	83,600
Chemotherapy	32,688	56,082	86,598	100,970	122,295	125,850	129,509	133,274
Doctor fee (Self-pay patients)	5,524	8,945	13,113	15,339	17,299	18,782	19,328	20,823
Income of IPD & OPD	3,984	6,671	9,822	11,790	13,314	14,823	15,435	16,726
Fee of VN and Lab	1,235	2,117	3,143	3,590	4,142	4,380	4,580	4,739
Totall income	74,509	121,600	178,396	201,617	229,012	240,740	247,992	259,162
Type of Income	2571	2572	2573	2574	2575	2576	2577	
Radiotherapy	86,030	88,531	91,105	93,753	96,479	99,284	102,170	
Chemotherapy	137,149	141,136	145,239	149,461	153,807	158,278	162,879	
Doctor fee (Self-pay patients)	21,429	22,052	22,693	23,352	24,031	24,730	25,449	
Income of IPD & OPD	17,255	17,771	18,287	18,818	19,365	19,928	20,507	
Fee of VN and Lab	4,894	5,042	5,188	5,339	5,494	5,654	5,818	
Totall income	266,755	274,531	282,511	290,724	299,176	307,873	316,824	

Note: the hospital will begin commercial operation for the first time in January 2020 and the projection is made until December 2034, totaling 15 years (excluding construction period of 2 years).

According to the projected income above such as service fees, number of patients, number of times for treatment program, proportion of customer group, they are in accordance with the feasibility study and from an interview with Group of physicians, and interview with the management of the Company for the capability of the machinery. The IFA views that they

are appropriate because these persons are specialised and have direct experiences in this area. The projection does not include other revenues such as rental revenue, interest from deposit, etc. due to the expected small amount of portion.

4) **Costs of production and expenses**

The assumptions for the main costs come from the hospital's plans and the costs can be classified as costs of income for each department as follows;

4.1 **Cost of radiotherapy department**

Including salaries and bonuses of the related personnel which are physicians, physical scientists, radiation technicians, nurses, assistant nurses, and general staff, as well as the expenses of examination of the professional physicians which will be allocated to treating physicians 16.20 percent of the treatment program, utility costs, and repair and maintenance costs.

4.2 **Cost of chemotherapy department**

Including salaries and bonuses of the related personnel which are physicians, nurses, assistant nurses, pharmacists (mixing staff), and general staff, as well as the expenses of examination of the professional physicians which will be allocated to treating physicians 16.20 percent of the treatment program, utility costs, repair and maintenance costs, and the costs of medicine of chemotherapy in self-pay patients with an average of Baht 100,000 per person. If the patients have the right to reimburse payment, the costs will be an average of 65 percent of income of the patients having right.

4.3 **Cost of IPD**

Including salaries and bonuses of the related personnel which are head nurse, nurses, assistant nurses, and general staff, utility costs, and repair and maintenance costs.

4.4 **Cost of OPD**

Including salaries and bonuses of the related personnel which are head nurse, nurses, assistant nurses, and general staff, utility costs, and repair and maintenance costs.

4.5 **Costs of Laboratory**

Including salaries and bonuses of the related personnel which are head of the laboratory, operating officers, and general staff, utility costs, repair and maintenance costs, as well as costs of medical devices of 20 percent of the income of the laboratory.

The table below shows the number of staff and average wage, utilities costs, and other costs that begin in the first year of the operation, as well as repair and maintenance costs of tools and equipment which start in the third year of operation;

The table shows the number of staff and average wage

Department	Number of staff	Average wage (Baht per month)
Radiotherapy	8	40,250
Chemotherapy	8	26,188
IPD	14	28,000
OPD	10	35,000
Laboratory	3	22,167
Total	43	31,163

Note: The average wage does not include 2-month bonus for all staff in all departments.

The table shows other costs in each department (Unit: Baht per year)

Department	Utilities costs	Maintenance costs
Radiotherapy	500,000	6,500,000*
Chemotherapy	200,000	300,000
IPD	700,000	300,000
OPD	200,000	200,000
Laboratory	100,000	200,000
Total	1,700,000	7,500,000

Note: *Maintenance costs of Linac machine are according to maintenance plans which will be carried out by the Company, normally, it would be charged at a rate of between 5-7 percent of the prices of such tools. The Company will monitor the operation of machine periodically, and if there are damage or failure from normal use, the Company shall repair and replace parts of the machine to be able to operate normally.

The total costs of each department would be shown in the table below as follows:

The table shows the costs classified by department		(Unit: Thousand Baht)						
Costs classified by department	2563	2564	2565	2566	2567	2568	2569	2570
Radiotherapy	25,043	28,026	37,724	38,903	39,753	41,099	42,032	43,351
Chemotherapy	17,533	26,156	37,344	42,032	49,012	47,613	48,239	48,889
IPD	9,188	9,527	10,186	10,574	10,983	8,415	8,871	9,353
OPD	6,564	7,288	8,261	9,051	9,830	9,322	9,945	10,499
Laboratory	<u>2,188</u>	<u>2,343</u>	<u>2,722</u>	<u>2,831</u>	<u>2,961</u>	<u>2,052</u>	<u>2,148</u>	<u>2,248</u>
Total	60,516	73,340	96,237	103,391	112,539	108,501	111,234	114,340
Costs classified by department	2571	2572	2573	2574	2575	2576	2577	
Radiotherapy	44,370	45,430	31,533	32,680	33,874	35,117	36,411	
Chemotherapy	49,564	50,267	50,998	51,759	52,550	53,374	54,231	
IPD	9,862	10,399	10,967	11,567	12,200	12,869	13,576	
OPD	11,053	11,612	12,186	12,790	13,427	14,098	14,805	
Laboratory	<u>2,353</u>	<u>2,464</u>	<u>2,581</u>	<u>2,704</u>	<u>2,833</u>	<u>2,968</u>	<u>3,111</u>	
Total	117,203	120,173	108,265	111,499	114,884	118,426	122,134	

Note: The estimated total cost of each department since the start of commercial operation in 2020

4.6 Costs of the operation

Including all costs of operations such as the administration costs, salaries of staff and management, bonuses, central authorities, marketing, accounting, maintenance of all utilities, including structures, and costs of emergency department.

4.6.1 Details of wages are as follows

- Operation department consists of managing director, deputy managing director, director of finance, accounting officer, manager, head of procurement department, procurement officer, IT staff, housekeepers, and security staff.
- Medicine provision department consists of pharmacists, assistant pharmacists, and general staff.
- General Department consists of reception staff, registrar staff, patient transported staff, and general staff.

The table shows the number of employees and average wages

Department	Number of staff	Average wage (Baht per month)
Operation	19	34,737
Medicine provision	4	21,125
General	7	9,714
Total	30	27,083

Note: The average wage does not include 2-month bonus for all staff in all departments.

4.6.2 Audit fee is set at Baht 1,000,000 per year.

4.6.3 Internal audit fee is set at Baht 500,000 per year.

4.6.4 Costs of emergency department are set at Baht 1,200,000 per year.

4.6.5 Costs of marketing are set at Baht 2,000,000 per year.

4.6.6 Maintenance costs are set at Baht 1,000,000 per year (or 10 percent of the entire system) which starts in year 3 of the projection onwards.

Costs and expenses based on the above assumptions set to grow by an average rate of inflation for 25 years (CPI) of 2.91 percent. Expenses related to salaries increase 2 times of the average inflation or equal to 5.81 percent per year. The IFA defined the same as planned by the hospital and has an opinion that the assumptions are reasonable.

The table shows operating expenses

(Unit: Thousand)

	2563	2564	2565	2566	2567	2568	2569	2570
Salary and benefits	11,375	12,036	12,736	13,477	14,260	15,090	15,967	16,895
Marketing expenses	2,000	2,058	2,118	2,180	2,243	2,308	2,375	2,444
Costs of emergency department	1,200	1,235	1,271	1,308	1,346	1,385	1,425	1,467

Maintenance costs	0	0	1,000	1,029	1,059	1,090	1,121	1,154
Other expenses	2,000	2,058	2,118	2,180	2,243	2,308	2,375	2,444
<u>Depreciation</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>	<u>13,465</u>
Total	30,040	30,853	32,708	33,638	34,616	35,645	36,729	37,869
	2571	2572	2573	2574	2575	2576	2577	
Salary and benefits	17,878	18,917	20,017	21,181	22,412	23,716	25,094	
Marketing expenses	2,515	2,588	2,664	2,741	2,821	2,903	2,987	
Costs of emergency department	1,509	1,553	1,598	1,645	1,693	1,742	1,792	
Maintenance costs	1,188	1,222	1,258	1,294	1,332	1,371	1,410	
Other expenses	2,515	2,588	2,664	2,741	2,821	2,903	2,987	
<u>Depreciation</u>	<u>13,465</u>	<u>13,465</u>	<u>11,465</u>	<u>11,465</u>	<u>11,465</u>	<u>11,465</u>	<u>11,465</u>	
Total	39,070	40,334	39,665	41,067	42,543	44,099	45,737	

Note: The estimated total costs for each department since the start of commercial operation in 2020 (1st year).

5) Depreciation

Given the assumption of a straight-line depreciation in which the datials of depreciation are as follows;

- Building, interest during the construction and expenses prior to the operation 20 years
- Linear accelerator and operation control system 10 years
- Equipment in Laboratory, chemotherapy equipment, equipment for OPD and IPD 5 years

The calculation of depreciation starts in the first year of operation, year 2020. During 2018-2019, it was the construction period and license approval from government agencies. The installment of machinery will begin in the 3rd quarter of 2019 and needs test-run for 2-3 weeks, however, it can not be in service to the public until receiving the licenses from government agencies.

6) Loans and interest

This hospital project will receive loan from a financial institution in which the loan is for the following purposes;

- A. To purchase land for the project
- B. To build the hospital, interior design, including IT systems.
- C. Medical equipment

In the meantime, the project is during the procedure for obtaining loans from financial institutions. The IFA has set the initial conditions for the loan as a long term loan amounting to Baht 300 million with the term loan of 10 years and a grace period of 2 years or 24 months from the start withdrawing the loan. A repayment period is set for 8 years after the project began commercial operation and a short-term loan as working capital of about Baht 50 million with the MLR – 2.75% and MOR – 2.50% based on the average rate as of October 31, 2017 from financial institutions.

Type of loan	Amount	Loan Interest rate	Note
Project loan	Baht 313 million	MLR-2.75% average equal to 3.88 percent	Repayment period of 10 years

Loan as working capital	OD Baht 10 million PN Baht 40 million	MOR-2.50% average equal to 4.81 percent MLR-2.75% average equal to 3.88 percent	
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Note: the hospital is expected to receive a loan in Q2/2018.

Long-term loans will have interest payment on a monthly basis after the withdrawal and principal repayment will be started in Q2/2020 onwards.

The table shows principal repayment and interest payment of the project

(Unit: Thousand Baht)

	2020	2021	2022	2023	2024	2025	2026	2027
Principal repayment	4,500	12,000	30,000	36,000	42,000	48,000	54,000	73,170
Interest payment	11,569	11,205	10,392	9,113	7,602	5,858	3,882	1,418

Note: Year 1 is the year that start commercial operation in January 2020 and pricipal repayment will start in June 2020 to 2027.

7) Capital Expenditure

None. This is a new project and have key machinery with expected useful life of 12-15 years. There is repair & maintenance expense on an annual basis. The technology of radiotherapy is still current and the Project has no additional expansion plan other than as determined in the report.

8) Corporate income tax and benefits from the Board of Investment (BOI)

Currently, corporate income tax rate is equal to 20 percent per year, but because the hospital is located in Eastern Economic Corridor (EEC) which will be entitled to receive tax benefits from the Board of Investment (BOI) according to the type of business to be received general investment promotion category 7: business providing services and infrastructure, sub-category: specialized medical center which will receive the exemption of corporate income tax for 8 years from the date of the commercial operation. In addition, the project also receives additional benefits from its location in EEC of tax reduction of 50 percent in year 9-13 (totaling 5 years). After that the Company is expected to pay corporate income tax at a rate of 20 percent in line with the current corporate income tax rate. However, the aforementioned benefits of the project must be applied within December 29, 2017.

9) Investment structure and sources of fund

The hospital project specializing in cancer treatment has invested in the construction, interior decoration, and the purchase of tools, medical devices, including expenses prior to the operations, and interest during the construction in which there will be sources of fund as follows;

Purpose of spending	Million Baht	Source of fund	Million Baht
Land and improvements	58.25	Shareholders' equity	200.00
Design & Civil work	140.00	Loans from financial institution	299.67
Design & Engineering system	60.00		
Medical devices	186.00		
Expenses prior to the operation	55.42		

Total spending and working capital	499.67	Total sources of fund and short-term loan	499.67
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It could be concluded that the investment in the project is equal to Baht 500 million and a debt to equity ratio is equal to 1.50 times at the beginning of the project.

10) Terminal value at the end of the project

Since the hospital project is a project that receives tax incentives from the Board of Investment for 13 years, the suitable period of revenue projection is 15 years (excluding the construction period of 2 years) and at the end of the year 15 of the revenue projection, cash flow of the Company will be used to calculate the future value at the end of projection (Terminal Value) in accordance with the going concern assumption due to the project will continue its operation in the future. This approach is appropriate as it can reflect the remaining life of business. After calculation of the Terminal Value, then calculate a present value with the discount rate (WACC) for 17 years.

According to the above assumptions, the financial projection of the cancer hospital is as follows;

The table shows the 15-year financial projection

	2563	2564	2565	2566	2567	2568	2569	2570
Total revenues	74,509	121,600	178,396	201,617	229,012	240,740	247,992	259,162
Cost of operation	60,516	73,340	96,237	103,391	112,539	108,501	111,234	114,340
Administrative expenses	30,040	30,853	32,708	33,638	34,616	35,645	36,729	37,869
Financing costs	13,063	12,299	11,397	9,995	8,337	6,425	4,257	1,555
Income taxes	0	0	0	0	0	0	0	0
Net profit	(29,110)	5,108	38,054	54,594	73,520	90,168	95,772	105,398
Total Assets	466,729	456,778	466,648	485,947	518,473	560,747	602,589	634,919
Total Liabilities	301,964	286,905	258,720	223,425	182,431	134,537	80,608	7,539
Shareholders' Equities	164,765	169,874	207,927	262,522	336,042	426,210	521,981	627,380
	2571	2572	2573	2574	2575	2576	2577	
Total revenues	266,755	274,531	282,511	290,724	299,176	307,873	316,824	
Cost of operation	117,203	120,173	108,265	111,499	114,884	118,426	122,134	
Administrative expenses	39,070	40,334	39,665	41,067	42,543	44,099	45,737	
Financing costs	0	0	0	0	0	0	0	
Income taxes	11,048	11,402	13,458	13,816	14,175	29,070	29,791	
Net profit	99,434	102,622	121,123	124,342	127,573	116,279	119,162	
Total Assets	734,429	837,128	958,332	1,082,757	1,210,415	1,326,781	1,446,034	
Total Liabilities	7,615	7,693	7,773	7,856	7,941	8,028	8,118	
Shareholders' Equities	726,814	829,436	950,559	1,074,901	1,202,474	1,318,753	1,437,915	

Note: Projection from the start of commercial operation in 2020.

According to the projection of the hospital project, profits are growing steadily in which revenue will increase in the coming years due to the increasing number of first-visit patients, combined with an increasing revenue of follow-up treatment to increase cumulative number of patients.

Discount Rate

The discount rate used to calculate the net present value of cash flow derived from the calculation of Weighted Average Cost of Capital (WACC) based on the capital structure of the hospital project in which the IFA has calculated the WACC from the weighted average cost of debt (K_d) and the cost of equity (K_e) of the hospital project. Details of discount rate calculation are as follows:

- WACC = $K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$
- K_e = Cost of equity or shareholders' required rate of return (R_e)
- K_d = Cost of debt or loan interest rate of projects
- T = Corporate income tax rate
- E = Total shareholders' equity or amount of investment in the part of shareholders
- D = Interest-bearing debt

Cost of equity (K_e) or the required rate of return for shareholders is derived from Capital Asset Pricing Model (CAPM) as follows;

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

Whereby

Risk Free Rate (R_f) = 3.12% per annum based on 2.5-year government bond yield (information as of September 29, 2017), which is currently the government bond that is regularly issued or offered for sale by the Government and having a period consistent with share valuation. This period is appropriate as it can reflect long term return for a going-concern business. (source: www.thaibma.or.th)

Beta (β) = According to Beta in the previous 2 years of the companies listed on the Stock Exchange of Thailand which is the appropriate period that can reflect risk of business. They come from the private hospital business and have the department of cancer treatment of radiotherapy and chemotherapy. Though these hospitals have several departments for medical services, they have the most similar medical device for radiotherapy and chemotherapy (There are no listed companies that specialize in cancer treatment only). Therefore, they are BDMS and BH, the coefficient compared to the index of the Stock Exchange of Thailand for the past 2 years from October 1, 2015 until September 29, 2017 and the Beta of the company

will be adjusted to Unlevered Beta with an average of 0.53, then, calculated to Levered Beta of the hospital project specializing in cancer treatment in each year according to the debt to equity structure of the project throughout the projection period.

(Unit: Million Baht)

	Nature of business	Market value	Total assets	Revenue	Net profit	Levered Beta
BDMS	Is a private hospital provides a fully integrated medical services and a business that supports medical, including medical laboratory, pharmaceutical business, and the business of saline manufacturing.	325,310	118,088	38,154	5,764	0.51
BH	Is a private hospital under the name Bumrungrad International Hospital, providing a full medical services, both OPD and IPD, including the service center for foreign patients and the investment in medical and related businesses both domestic and abroad.	156,668	22,160	8,968	1,965	0.86

Note: The operating results for the period ended June 30, 2017 Source: www.setsmart.com

Market Risk (Rm) = 13.05% per annum, which is the 25-year average rate of return from the investment in market portfolio of the Stock Exchange of Thailand (1992 – September 2017) which shall reflect the average market returns from investment in the SET properly and the effects of fluctuations in the SET is low by excluding the rate of return of the SET during 1975 - 1991 since the SET just start operated and trading volume, as well as the number of listed companies were low which might not reflect the reate returns.

(Source: <http://www.setsmart.com>)

K_d = based on loan interest rates of financial institutions as at October 31, 2017 in which the speicalized hospital project will apply the average interest rate of financial institutions, the average interest rate of MLR - 2.75 equal to 4.25 percent per annum and the average interest rate of MOR-2.50 equal to 5.00 percent per annum. The average highest cost of debt is 4.27 percent throughout the project period. The Project expects to borrow short-term loan only in the early stage of the projection.

According to the assumptions above, K_e is equal to 11.21 percent and K_d is equal to 4.27 percent. When calculating WACC, it is in the range of 8.35 to 9.10 percent per year throughout the revenue projection period of 17 years (the construction period of 2 years and the projection period of 15 years).

The summary of calculation of net cash flow of the project is as follows;

The table shows the net cash flow of the project Unit: Thousand Baht

	Construction period 2 year	Year 3 2563	Year 2 2564	Year 3 2565	Year 4 2566	Year 5 2567	Year 6 2568	Year 7 2569
EBIT	0	(16,047)	17,407	49,451	64,589	81,857	96,593	100,029
Tax	0	0	0	0	0	0	0	0
Depreciation	0	35,665	35,665	35,665	35,665	35,665	28,465	28,465
Investment capital	(499,670)	0	0	0	0	0	0	0
Changes in working capital	0	(5,690)	(3,338)	(4,011)	(1,196)	(1,636)	(597)	(550)
Terminal Value	0	0	0	0	0	0	0	0
Free Cash Flow to the Firm (FCFF)	(499,670)	13,928	49,734	81,105	99,058	115,886	124,461	127,944
Present value of cash flow	(436,449)	10,727	35,139	52,748	59,475	64,429	64,241	61,422
Payment of interest and principal								
Net Present value of Equity								
	Year 8 2570	Year 9 2571	Year 10 2572	Year 11 2573	Year 12 2574	Year 13 2575	Year 14 2576	Year 15 2577
EBIT	106,953	110,482	114,024	134,582	138,158	141,748	145,348	148,953
Tax	0	(11,048)	(11,402)	(13,458)	(13,816)	(14,175)	(29,070)	(29,791)
Depreciation	28,465	28,465	28,465	11,465	11,465	11,465	11,465	11,465
Investment capital	0	0	0	0	0	0	0	0
Changes in working capital	(543)	(582)	(599)	(617)	(635)	(653)	(672)	(691)
Terminal Value	0	0	0	0	0	0	0	2,456,266
Free Cash Flow to the Firm (FCFF)	134,875	127,317	130,488	131,972	135,172	138,385	127,072	2,586,202
Present value of cash flow	60,462	52,674	49,823	46,505	43,961	41,536	35,199	661,157

Note: 1. The calculation of present value starts from the year which the construction begins of combined 2 years and revenue projection of 15 years since 2018 to 2034.

2. Change in working capital results mainly from change in account receivables and account payables. Collection period for account receivables is 30-60 days, inventory period 30 days and payment period for account payables 30-60 days

The above table includes the Free Cash Flow to the Firm (FCFF) of Baht 903.05 million, after deducting the value of the investment, it will be the NPV of the base case of the project and to assess the reasonableness of the value of investment in the projects in accordance with the following approaches;

- Internal Rate of Return (IRR) = $\square(CF_t/(1+IRR)^t) = 0$
- Payback Period (PB) = Number of year before payback+(1-accumulated cash flow

in the year of payback / cash flow in the year of payback)

3. Net Present Value (NPV) = $CF_0 + CF_1/(1+WACC)^1 + CF_2/(1+WACC)^2 + \dots + CF_n/(1+WACC)^n$

After that calculating the IRR, Equity IRR, Project Payback and NPV of Free Cash Flows to the Firm ("FCFF") and calculating Free Cash Flow to Equity ("FCFE") by using equity as the initial investment and deducting FCFF with the amount of loan repayment and interest on the loan. Summary of calculation based on the assessment is as follows;

Base case	PROJECT	EQUITY
IRR	20.55%	27.76%
NPV	903.05	951.58
PB	8.12	7.28

The calculation of the NPV, IRR, Equity IRR and Payback starts from January 2020 until the end of the project in 2034 in which the Pay-Back Period starts counting from the start of construction in 2018

According to the results of the calculations, Project IRR is higher than the WACC and Equity IRR is higher than shareholders' required rate of return (Ke). Therefore, this investment is appropriate in terms of return on investment.

Furthermore, the IFA has conducted a sensitivity analysis under various circumstances to analyze the impact caused to calculation of Project IRR, Equity IRR and Payback Period. Factors considered in the sensitivity analysis are as follows;

1. An increase in the construction cost (Cost Overrun) by assuming that the cost of construction and medical equipment of 10 percent. Construction agreement will determine the amount and be signed after the approval of shareholders' meeting. And this is assumed on a conservative basis by the IFA.
2. A delay in operation the project (Project Delay) after the start of construction but the construction process and the process of obtaining permits delay from the schedule of approximately 6 months, and start having revenues in July 2020.
3. A reduction in prices of cancer treatment program of 10 percent.
4. A reduction in number of patients of 10 percent.
5. An increase in loan interest rate of 1.00 percent.

Sensitivity analysis of each case can be summarized as follows;

Case	Change	Project			Equity		
		IRR (%)	NPV (Million Baht)	Payback (Year)	IRR (%)	NPV (Million Baht)	Payback (Year)
Base case		20.55%	903.05	8.12	27.76%	951.58	7.28
1. Investment costs (Cost of equipment and construction)	Increase 10.0%	19.63%	871.31	8.42	25.62%	922.58	7.82
2. Delay in operation	6-month delay	19.81%	891.38	8.25	26.34%	936.27	7.51
3. Prices of treatment program	Decrease 10.0%	18.28%	687.16	8.92	24.28%	742.41	8.67
4. Number of patients	Decrease 10.0%	19.59%	812.18	8.44	26.27%	863.56	7.80
5. Changes in loan interest rate	Increase 1.0%	20.49%	897.66	8.14	27.20%	940.90	7.52

If conducting a sensitivity analysis of several situations affecting the return on investment, including an increase in the construction cost, a delay in operation, a reduction in prices of cancer treatment program, a reduction in number of patients, an increase in loan interest rate, etc. will result in a decrease in return on investment which is the Project IRR is in a range of 18.28 - 20.55 percent and payback period of the project is in a range of 8.12 - 8.92 years, and Equity IRR is in a range of 24.28 - 27.76 percent. The situation arising from the reduction in prices of cancer treatment program will have the maximum impact on the return on investment compared to other situations.

4 Conclusion of opinion of the IFA

The IFA has considered the information and concluded that the operation of a cancer hospital project is according to the study of increasing number of cancer patients in Thailand every year and Thai population currently can not access to services for the treatment of cancer sufficiently, moreover, the patients have to wait for a long time or there are congestions of patients in public hospitals. Therefore, executives have seen the importance and the opportunity to establish a hospital specializing in the treatment of cancer with advanced technology and international standard quality of treatment by utilizing strengths of both investing parties in which the Company has experience and expertise in equipment for cancer treatment, while, a group of physicians who have knowledge and experience in the treatment of cancer.

The Company will enter into the transaction of a hospitals specializing in cancer treatment located in Si Racha district, Chonburi province with the investment amount of approximately Baht 500 million. The establishment of a joint venture company with a registered capital of Baht 200 million in which the Company will have a shareholding proportion of 65 percent and the group of physicians and individual persons, totaling of 5 persons, having experience in the treatment of cancer will have a shareholding proportion of 35 percent of the registered capital. The project is expected spend time on the construction and application of permits to operate a hospital of approximately 2 years from 2018 - 2019 and is expected to begin commercial operation in January 2020 onwards. Main customers of the project include patients who have welfare in accordance with criteria set by the Comptroller General's Department, including as civil servants, employees of state enterprises, and staff in government agencies who can use welfare from the government, patients who use the benefits in accordance with the NHSO or universal coverage program and social security, and self-pay patients. This project will diversify business risks of the Company to the business with a stable income which is stable revenues come from medical treatment program provided to patients which will help the business to operate well and have opportunities to grow in the future and create more opportunities for good investment returns to the shareholders in the future. Therefore, the investment in this Project is the reasonable transaction.

After entering into the transaction, potential risks may occur from the risk of reliance on the administration of the group of physicians, the risk of reliance on medical staff, the risk of termination of joint venture contract, the risk of competition in the hospital business, the risk of financing, the risk of project delay, the risk of an increase in the costs of project, and the risk of the shareholders do not approve the investment in line with what mentioned in the report. In addition to the topic of risk analysis in many areas aforementioned, when considering the appropriateness of value of the investment in accordance with the study, analysis, and improvement of the estimate investment and the returns of project based on the assumption mentioned above, the rate of return on investment of the project (project IRR) is equal to 20.55 percent and a payback period of 8.12 years with the Equity IRR of 27.76 percent. Moreover, if conducting a sensitivity analysis, the project NPV

will be in a range of Baht 687.16 – Baht 903.05 million and Project IRR will be in a range of 18.28 – 20.55 percent and the payback period of the project will be in a range of 8.12 - 8.92 years with the Equity IRR in a range of 24.28 - 27.76 percent. The situation arising from the reduction in prices of treatment program of 10 percent will have the most significant impact to the returns on investment of the project compared to other situations. When considering the summary of the investment in the project, the project can generate a return at the appropriate level under several circumstances, therefore, the investment in the project is appropriate.

Therefore, the IFA has considered that the shareholders shall vote to approve the transaction of the acquisition of assets this time. However, the final decision shall be at own discretionary of the shareholders in which the IFA has duty to provide opinion to the shareholders of the Company as appropriate based on the information received from the Company, as well as from the interviews with the management and the relevant departments of the Company. The shareholders should consider the information in the invitation to the General Meeting and its attachments before making decision.

OptAsia Capital Company Limited as the Independent Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles, with regard to the shareholders' benefits.

Yours sincerely

OptAsia Capital Company Limited

Mr. Charin Saksirisilp

Ms.Jariya Poonyawanich

(Mr. Charin Saksirisilp)

(Ms.Jariya Poonyawanich)

Authorized Director

Authorized Director

Mr. Annop Saengvanich

(Mr. Annop Saengvanich)

Supervisor

Contact: OptAsia Capital Company Limited

02-654-2929

Attachment 1

Business Alignment Public Company Limited or BIZ operates the distribution and installation of medical equipment for cancer treatment through radiotherapy by importing the equipment from world's leading professional in cancer treatment equipment and technology. The company's operations also include the maintenance service of the mentioned equipment. The key clients include hospitals under faculties of medicine, hospitals in the Cancer Hospital Group under Medical Department, Ministry of Public Health, other public hospitals, public health departments and organizations and private hospitals.

The company is the sole importer and exclusive distributor of radiation machine equipment for Varian Medical Systems Inc. and its affiliates, which is the world's leading company with great credibility and widely accepted among the medical industry personnel from all over the world as the medical equipment provider and modern software system for cancer treatment. The company has been trusted as the exclusive distributor for over 17 years. Additionally, the company also works with many suppliers overseas such as IBA Dosimetry GmbH (Germany), Thermo Fisher Scientific Inc. (USA), Xstrahl Limited (United Kingdom), Deltabit Oy (Finland), Vision RT Ltd (United Kingdom), Computerized Imaging Reference Systems, Inc. (CIRS) (USA), Radiation Product Design, Inc. (USA) and Ashland Inc.(USA). Beside from distribution, the company also provides maintenance service of the medical equipment to the clients who ordered from the company to ensure its functionality throughout its usage period.

The key product that the company offers is radiation treatment equipment especially the linear accelerator which is the key equipment in teletherapy. This product is highly important and has high value to the project. Moreover, the company acts as the solution provider which means the company is responsible for providing the equipment as well as a full circle service to ensure that our clients will be able to operate the machine to its highest effectiveness. Therefore, the company is responsible for providing everything starting from the construction process, renovation process to ensure the room is of high standard to increase to prevent radiation leak as well as providing other necessary equipment to ensure the effectiveness of the treatment such as treatment planning computer system, oncology information system, quality assurance and pretreatment verification tool and other supporting equipment. In addition, the company provides maintenance service to lengthen the usage life of the equipment.

A. The Company's Revenue Structure

1. Revenue Structure based on Revenue Type

The company's revenue can be divided into 2 categories: 1) sales revenue which comes from selling and installing the medical equipment and 2) service revenue which comes from providing the maintenance service. During 2014-2016 and the first 9 months of 2017 (Jan – Sep), the company's revenue structure is as follows:

Type of Revenue	Year 2014		Year 2015		Year 2016		Year 2017 (Jan-Jun)	
	MB	%	MB	%	MB	%	MB	%
Sales revenue	999.58	93.91%	236.71	74.22%	607.12	81.69%	286.24	63.34%
Service Revenue ^{/1}	63.04	5.92%	73.83	23.15%	130.72	17.59%	97.40	21.55%
Construction Revenue	0.00	0.00%	0.00	0.00%	0.00	0.00%	66.24	14.66%
Total	1,062.62	99.84%	310.54	97.37%	737.84	99.27%	449.88	99.55%
Other revenue ^{/2}	1.73	0.16%	8.40	2.63%	5.39	0.73%	2.03	0.45%
Grand Total	1,064.35	100.00%	318.94	100.00%	743.23	100.00%	451.91	100.00%

Notes:

/1 Service Revenue includes revenue generated from maintenance service for radiation machine and other related equipment as well as revenue generated from software upgrades related to radiotherapy equipment

/2 Other revenue includes interests, profits gained from currency exchange, profits from selling investment capitals and other income

2. Sales and Service Revenue Structure based on Customer Type

Sales and service revenue structure based on customer type between 2014 – 2016 the first 9 months of 2017 (Jan – Sep), is as follows:

Type of Customer	Year 2014		Year 2015		Year 2016		Year 2017 (Jan-Sep)	
	MB	%	MB	%	MB	%	MB	%
1. Public Hospitals	1,062.20	99.96%	306.99	98.86%	725.32	98.30%	284.23	63.18%
1.1 Hospitals under Faculties of Medicine ^{/1}	751.71	70.74%	261.26	84.13%	235.32	31.89%	89.41	19.87%
1.2 Cancer Hospitals ^{/2}	192.10	18.08%	32.69	10.53%	372.76	50.52%	74.84	16.64%
1.3 General Hospitals ^{/3}	118.39	11.14%	13.04	4.20%	117.24	15.89%	119.98	26.67%
2. Private Hospitals	0.00	0.00%	0.00	0.00%	0.00	0.00%	157.96	35.11%
3. Others^{/4}	0.42	0.04%	3.55	1.14%	12.52	1.70%	7.69	1.71%
Total	1,062.62	100.00%	310.54	100.00%	737.84	100.00%	449.88	100.00%

Notes:

/1 Hospitals under faculties of medicine includes hospitals in universities and medical schools of faculties of medicine or medical colleges which are mostly under the Ministry of Education. These are super tertiary care medical centers with highest capabilities in service and treatment readiness as they are for educational purposes in order to manufacture new medical personnel and conduct new research

/2 Cancer hospitals include hospitals under the Medical Department which focus on developing their expertise in oncology excellence

/3 General hospitals include hospitals under the Ministry of Public Health which can be provincial hospitals, regional hospitals or district hospitals with tertiary care or super tertiary care capabilities

/4 Others include departments or organizations which are not medical clinics or hospitals such as the Department of Medical Sciences, Office of Atom of Peace or Synchrotron Light Research Institute

Type of Products and Services

The present, Business Alignment Public Co., Ltd. or BIZ operates the distribution and installation of medical equipment for cancer treatment through radiotherapy and offers maintenance service to the clients who ordered from the Company. Nowadays, we are the exclusive distributor for 2 leading providers

Company	Country	Type of Products
Varian Medical Systems Inc.	USA	Linear accelerators, treatment planning computer system, radiotherapy patient database system
Mobius Medical Systems, LP	USA	Quality assurance and pretreatment verification tool

Additionally, the company also works with many suppliers overseas including:

Company	Country	Type of Products
IBA Dosimetry GmbH	Germany	Linear accelerators' quality assurance and inspection machine
Thermo Fisher Scientific Inc.	USA	Radiation Survey meter device
Xstrahl Limited.	UK	Superficial X-Ray machine
Vision RT Ltd.	UK	Patient's positioning device
Deltabit Oy	Finland	Pretreatment patient identification device
Radiation Product Design, Inc.	USA	Radiotherapy equipment
Computerized Imaging Reference Systems, Inc.	USA	Quality assurance Phantoms
Ashland Inc.	USA	Radiation film dosimetry

Company	Country	Type of Products
Best Medical Canada Ltd.	Canada	Radiation dosimetry device
QFix	USA	Patient Immobilization device
C-Rad	Sweden	Patient's motion detection device in radiotherapy

The company can categorize its product and service types based on revenue type as follows:

1. **Sales Revenue** generated from the distribution and installation of the following equipment types:

(1) Treatment Delivery Equipment

This is the main equipment that the company sells which is the equipment used in radiotherapy and is of the highest value when compared to the other functions or equipment types of the company. Treatment Delivery equipment can be categorized into 2 groups:

- Linear Accelerator

Used for teletherapy cancer treatment by using radiation from high energy x-ray far from treatment area onto the cancer cells area to destroy them. This is an equipment with state-of-the-art technology, high accuracy and can be used on several cancer cells area in the body. That is why this equipment is the main revenue source for the company today. The Linear Accelerator that we import is from Varian Medical Systems Inc. and its group of companies ("Varian") which is the world's leader in radiotherapy technology, proton beam therapy and mineral implant therapy. We can say that Varian is the well-known provider and distributor of high quality radiation therapy equipment among the medical industry both domestically and internationally.

- Brachytherapy Afterloader

Used for brachytherapy cancer treatment by placing the fully covered radioactive, namely Iridium 192, near the treatment area into the affected parts of the body. This type of treatment allows the high volume of radiation into the affected body parts accurately and can reduce the harm to the tissue surrounding the cancer cells so it is suitable for certain types of cancer only.

(2) Equipment and System Type

This equipment type relates to high level technology equipment and system which is used together with the radiation machine in the radiotherapy process. The key equipment in this group include hardware and software system for treatment planning system, oncology information system and radiation simulation.

- Treatment Planning System

This is a software system used in planning the treatment to ensure accuracy in the radiotherapy process and prevent any harm that may happen to the surrounding tissue which can cause more harm to the patient. The software system uses state-of-the-art computer system and can plan the treatment in different ways such as 2D or 3D treatment, Intensity Modulated Radiation Therapy (IMRT), Volumetric Modulated Arc Therapy (VMAT) by using the x-ray film of the patient from the treatment 3D simulation machine to support the treatment planning process. Radiologists can accurately determine the shape and size of the designated treatment area or body parts. Medical physicists can plan the treatment in different techniques and process the calculation to see how the radiation spreads in the cancer tumors. Then, radiologists can assess to select the best treatment for each patient. The spread of radiation must cover as much of the cancer tumors as possible and least affect the surrounding body parts but must also meet the set criteria. Once the radiologists agree with the plan, the medical physicists will send the treatment plan to the linear accelerators through the computer network system to begin the treatment.

- Oncology Information System

This is a software system used to record and verify the level of radiation the patient is receiving throughout the treatment process. It is also the information system that supports the hospital's electronic medical records and patients' appointment system in radiotherapy and oncology clinics for radiotherapy and chemotherapy patients. It can also support the administration of the image information in radiotherapy in order to check for accuracy of the radiation area and location.

(3) Other Equipment

These are the supporting equipment for the key equipment such as applicators for the Afterloader or the group of equipment that is used in supporting the treatment process such as the Quality Assurance and Pretreatment Verification Tool, Gafchromic film, Motion Detector during radiation process and patients' immobilization solution.

2. Revenue from Maintenance Services

Service revenue comes from the maintenance services for the medical equipment after the warranty period is over according to the sales contract. This warranty usually lasts 1-2 years after the handover of the equipment depending on each agreement.

A continuous maintenance service helps the equipment to last longer and work effectively throughout their usage life. The company will issue a contract regarding the maintenance agreement between the company and the

client that the company will provide the maintenance service every time there is an issue or when the maintenance period is due to ensure that the equipment can work to its highest capacity throughout its usage life period. Each contract is for 1 year and most of our clients will renew this contract on a regular basis because without a proper maintenance, the machine cannot run effectively. The company also provides maintenance services to equipment that are not in the maintenance agreements on a case by case basis depending on the issues that have arisen such as Chiller system maintenance or air-conditioning system maintenance. Moreover, the company also provides upgrade services to the software system related to radiotherapy which helps the system to be more effective such as software upgrade for the treatment planning system.

B. Shareholding Structure

Shareholding Structure of the Company as of 15th November 2017 is as follows:

Name	No. of shares	Percent
1. Mr. Sompong Chunekittyanone	128,250,000	32.06%
2. Group Family Silapusid	128,238,000	32.06%
2.1 Mr. Voravid Silapusid	125,250,000	31.31%
2.2 Mrs. Sivika Silapusid	2,988,000	0.75%
3. Mr. Noppadol Suntanaphanich	24,000,000	6.00%
4. Mrs. Sarin Chin-udomsap	11,792,700	2.95%
5. Mr. Nattapong Phanrattanamongkhol	6,248,400	1.56%
6. Thai NVDR Co., Ltd	4,824,700	1.21%
7. Mr. Chaveng Suwanrat	3,596,000	0.90%
8. Mr. Pailin montairat	3,121,700	0.78%
9. Mr. Jinnawat Jungjiranon	2,633,800	0.66%
10. Mr. Chaowarat Vechpinyo	2,095,500	0.52%
11. Ms. Chatya Tosiriwatthananon	2,000,000	0.50%
Total	316,800,800	79.20%

Note: Total paid-up capital as of 30 September 2017 at 200 million Baht, par value at 0.50 Baht

C. Board of Directors

As of 30th September 2017, the Company's Board of Directors are as follows,

	Name	Position
1	Mr. Woodtipong Moleechad	Chairman of the Board

	Name	Position
2	Mr. Sompong Chunekitayanone *	Executive Chairman / Chief Executive Officer
3	Mr. Voravid Silapusid *	Director
4	Mr. Noppadol Suntanaphanich *	Director
5	Ms. Srirat Chuchottaworn	Chairman of the Audit Committee/Independent Director
6	Mr. Vipoota Trakulhoon	Audit Committee/Independent Director
7	Mr. Thanawat Lertwattanak	Audit Committee/Independent Director

* Persons who are member of management

Names of directors who are authorized signatories of the company:

Mr. Sompong Chunekitayanone, Mr. Voravid Silapusid and Mr. Noppadol Suntanaphanich - Any two signatures of three directors with company's seal shall bind the company.

D. Financial Position of the Company

STATEMENTS OF FINANCIAL POSITION	31 Dec 2014		31 Dec 2015		31 Dec 2016		30 Sep 2017	
	MB	%	MB	%	MB	%	MB	%
ASSETS								
<u>CURRENT ASSETS</u>								
Cash and cash equivalents	3.54	1.42%	47.33	12.65%	223.98	35.61%	324.01	37.93%
Current investments	214.20	85.83%	35.15	9.40%	41.50	6.60%	23.28	2.72%
Trade and other receivables	18.87	7.56%	236.89	63.32%	236.95	37.68%	172.52	20.19%
Inventories	5.48	2.20%	44.67	11.94%	107.45	17.09%	81.02	9.48%
Construction contract work in process	0.00	0.00%	0.00	0.00%	0.00	0.00%	60.25	7.05%
Other current assets	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total current assets	242.09	97.00%	364.04	97.30%	609.88	96.97%	661.07	77.38%
<u>NON-CURRENT ASSETS</u>								
Long-term trade receivable	0.00	0.00%	0.00	0.00%	7.91	1.26%	5.43	0.64%
Other long-term investments	0.00	0.00%	0.00	0.00%	0.00	0.00%	30.75	3.60%
Property, plant and equipment	2.39	0.96%	4.39	1.17%	4.08	0.65%	29.86	3.50%
Intangible assets	0.10	0.04%	0.08	0.02%	0.20	0.03%	0.20	0.02%

STATEMENTS OF FINANCIAL POSITION	31 Dec 2014		31 Dec 2015		31 Dec 2016		30 Sep 2017	
	MB	%	MB	%	MB	%	MB	%
Deferred tax assets	3.58	1.43%	3.92	1.05%	6.41	1.02%	7.35	0.86%
Other non-current assets	1.41	0.56%	1.70	0.45%	0.43	0.07%	89.86	10.52%
Total non-current assets	7.48	3.00%	10.09	2.70%	19.03	3.03%	29.78	3.49%
TOTAL ASSETS	249.57	100.00%	374.13	100.00%	628.91	100.00%	193.24	22.62%
LIABILITIES								
CURRENT LIABILITIES								
Short-term borrowings from financial institutions	0.00	0.00%	12.55	3.35%	0.00	0.00%	0.00	0.00%
Trade and other payables	15.10	6.05%	112.36	30.03%	96.53	15.35%	170.10	19.91%
Income tax payable	3.86	1.55%	0.89	0.24%	0.23	0.04%	2.69	0.31%
Other current provisions	6.38	2.56%	4.42	1.18%	2.62	0.42%	4.86	0.57%
Other current financial liabilities	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.21	0.03%
Total current liabilities	25.34	10.15%	130.22	34.81%	99.38	15.80%	177.87	20.82%
NON-CURRENT LIABILITIES								
Long-term trade payable	0.00	0.00%	0.00	0.00%	12.55	2.00%	8.72	1.02%
Provisions for employee benefit	3.79	1.52%	4.35	1.16%	5.51	0.88%	6.05	0.71%
Other non-current provisions	0.44	0.18%	0.25	0.07%	0.35	0.06%	0.80	0.09%
Other non-current financial liabilities	0.00	0.00%	0.00	0.00%	0.00	0.00%	135.04	15.81%
Total non-current liabilities	4.23	1.69%	4.60	1.23%	18.41	2.93%	19.52	2.28%
Total liabilities	29.57	11.85%	134.82	36.04%	117.79	18.73%	170.12	19.91%
SHAREHOLDERS' EQUITY								
Authorized share capital	5.00		5.00		200.00		200.00	
Issued and paid-up share capital	5.00	2.00%	5.00	1.34%	200.00	31.80%	200.00	23.41%
Share premium on ordinary shares	0.40	0.16%	0.40	0.11%	222.33	35.35%	222.33	26.02%
Retained earnings:								

STATEMENTS OF FINANCIAL POSITION	31 Dec 2014		31 Dec 2015		31 Dec 2016		30 Sep 2017	
	MB	%	MB	%	MB	%	MB	%
Legal reserve	10.25	4.11%	10.25	2.74%	14.41	2.29%	14.42	1.69%
Unappropriated	202.89	81.30%	223.66	59.78%	74.38	11.83%	69.57	8.14%
Other components of shareholders' equity	1.46	0.59%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total shareholders' equity	220.00	88.15%	239.31	63.96%	511.12	81.27%	506.32	59.27%
Total Liabilities and Shareholders' Equity	249.57	100.00%	374.13	100.00%	628.91	100.00%	854.31	100.00%

Total Assets

As of 31 December 2014 – 2016 and 30 September 2017, the company had total assets of 249.57 million Baht, 374.13 million Baht, 628.91 million Baht and 854.30 million Baht, respectively. Significant assets that influenced the changes in the total assets of the company are as follows:

Current assets

As of 31 December 2014 – 2016 and 30 September 2017, the company's total current assets were 242.09 million Baht, 364.04 million Baht, 609.88 million Baht and 661.07 million Baht, representing 97.00%, 97.30%, 96.97% and 77.38% of the total assets, respectively. The details of each significant item are as follows:

- Cash and cash equivalents : On 31 December 2014 – 2016 and 30 September 2017, cash and cash equivalents were at 3.54 million Baht, 47.33 million Baht, 223.98 million Baht and 324.01 million Baht, or 1.42%, 12.65%, 35.61% and 37.93% of the total assets respectively, consisting of petty cash, current accounts and fixed accounts deposits. As of 30 September 2017, the company's Cash and Cash Equivalents increased from the previous year, as the company received the payments for the projects completed and handed over.

- Short-term investment: As of 31 December 2014 – 2016 and 30 September 2017, these were 214.20 million Baht, 35.15 million Baht, 41.50 million Baht and 23.28 million Baht, or 85.83%, 9.40%, 6.60% and 2.72% of the total assets respectively, consisting of investments in funds and time deposits used as collateral for a loan from a foreign bank. The company's short-term investment depends on need of cash and liquidity of working capital.

-Trade accounts and other receivables - net : As of 31 December 2014 – 2016 and 30 September 2017, the company had a net value of trade accounts receivables and other accounts receivables of 18.87 million Baht, 236.89 million Baht, 236.95 million Baht and 172.52million Baht or 63.32%, 7.56%, 37.68% and 20.19% of the total assets, respectively, which are described below:

Unit : Million Baht

	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Sep 2017
Trade receivables	2.96	211.19	199.59	141.60
Less the allowance for doubtful accounts	(0.00)	(0.00)	(0.00)	(0.00)
Trade accounts receivables-net	2.96	211.19	199.59	141.60
Other accounts receivables-net	15.91	25.70	37.36	30.92
Total trade accounts and other receivables-net	18.87	236.89	236.95	172.52

The net value of trade accounts receivables at the end of 2015 was high due to the company delivering projects with high value towards the end of 2015 and awaiting payments from customers, such as the Stereotactic Radiotherapy Project, Faculty of Medicine, Ramathibodi Hospital of 170.00 million Baht, and the project for Faculty of Medicine, Chiang Mai University of 25.29 million Baht, resulting in a higher value of trade receivables at the end of the year 2015. As of 31 December 2016, the company's important receivables include the Faculty of Medicine, Siriraj Hospital, valued at 174 million Baht, whose project the company has already completed and handed over in late 2016. The company's key receivables as of 30 June 2017 are the projects of Bangkok Dusit Medical Services Public Company Limited (Wattanosoth Hospital) which has been delivered and waiting for payment, valued at 126.75 million Baht

The company has an allowance for doubtful accounts in the amount of receivables unexpected to be billed, based on debt collection experience in the past, coupled with the current status of existing receivables. However, due to customers being mainly medical university hospitals and cancer hospitals affiliated with the Department of Medical Services under the Ministry of Health, the likelihood of collection of receivables is not considered low. Consequently, the company did not set up the allowance for doubtful accounts. In the past, the company has never faced any problem in debt collection from customers, and has not had any bad debt during its operation.

For other accounts receivables such as prepaid service costs, service income receivables, prepaid expenses and other receivables, as of 31 December 2014 – 2016 and 30 September 2017, the company had other receivables of 15.91 million Baht, 25.70 million Baht, 37.36 million Baht and 30.92 million Baht respectively. As of 31 December 2016, the company's other receivables id valued at 37.36 million Baht, of which 16.58 million Baht is an accrued income from services, which has already been recognized but the company is still in the process of

issuing an invoice for the succeeding quarter. Furthermore, the company also has receivables from the Revenue Department, valued at 8.34 million Baht, as Input Tax was higher than the Output Tax in this year.

As of 30 June 2016, the company's other receivables are valued at 14.99 million Baht is an accrued income from services, which has already been recognized but the company is still in the process of issuing an invoice for the succeeding quarter.

	31 Dec 2014		31 Dec 2015		31 Dec 2016		30 Sep 2017	
	MB	%	MB	%	MB	%	MB	%
Value of Trade accounts receivables Not yet due	2.96	100.00	209.87	99.37	187.48	93.93	11.73	8.28
Overdue								
- Less than 3 months	-	-	1.32	0.63	9.74	4.88	127.38	89.96
- More than 3 months	-	-	-	-	0.03	0.02	-	-
Total Trade accounts receivables	2.96	100.00	211.19	100.00	197.25	98.83	139.11	98.24
Long-term trade accounts receivables Due in 1 year	-	-	-	-	2.34	1.17	2.49	1.76
Trade accounts receivables -Net	2.96	100.00	211.19	100.00	199.59	100.00	141.60	100.00

The above table shows the value of receivables sorted by aging which indicates that trade receivables are mainly receivables not yet due for payment. The company has a policy of providing a credit term with trade receivables for a period not exceeding 90 days.

- Inventories - net: As of 31 December 2014 – 2016 and 30 September 2017, the company had a net value of inventories of 5.48 million Baht, 44.67 million Baht, 107.45 million Baht and 81.02 million Baht, or 2.19%, 11.94%, 17.08% and 9.48% of the total assets, respectively.

	31 Dec 2014		31 Dec 2015		31 Dec 2016		30 Sep 2017	
	MB	%	MB	%	MB	%	MB	%
Goods under installation	5.32	97.08	0.90	2.01	100.21	93.26	77.21	95.30
Parts	0.16	2.92	0.87	1.95	0.77	0.72	0.59	0.73
Goods in transit	-	-	42.90	96.04	6.47	6.02	3.22	3.97
Inventories-Net	5.48	100.00	44.67	100.00	107.45	100.00	81.02	100.00

As of 31 December 2016, and 30 June 2017, the company's Inventories are primarily products that are in the process of being installed for the clients, valued at 100.21 million Baht and 77.21 million Baht, respectively.

Non-current assets

As of 31 December 2014 – 2016 and 30 September 2017, the company's non-current assets were valued at 7.48 million Baht, 10.09 million Baht, 19.03 million Baht and 193.24 million Baht, or 3.00%, 2.70%, 3.03% and 22.62% of total assets, respectively, as described in each of the following:

- Property, plant and equipment - net: As of 31 December 2014 – 2016 and 30 September 2017, the company's net value of Property, plant and equipment was 2.39 million Baht, 4.39 million Baht, 4.08 million Baht and 29.86 million Baht or 0.96%, 1.17%, 0.65% and 3.50% of the total assets, respectively., consisting of a unit of condominium for its office, office supplies, office improvements, vehicles, etc. As of 30 September 2017, Property, plant and equipment increased because the Company acquired a unit of condominium for its office amounting to Baht 25.3 million in March 2017.
- Deferred tax assets: As of 31 December 2014 – 2016 and 30 September 2017, the company had deferred tax assets valued at 3.58 million Baht, 3.92 million Baht, 6.41 million Baht and 7.35 million Baht, representing 1.43%, 1.05%, 1.02% and 0.86% of the total assets, respectively.
- Long-term trade receivables: As of 31 December 2014, 2015 and 2016, the company had long-term trade accounts receivables of 0.00 million Baht, 0.00 million Baht and 7.91 million Baht or 0.00%, 0.00% and 1.26% of total assets, respectively. In the year 2016, the company's Long-term trade accounts receivables were usually from software upgrade agreements with clients, which permits the payment to be made in annual installments. When combined with the long-term trade receivables of 2.34 million Baht due within one year, the company's total long-term trade receivables in the year 2016 equaled 10.25 million Baht.

As of 30 September 2017, the company had long-term trade accounts receivables of 5.43 million Baht .The company's long-term trade accounts receivable was from software upgrade agreements for Faculty of Medicine Vajira Hospital, Navamindradhiraj University, which permits the payment to be made in annual installments.

Debt

Total liabilities

As of 31 December 2014 – 2016 and 30 September 2017, the company had total liabilities of 29.57 million Baht, 134.82 million Baht, 117.79 million Baht and 347.99 million Baht, respectively, or 11.85%, 36.04%, 18.73% and 40.73% of the liabilities and shareholders' equity, respectively. The liabilities with major changes are as follows:

Current liabilities

As of 31 December 2014 – 2016 and 30 September 2017, the company's current liabilities values were 25.34 million Baht, 130.22 million Baht, 99.38 million Baht and 177.87 million Baht, or 10.15%, 34.81%, 15.80% and 20.82% of the liabilities and shareholders' equity, respectively. The details of each significant item are as follows:

- Bank overdrafts and short-term loans from financial institutions : As of 31 December 2014 – 2016 and 30 September 2017 were 0.00 million Baht, 12.55 million Baht 0.00 million Baht and 0.00 million Baht, representing 0.00%, 3.36%, 0.00% and 0.00% of the liabilities and shareholders' equity, respectively. Short-term loans mainly consist of bank overdrafts and liabilities under trust receipts. The company used such credit lines for working capital to improve liquidity in the business.

- Trade and other payables : As of 31 December 2014 – 2016 and 30 September 2017 were 15.10 million Baht, 112.36 million Baht, 96.53 million Baht and 170.10 million Baht, representing 6.05%, 30.03%, 15.35% and 19.91% of the liabilities and shareholders' equity, respectively. From the evaluation of trade payables, As of 31 December 2015, 2016 and 30 September 2017, the company's trade payables rose significantly from the year 2014, as the Company received many Bills of Lading from the orders of various medical equipment from abroad to be used in its ongoing projects. Therefore, as the accounting standard states that the moment the Company receives the Bill of Lading, it must immediately be noted as a trade payable, the significant rise in trade payables is the result of the increasing number of projects.

The list of other major creditors includes provisions for customer training, products deposits, etc. As of 31 December 2014 - 2016 and 30 September 2017 the company had accumulated debts for customer training of 9.10 million Baht, 10.61 million Baht, 14.40 million Baht and 16.54 million Baht , representing 3.65%, 2.84%, 2.29% and 1.94% of the liabilities and shareholders' equity, respectively. The above debt was due to the company's policy to support the training seminar on radiation technology for its customers.

- Provision for contractual product warranty (Short-term provisions) : As of 31 December 2014 – 2016 and 30 September 2017, the company had outstanding liabilities under contractual warranties of 6.38 million Baht, 4.42 million Baht, 2.62 million Baht and 4.86 million Baht or 2.56%, 1.18%, 0.42% and 0.57% of the liabilities and shareholders' equity, respectively. The above items are provisions for the contractual product warranties provided after delivery, the costs of which are a part of the business that the company shall be responsible for, as the manufacturer does not provide such warranty provisions.

Non-current liabilities

As of 31 December 2014 – 2016 and 30 September 2017, the company had non-current liabilities of Baht 4.23 million, 4.60 million Baht 18.41 million Baht and 170.12 million Baht representing 1.70%, 1.23%, 2.93% and 19.91% of the liabilities and shareholders' equity, respectively. as described below:

- Accounts payables, long-term :As of 31 December 2014 - 2016 and 30 September 2017, the company's long-term accounts payables were valued at 0.00 million Baht, 0.00 million Baht 12.55 million Baht and 8.72 million Baht, or 0.00%, 0.00%, 2.00% and 1.02% of the liabilities and shareholders' equity, respectively. The company's Long-term trade payables were usually from software upgrade agreements that the company buys from Varian, to be resold to clients in contracts which permits the payment to be made in annual installments. As of 30 September 2017, the company's Long-term trade payables was valued at 8.72 million Baht. When combined with the long-term trade payables of 3.93 million Baht due within one year, the Company's total long-term trade payables equaled 12.65 million Baht.

- Reserve for employee benefits : As of 31 December 2014 – 2016 and 30 September 2017, the obligation for employee benefits was 3.79 million Baht, 4.35 million Baht, 5.51 million Baht and 6.05 million Baht, or 1.52%, 1.16%, 0.88% and 0.71% of the liabilities and shareholders' equity, respectively.

- Long-term provisions : As of 31 December 2014 – 2016 and 30 September 2017, the company's provision for long-term debt was 0.44 million Baht, 0.25 million Baht, 0.35 million Baht and 0.80 million Baht, or 0.18%, 0.07%, 0.06% and 0.09% of the liabilities and shareholders' equity, respectively. The said provisions were also for contractual product warranties; however, they are costs for the warranties with a period of over one year.

- Advance from customer: As of 31 December 2014 – 2016 and 30 September 2017, advance from customer was 0.00 million Baht, 0.00 million Baht, 0.00 million Baht and 135.04 million Baht, or 0.00%, 0.00%, 0.00% and 15.81% of the liabilities and shareholders' equity, respectively. As of 30 September 2017, Advance from customer was 135.04 million Baht as the Company entered into an agreement to sale medical equipment including installation, and construction of a building (under Project center treating cancer patients with protons radio therapy) to a local

hospital at Baht 1,200 million. Under the terms of the agreement, the Company will make progress billings up to the completion of the project, and has to deliver the project within September 2020.

Shareholders' Equity

As of 31 December 2014 – 2016 and 30 September 2017, the shareholders' equity of the company was 220.00 million Baht, 239.31 million Baht 511.12 million Baht and 506.32 million Baht, or 88.15%, 63.96%, 81.27% and 59.27% of the liabilities and shareholders' equity, respectively. The details of each significant item are described in the following list:

- Issued and paid-up capital :

- As of 31 December 2014 and as of 31 December 2015 was 5.00 million Baht, divided into 50,000 ordinary shares with a par value of 100.00 Baht per share.
- The Extraordinary General Meeting of Shareholders No. 1/2016 held on 4 February 2016, approved a capital increase of 145.00 million Baht by issuing 1,450,000 new ordinary shares with a par value of 100.00 Baht for offering to the existing shareholders in proportion to their existing shareholding. As a result, the registered capital was increased to 150.00 million Baht, divided into 1,500,000 ordinary shares with a par value of 100.00 Baht per share.
- The General Meeting of Shareholders for 2016 on 12 March 2016 resolved to change the par value of the shares from 100.00 Baht per share to 0.50 Baht and resolved to increase the registered capital by 50.00 million Baht to 150.00 million Baht by issuing 100,000,000 ordinary shares at par value of 0.50 Baht per share to be offered to the public for the first time (IPO), representing 25.00 percent of the paid-up capital after the IPO. As a result, currently the company has a registered capital and paid-up capital of 200.00 million Baht, consisting of 400,000,000 ordinary shares with a par value of 0.50 Baht per share
- Premium on ordinary shares : As of 31 December 2014 – 2016 and 30 September 2017, the company had a premium on ordinary shares of 0.40 million Baht ,0.40 million Baht ,222.33 million Baht and 222.33 million Baht or 0.16%, 0.11%, 35.35% and 26.02% of the liabilities and shareholders' equity, respectively. Such transactions occurred since 2006, when, in June 2006, the company increased the registered capital of 1.00 million Baht to 2.00 million Baht by issuing 10,000 new ordinary capital shares with a par value of 100.00 Baht per share. A proportion of 2,000 capital shares were offered to a new group of shareholders with two new members who previously were employees of the company for a period of time at the price of 300.00 Baht per share. Consequently, the company has a premium on ordinary shares valued at a total of 0.40 million Baht.

As of the 31 December 2016 and 30 September 2017, the Company's share premium on ordinary shares was 222.33 million Baht, which is from the public offering of 100 million new ordinary shares, with the par value of 0.50

Baht, whose Initial Public Offering was between the 20 and 22 July 2016 at the value of 2.90 Baht per share. After subtracting the brokerage fees and other costs associated with the offering, the Company's received 221.93 million Baht net.

- Retained earnings : As of 31 December 2014 – 2016 and 30 September 2017, the company's retained earnings were 202.89 million Baht, 223.66 million Baht 74.38 million Baht and 69.57 million Baht or 81.30%, 59.78%, 11.83% and 8.14% of the liabilities and shareholders' equity, respectively. The main reason for the significantly lower unappropriated retained earnings as of 30 September 2017, when compared to the previous year, was the resolution at the Shareholders' Meeting, held on the 18 April 2017, to pay dividends to the Company's shareholders at the rate of 0.10 Baht per share, or 40.00 million Baht in total, from the unappropriated retained earnings as of 31 December 2016.

Revenues from Sales and Services

STATEMENTS OF COMPREHENSIVE INCOME	2014		2015		2016		Jan – Sep 2017	
	MB	%	MB	%	MB	%	MB	%
Revenue from sales of goods	999.58	93.91%	236.71	74.22%	607.12	81.69%	286.25	63.34%
Revenue from rendering of services	63.04	5.92%	73.83	23.15%	130.72	17.59%	97.40	21.55%
Revenue from construction	0.00	0.00%	0.00	0.00%	0.00	0.00%	66.24	14.66%
Other income	1.73	0.16%	8.40	2.63%	5.39	0.73%	2.03	0.45%
Total revenues	1,064.35	100.00%	318.94	100.00%	743.23	100.00%	451.91	100.00%
Costs of sales of goods	885.20	88.56%	203.08	85.79%	505.13	83.20%	250.64	87.56%
Costs of rendering of services	49.04	77.79%	58.48	79.21%	110.04	84.18%	69.77	71.64%
Costs of construction	0.00	0.00%	0.00	0.00%	0.00	0.00%	60.17	90.84%
Gross Profit (excluding other revenues)	128.38	87.92%	48.98	84.23%	122.67	83.37%	69.30	84.60%
Distribution costs	10.14	0.95%	5.76	1.81%	10.82	1.46%	5.48	1.21%
Administrative expenses	20.63	1.94%	20.80	6.52%	27.66	3.72%	20.77	4.59%
Loss on exchange rate	0.00	0.00%	4.41	1.38%	0.00	0.00%	0.00	0.00%
Total expenses	30.77	2.89%	30.97	9.71%	38.48	5.18%	26.24	5.81%
Finance costs	12.90	1.21%	0.26	0.08%	5.88	0.79%	1.08	0.24%
Profit before income tax	86.44	8.12%	26.15	8.20%	83.70	11.26%	44.01	9.74%
Tax expense	17.31	1.63%	5.36	1.68%	13.46	1.81%	8.82	1.95%
Net income for the period	69.13	6.50%	20.79	6.52%	70.24	9.45%	35.19	7.79%
Other comprehensive income	1.54	0.14%	(1.48)	-0.46%	(0.36)	-0.05%	0.00	0.00%
Total comprehensive income for the year	70.67	6.64%	19.31	6.05%	69.88	9.40%	35.19	7.79%

A large proportion of the company's revenues come from product sales in the form of projects, acting as an end-to-end Solution Provider who is responsible for everything from structural work to systems such as electrical and cooling systems, and interior design to support the installation of radiation equipment and other ancillary equipment in the radiation room. Afterwards, the company is also responsible for the procurement and installation of various equipment associated with radiation (i.e., radiotherapy equipment, treatment planning system devices

and other necessary accessories). The nature of our business is such that the resulting pattern of revenue recognition from the company's sale is revenue recognition upon delivery of the completed project. As a result, it is necessary for the company to continue construction of a radiation room, purchase and install the equipment and pass inspection by the client's project inspection committee before the revenue of the complete project can be recognized. The period of implementation of each project will be between 210-360 days before revenue can be recognized. This is one factor that makes the company more vulnerable to the instability and inconstancy of revenue should the company fail to deliver its product according to the plan.

Revenue

The company's total revenues in the year 2014 – 2016 and the first nine-month period of 2017 were 1,064.35 million Baht, 318.94 million Baht, 743.23 million Baht and 451.91 million Baht respectively, with details on the revenue structure as follows:

Type of Revenue	2014		2015		2016		2017 (Jan - Sep)	
	MB	%	MB	%	MB	%	MB	%
Sales Revenue	999.58	93.91	236.71	74.22	607.12	81.69	286.25	63.34
Services Revenues	63.04	5.92	73.83	23.15	130.72	17.59	97.40	21.55
Construction Revenue	0.00	0.00	0.00	0.00	0.00	0.00	66.24	14.66
Total	1,062.62	99.84	310.54	97.37	737.84	99.27	449.88	99.55
Other revenues	1.73	0.16	8.40	2.63	5.39	0.73	2.03	0.45
Total revenues	1,064.35	100.00	318.94	100.00	743.23	100.00	451.91	100.00

1) Sales Revenue

Most of the company's sales revenues are from the sale and installation of medical equipment in contracts resulting from project sales of which revenues are recognized when significant risks and significant rewards of ownership of the significant goods in the contract have passed to the buyer. The nature of business of the company, as mentioned above, means that the company must carry out the construction of a radiation therapy room (if any), purchase and install various equipment and pass inspection from the client's project inspection committee before the revenue of the completed project can be recognized. Aside from this, the company also had income from merchandising of other medical equipment of which the value is not very high.

In the year 2014 – 2016 and the first nine months of 2017, sales revenues were 999.58 million Baht, 236.71 million Baht, 607.12 million Baht and 286.25 million Baht, or 93.92%, 74.22%, 81.69% and 63.64% of total revenue,

respectively. In comparison, sales revenue during the year 2014 - the year 2016 shows that revenues from sales in 2014 reached 999.58 million Baht. Because of the company has installed and delivered to some customers. This is a company that will deliver jobs and revenue recognition since 2013 but has been extended due to deliver a customer cannot deliver on schedule as agreed. For some projects, the customer has changed the requirement of certain items. It needs to postpone delivery. This results in a postpone of revenue recognition to the year 2014, about 240.74 million Baht, in 2014 the company has also been active with the high value of King Chulalongkorn Memorial Hospital because it sells products modern generation of radiation therapy models. This is a contract since 2012, but the contract for a period longer than other project due to the construction and operation of complex systems than other projects. So delivery and revenue recognition in the year 2014.

In the year 2015, sales revenues decreased by 762.87 million Baht or 76.32 percent from a year earlier as the company delivered and recognized revenue from only two high value projects. In the year 2016 saw the Revenue from Sales rose by 370.41 million Baht, or by 156.48%, from the previous year, as many large, high-value projects were completed, such as Bangkok Cancer Sanatorium, Sawan Pracharak Hospital, Lopburi Cancer Hospital, Chonburi Cancer Hospital, and the Faculty of Medicine, Siriraj Hospital and thus their revenues recognized.

In 6 months period of 2017, the Revenue from Sales rose by 122.53 million Baht, or by 185.13%, from the previous year, as many large.

For the nine-month period of 2017, sales revenues decreased by 109.25 million Baht or 27.62 percent from the same period in the previous year. This decrease is due to the completion and revenue recognition of only 2 large projects as expected in the company's backlog were the projects of Bangkok Dusit Medical Services Public Company Limited (Wattanosoth Hospital) and Roi Et Hospital.

2) Services Revenues

Services revenues are revenues from providing maintenance service for medical equipment sets, after the customer's insurance contract expires post-project delivery. Such service will allow the equipment to operate efficiently throughout its lifespan. The company has provided customers with annual maintenance agreements of which the average revenue is recognized on a monthly basis at equal monthly rates. In addition, the company also provides maintenance services and supplies various types of equipment not covered under the maintenance agreement for which customers can request service on a case by case basis according to the nature of the problem, such as maintenance of the chiller system, maintenance of the air conditioning and cooling systems, etc. The company also has services revenue from the upgrade of software systems used in radiation equipment in order to progress towards more efficient software systems. These include software system upgrades for the development of treatment plans which allow treatment plans to be developed with greater efficiency and accuracy.

In the year 2014 - 2016 and the first nine month of 2017, the company's services revenues were 63.04 million Baht, 73.83 million Baht, 130.72 million Baht and 97.40 million Baht, or 5.92%, 23.15%, 17.59% and 21.55% of the total revenues, respectively. In the year 2015, the company's services revenues were all obtained from maintenance services, showing 17.11% growth from the services revenues of the previous year or a 36.09 percent growth in services revenue resulting from maintenance services. This was because the warranty period after delivery of the product as stipulated in the sale contract had expired for many customers. Such customers approached the company for maintenance agreements to allow the company to continue product maintenance, which resulted in a total of 30 maintenance agreements in 2015.

In the year 2016, Revenues from Services was 130.72 million Baht, rising by 77.04% from the previous year. This rise in Revenue from Services can be attributed to the revenue recognition of the software upgrades to the radiotherapy products of 2 hospitals with a combined value of 31.98 million Baht, as well as the increasing number of maintenance agreements signed resulting from the expiry of the warranties on previously sold products.

For the nine-month period of 2017, the Company generated a revenue from service of 97.10 million Baht, decreasing by 10.80% when compared to the same period in the previous year due to the recognition of the software upgrades to the radiotherapy products of 2 hospitals.

3) Construction Revenue

Construction Revenue generated from the establishment of project centers treating cancer patients with protons radiotherapy with King Chulalongkorn Memorial Hospital, which occurred for the first time in the 2nd quarter of 2017. Therefore, the Company generated revenue from construction of 66.24 million Baht or 14.66% of the total revenues, which the Company will recognize construction revenue from the ratio of the cost of work performed under the contract to the estimated total cost of construction.

4) Other Revenues

The company's other revenues in 2014 - 2016 and nine-month period of 2017 were 1.73 million Baht, 8.40 million Baht, 5.39 million Baht and 2.03 million Baht, or 0.16%, 2.63%, 0.72% and 0.45% of total revenues, respectively. Other revenues included interest income, gains on currency exchange, gains on sale of investments, etc.

In the year 2015, the company had a large increase of other revenues from gains on the sales of short-term investments of 3.72 million Baht, from the reversal of a provision of 2.31 million Baht, and compensation from an insurance of 1.55 million Baht which was compensation the company received from the insurance company from an accident during the installation of equipment for a customer. Typically, the company will purchase insurance coverage for projects during the installation period for the majority of high value projects.

In the year 2016, the Company's revenue from other sources was 5.39 million Baht, which is primarily from the 3.92 million Baht profit from foreign exchanges, with other contributions from receiving interests and discounts received.

For the nine-month period of 2017, the Company's other income was 2.03 million Baht, decreasing from the same period in the previous year by 3.41 million Baht or 62.68%, as there was a decrease in the profit from the foreign exchange.

Costs and Gross Profit Margins

The company's costs of sales and services in the year 2014 - 2016 and 9 months of 2017 were 934.24 million Baht, 261.56 million Baht, 615.17 million Baht and 380.58 million Baht, or 87.78%, 82.01%, 82.77% and 84.22% of total revenues respectively. As a result, the total gross profit of the company was 128.38 million Baht, 48.98 million Baht, 122.67 million Baht and 69.30 million Baht, or a gross profit margin of 12.08%, 15.77%, 16.62% and 15.40%, respectively. The total cost can be divided into the cost of sales and cost of services which correspond to the types of revenue. This change can be explained as follows:

Cost of Operation and Cost to Revenue Ratio by type of operation

Cost of Operation and Cost to Revenue Ratio by type of operation	2014		2015		2016		2017 (Jan - Sep)	
	MB	%	MB	%	MB	%	MB	%
Cost of sales	885.20	88.56%	203.08	85.79%	505.13	83.20%	250.64	87.56%
Cost of services	49.04	77.78%	58.48	79.21%	110.04	84.19%	69.77	71.64%
Cost of construction	0.00	0.00%	0.00	0.00%	0.00	0.00%	60.17	90.84%
Total cost	934.24		261.56		615.17		380.58	

Gross Profit and Cost to revenue ratio by type of operation

Gross Profit and Cost to revenue ratio by type of operation	2014		2015		2016		2017 (Jan - Sep)	
	MB	%	MB	%	MB	%	MB	%
Gross profit from sales	114.38	11.44%	33.63	14.21%	101.99	16.80%	35.61	12.44%
Gross profit from services	14.00	22.22%	15.35	20.79%	20.68	15.81%	27.63	28.36%
Gross profit from construction	0.00	0.00%	0.00	0.00%	0.00	0.00%	6.07	9.16%
Total gross profit	128.38		48.98		122.67		69.30	
Gross profit Margin	12.08%		15.77%		16.63%		15.40%	

1) Cost of sales and gross profit margin from sales

The cost of sales is comprised of the costs of merchandise which include medical equipment and other accessories, material, interior decoration to ready the space for installation of radiation equipment, labor, travel, transportation, consultation for the project implementation as well as other costs and provision for contractual guarantees. The cost of merchandise is the largest proportion of the costs at approximately 70-80% of the cost of sales. The company purchased such equipment from multiple vendors, both foreign and domestic. As for the labor cost, the company hired subcontractors to carry out structural work such as structural construction, electrical, mechanical and air conditioning systems and interior renovation, by contracting for materials and labor or labor only, in order to reduce the load on personnel management and labor. Hiring subcontractors also allowed for efficient cost management.

The company's cost of sales in the year 2014 – 2016 and the first nine-month period of 2017 were 885.20 million Baht, 203.08 million Baht, 505.13 million Baht and 250.64 million Baht. And gross profit from sales in 2014 - 2016 and the first nine-month period of 2017 were 114.38 million Baht, 33.63 million Baht, 101.99 million Baht and 35.61 million Baht, or 11.44%, 14.21%, 16.80% and 12.44% of the gross profit margin of sales to revenues from the sales respectively.

In the year 2014, aside from revenue recognition in segments of business with high sales costs resulting in a low gross profit margin for the year, as mentioned above, the company also delivered and recognized revenue from projects of high value which usually have low profit margins. Additionally, in the year 2014, the company delivered multiple projects and incurred costs during the project warranty period. In the category of after-sales warranty provisions, training seminar costs and the cost of after-sales insurance were actually incurred. As a result, in the year 2014, the company had a total of provisions and after the sale costs of 26.06 million Baht.

In the year 2015, the company had a gross profit margin increase from the previous year as the company accounted for a high level of sales of other medical equipment which were not high in value. This results in administrative costs in the distribution segment being more streamlined, with higher margins. However, over the year, the company delivered and recognized revenue from projects of high-value, two of which have lower margins. The average sales margin came in at 14.21 %. In the year 2016, the Gross Profit Margin from Sales was 16.80% of Revenue from Sales, higher than that of the previous year at 14.21%, as the Company was able to manage the costs of projects more efficiently

For the nine-month period of 2017, the company's gross profit margin was 12.44% of the sales revenues which lower than the gross profit margin from sales in the same period of the previous year at 21.67%, as the company has delivered projects would typically generate low margins as it is expected to be a market penetration strategy. Thus, the overall gross margin of sales was lower.

(2) Cost of services and gross profit margin from services

Cost of services can be classified into the following 2 types:

1) The cost of the maintenance agreement and/or software systems upgrades service back-to-back contracts, which the company made with the subcontracting company for the maintenance of the products within the scope of services of the manufacturer. For this type of service, when a customer needs maintenance or has problems with any part of the products, the company can coordinate and arrange for the manufacturing company to provide maintenance or solutions to its clients without any costs to the company.

2) The cost of labor and materials for the maintenance of medical equipment for customers, for the maintenance, service and supply of equipment not covered by the back-to-back maintenance contract with the subcontractor. Such costs are incurred when a customer requests for service on a case by case basis, based on the nature of the problem.

In the year 2014 – 2016 and the first nine-month of 2017, the company's cost of services were 49.04 million Baht, 58.48 million Baht, 110.04 million Baht and 69.77 million Baht and gross profit from services during such periods were 14.00 million Baht, 15.35 million Baht, 20.68 million Baht and 27.63 million Baht, representing 22.22%, 20.79%, 15.81% and 28.36% of the gross profit margin from services to revenues from services respectively. The Gross Profit Margin from Services declined in 2016, due to the slow process in renewing maintenance agreements with a number of state-owned hospitals, whilst still responsible for the costs from back-to-back maintenance contracts with the manufacturers. Nonetheless, the Company successfully renewed the contracts with its clients as of January 2017.

For the nine-month period of 2017, the company's gross profit from services is higher than the gross profit margin from services in the same quarter of the previous year at 20.31%. This increase was because the company maintenance agreement has increased since the customer's insurance contract expires and recently increased the price of its maintenance agreements. Moreover, due to the delay in renewing the maintenance agreements with a number of state hospitals previous period, the revenue recognition for the services was delayed.

(3) Cost of construction and gross profit margin from construction

For the first nine-month period of 2017, the company's cost of construction was 60.17 million Baht and gross profit from construction during such period was 6.07 million Baht or equivalent to a gross profit margin of 9.16%, which was according to planned project budget.

Cost of Sales

The cost of sales consists mainly of expenses related to salaries and benefits for employees. In addition, expenses

in this segment included commissions and other sales costs such as customer training seminars, product exhibits, etc. In 2014 - 2016 and the first nine-month of 2017, the company's cost of sales were 10.14 million Baht, 5.76 million Baht, 10.82 million Baht and 5.48 million Baht, or 0.95%, 1.81%, 1.46% and 1.21% of the total revenues respectively, while the expenses on salaries and employee benefits were 1.70 million Baht, 2.07 million Baht, 3.10 million Baht and 4.39 million Baht or 16.73%, 35.97%, 28.67% and 80.11% of the total cost of sales, respectively. In the year 2015, the cost of sales decreased from the previous year by 4.38 million Baht, or a decline rate of 43.20 percent, since the company did not incur any cost for bidding on major projects, as was the case with 2014. That costs to prepare for the bidding of a large project, the company will have to design structures and systems to deliver before the bidding process as a condition to the bidding, the company took costs amounting to 1.09 million Baht which the project was canceled. Moreover, the company's cost of sales related to study visits of interested customers was 0.36 million Baht, which decreased by 3.94 million Baht, compared to 4.29 million Baht in 2014. In the year 2016, the Company's Selling Expenses was 10.82 million Baht, increasing by 87.82% from the previous year, with the main reason being the increased costs in employing new sales officers, in addition to the costs associated with exhibiting products, bidding for projects and the increased commission from completing more projects. For the first nine-month period of 2017, the company had a selling expense of 5.48 million Baht, decreasing by 12.48% from the same period of the previous year as reducing in the expense of exhibitions for provides information about the product and commissions.

Administrative Expenses

Significant administrative expenses consist of salaries, bonuses, employee expenses, miscellaneous expenses, depreciation and other charges, etc. In 2014 - 2016 and the first nine-month period of 2017, the company's administrative expenses were 20.63 million Baht, 20.80 million Baht 27.66 million Baht and 20.77 million Baht, representing 1.94 %, 6.52 %, 3.72 % and 4.59% of the total revenues, respectively.

In the year 2016, the company's Administrative Expenses was 27.66 million Baht, increasing by 33.00% from the previous year, due to the restructuring of the salary base, the remuneration for the members of Board of Directors and the banking fees associated with acquiring credit loans. For the first nine-month period of 2017, the company had an administrative expense of 20.77 million Baht, increasing by 12.40% from the same period of the previous year. Due to the company listed on the Stock Exchange of Thailand. There are some incremental expenses to comply with corporate governance principles such as the meeting allowances, directors' remuneration, advertising expenses and financial advisory fees and so on.

Financial costs

Financial expenses comprise interest expenses resulting from the use of credit lines from financial institutions and/or other financing sources, such as interest expenses in the use of credit lines, Letters of Credit (L/C), trust receipts and interest on debt agreements, etc. In the year 2014 – 2016 and the first nine-month period of 2017, the company had a financial cost of 12.90 million Baht, 0.26 million Baht, 5.88 million Baht and 1.08 million Baht or 1.21%, 0.08%, 0.79% and 0.24% of the total revenue respectively. For the first nine-month period of 2017, the company's financial cost decreasing by 80.29% from the same period of the previous year as the company relies mostly on its own working capital rather than lending from financial institutions.

Net Profit and Net Profit Margin

The company's net profit in the year 2014 - 2016 and the first nine-month period of 2017 were 69.13 million Baht, 20.79 million Baht, 70.24 million Baht and 35.19 million Baht, respectively. In 2014, although the company's total income grew by 55.51% from the previous year, the company's net profit increased 2.84 million Baht, or an increase of 4.29% because of the ratio of the cost of sales to selling expenses increased, whereas in the year 2015, the net profit fell from a year earlier by 48.34 million Baht or 69.92 %, mainly as a result of the reduction in income from sales.

The net profit margins of the company in the year 2014 - 2016 and the first nine-month period of 2017 were 6.49%, 6.52 %, 9.45% and 7.79%, respectively. For 2015, the company had a net profit margin of 6.52%, up slightly from the year 2014, with a net profit margin of 6.49%, which, although the gross profit margin increased from 12.08% in the year 2014 to 15.77% in the year 2015, the proportion of administrative expenses to revenue increased because total revenue declined but the cost of sales and administrative expenses remained constant. In the year 2016, the company's net profit margin was 9.45%, higher than in the year 2015 which was 6.52%, due to the company's ability to maintain its costs while increasing its revenue.

For the nine-month period of 2017, the company's net profit margin was 7.79%, decreased from the same period of the previous year. The decrease in net profit and lower net profit were from decrease in gross profit margin, and revenue which lead to the lower proportion of revenue per fixed cost.

Key Financial Ratios

Financial Ratios	2014 ¹	2015	2016	9-month period of 2017
		Audited	Audited	Reviewed
<u>LIQUIDITY RATIO</u>				
Current Ratio (times)	9.55	2.80	6.14	3.72
Quick Ratio (times)	8.71	2.66	4.68	2.92
Cash flow (times)	1.64	(1.88)	0.01	1.73
Account receivable turnover ratio (times)	6.42	2.90	3.59	2.20
Average collection period (days)	56	124	100	164
Inventory turnover ratio (times)	2.98	72.23	11.97	11.35
Average sale period (days)	121	5	30	32
Account payable turnover ratio (times)	20.73	6.18	11.06	12.66
Repayment period (days)	17	58	33	28
CASH CYCLE (days)	160	71	97	168
<u>PROFITABILITY RATIO</u>				
Gross profit margin (%)	12.08	15.77	16.62	15.40
Operating margin (%)	9.26	5.80	11.94	9.57
Cash to profitability (%)	773.51	(811.89)	1.17	416.86
Net profit margin (%)	6.49	6.52	9.45	7.79
Return on equity (%)	34.03	9.05	18.72	6.92
<u>EFFICIENCY RATIO</u>				
Return on assets (%)	10.31	6.67	14.00	6.33
Return on fixed assets (%)	N.A. ¹⁴	N.A. ¹⁴	N.A. ¹⁴	285.62
Asset turnover (times)	1.59	1.02	1.48	0.81
<u>FINANCIAL POLICY RATIO</u>				
Liabilities to shareholders' equity ratio (times)	0.13	0.56	0.23	0.69
Interest coverage ratio (times)	58.60	(568.01)	3.49	172.20

Financial Ratios	2014 ^{/1}	2015	2016	9-month period of 2017
		Audited	Audited	Reviewed
Debt service coverage ratio (Cash Basis) (times)	14.20	(41.79)	0.00	2.64
Dividend payout ratio (%) ^{/2}	0.00	1,034.09 ^{/3}	56.95	85.25

Note:

^{/1} For 2014, the company has prepared an additional cash flow statement for the year ended on 31 December 2014 for comparison.

^{/2} Dividend payout ratio was calculated from dividends divided by net income for the year.

^{/3} The Board of Directors' Meeting No. 1/2016 held on 20 January 2016 and the Extraordinary General Meeting of Shareholders No. 1/2016 held on 4 February 2016 approving the payment of interim dividends from retained earnings which have not been allocated as of 31 December 2014 to shareholders whose names appear on the list of shareholders of the company as of 4 February 2016 for a number of 50,000 shares at the rate of 4,300.00 Baht per share, or a dividend total of 215.00 million Baht.

^{/4} The company does not use or rely on fixed assets in its business operation and, consequently, there is no calculation of return on fixed assets.

Attachment 2

Summary of Assets Valuation by Independent Property Appraiser

In evaluating the value of assets used as reference prices for the acquisition of assets from the investment of the Company, the Company hired an independent property appraiser, namely, Brent Joe Cosens Consulting Company Limited ("BJCC") in order to evaluate the assets in which BJCC is an independent property appraiser approved by The Valuers Association of Thailand ("VAT") and The Securities and Exchange Commission, Thailand ("the SEC"). The valuation of such assets has the purposes of evaluating the current market value of the assets and receiving the information for trading or for public reference.

The independent property appraiser evaluated the value of assets by using market approach which based on the information of transactions taking place in the market of similar assets and taking the maximum utilization into account. Details and the value of evaluated assets could be summarized as follows;

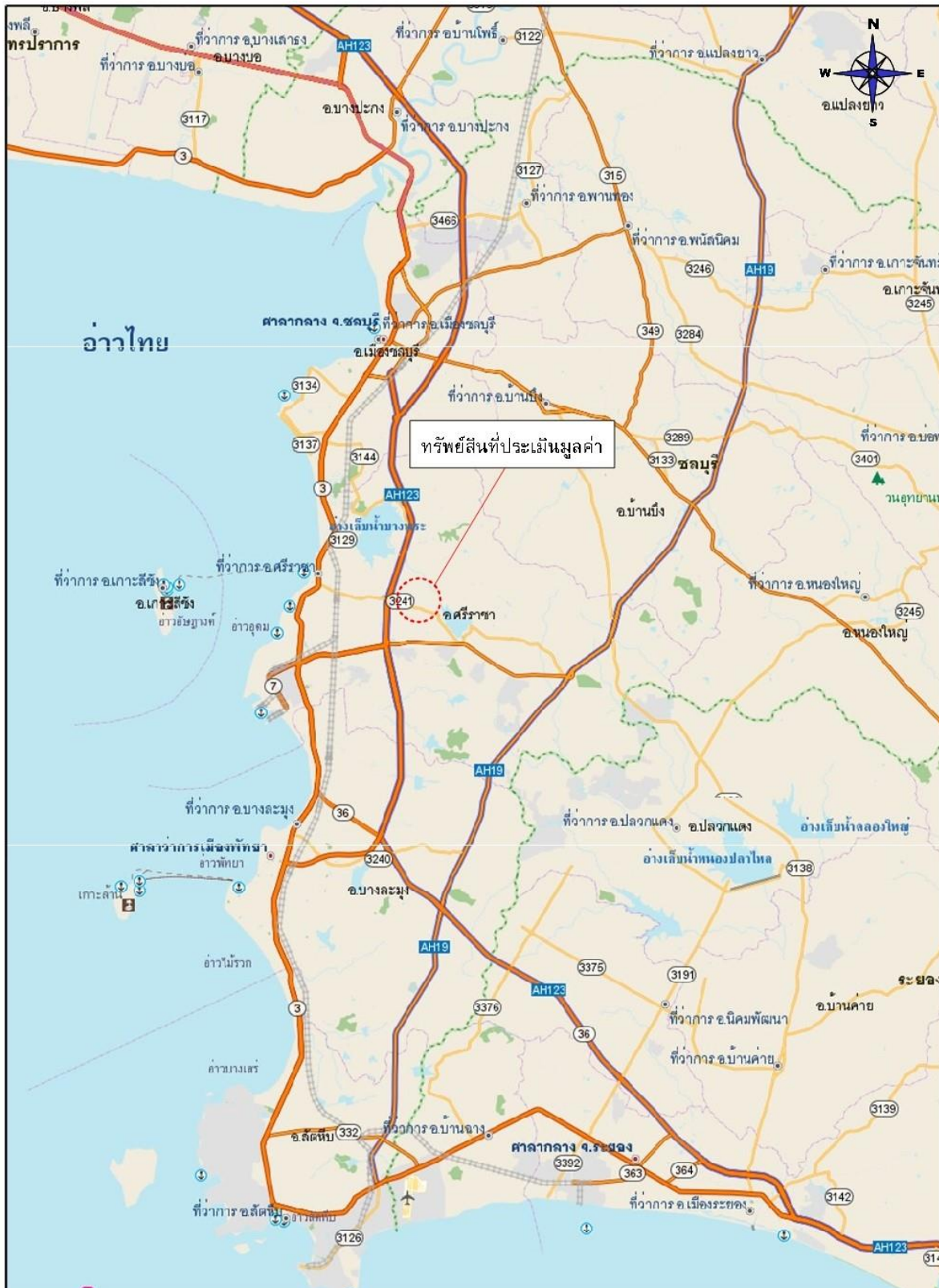
1. Information of evaluated assets

Location	:	Soi Ban Khao Noy, Si Racha-Nong Kho Road (Motorway 3241), Nongkham sub-district, Si Racha district, Chonburi province
Type of asset	:	Vacant land
Building	:	None of building
Land	:	4 plots of land with a total area of 5-3-62.0 rais (2,362.00 square meters)
Ownership of land	:	1. Land title deed no. 61028 owned by Mrs.Panpit Patranutaporn 2. Land title deed no. 188070 owned by Mr.Poompan Patranutaporn 3. Land title deed no. 188071 owned by Mr.Poompit Patranutaporn 4. Land title deed no. 188072 owned by Mr.Poompat Patranutaporn These belong to a family of a doctor who is one of shareholders of a joint venture company.
Utilization condition	:	No utilization and unoccupied

- Pictures of assets



- Locations of assets



- Area map



2. Information of market prices comparison

List of comparison	Data comparison (CS)					Evaluated assets (SP)
	1	2	3	4	5	
Type of asset	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Utilization	No utilization	No utilization	No utilization	No utilization	No utilization	No utilization
Location (road or soi)	Si Racha-Nong Kho Road	Si Racha-Nong Kho Road	Si Racha-Nong Kho Road	Si Racha-Nong Kho Road	Si Racha-Nong Kho Road	Si Racha-Nong Kho Road
Distance from road (meter)	Distance from Si Racha-Nong Kho Road of approximately 100 meters	Distance from Si Racha-Nong Kho Road of approximately 1,200 meters	Distance from Si Racha-Nong Kho Road of approximately 100 meters	Distance from Si Racha-Nong Kho Road of approximately 50 meters	Distance from Si Racha-Nong Kho Road of approximately 700 meters	Distance from Si Racha-Nong Kho Road of approximately 80 meters
Distance between asset and data comparison (meter)	Approximately 2,100 meters	Approximately 1,300 meters	Approximately 1,500 meters	Approximately 1,450 meters	Approximately 2,200 meters	-
Road located in front of land / district (meter)	Steel Structure 8/10	Steel Structure 6/8	Steel Structure 6/8	Steel Structure 6/8	Steel Structure 6/8	Steel Structure 6/12
Public facilities	Electricity, Water, Telephone, Drain and Street light	Electricity, Water, Telephone	Electricity, Water, Telephone, Drain and Street light	Electricity, Water, Telephone, Drain and Street light	Electricity, Water, Telephone	Electricity, Water, Telephone, Drain and Street light

List of comparison	Data comparison (CS)					Evaluated assets (SP)
	1	2	3	4	5	
Type of City plan (color)	Pink	Pink	Pink	Pink	Pink	Pink
Land size (rai-ngan-sq.wah)	3-0-00.0	15-1-60.0	1-0-00.0	1-0-00.0	10-3-00.0	5-3-62.0
Land level (meter)	Filled the same level as road level	Filled the same level as road level	Not filled. Below the road level of 0.2 meters	Filled the same level as road level	Filled the same level as road level	Not filled. Below the road level of 0.3 meters
Width of land (meter)	50.0	90.0	30.0	30.0	65.0	20.0
Land shape	Rectangle	Rectangle	Rectangle	Rectangle	Polygon	Polygon
Offer price / unit (Baht / sq.wah)	25,000	20,000	21,250	27,500	15,000	-
Negotiable price / unit (Baht / sq.wah)	22,000	18,000	20,000	22,000	13,750	-

Note :

CS1 has a location that is inferior to SP and has physical characteristics better than SP, as well as, has neighboring environment the same as SP.

CS2 has a location and environment that are inferior to SP but has physical characteristics better than SP.

CS3 has a location that is inferior to SP but has physical characteristics and neighboring environment similar to SP.

CS4 has a location that is inferior to SP and has physical characteristics better than SP, as well as, has neighboring environment similar to SP in which as of date of survey, CS4 was already leased.

CS5 has a location and neighboring environment that are inferior to SP but has physical characteristics better than SP.

SP has a location next to the road in soi and located in a community and fresh-food market.

3. Valuation of land by using the market approach

This valuation approach will compare the quality score by comparing to the lands offered in the vicinity area in which the lands offered for sale in nearby area have offer prices in a range of Baht 15,000 - 27,500 per square wah. The offer prices are negotiable for evaluated assets located next to the road of soi, located at the entrance of the soi, or are in a condition of not filled and below the road level of approximately 0.3 meters. The valuation is adjusted properly and the average value of land is equal to Baht 23,000 per square wah.

- Table of the value of land plots

No.	Title deed No.	Land size (sq.wah)	Price evaluated by government (Baht per unit)	Total price evaluated by government (Baht)	Market price (Baht per unit)	Total market price (Baht)
1	61028	847	1,000	847,000	23,000	19,481,000
2	188070	611	Fall of the radar	0	23,000	14,053,000
3	188071	346	Fall of the radar	0	23,000	7,958,000
4	188072	558	Fall of the radar	0	23,000	12,834,000
Total / Average (Baht)		2,362.00	359	847,000	23,000	54,326,000

- Table of land quality score comparison

Land title deed No. 61028, 188070, 188071, and 188072 // Land number 71, 5663, 5664, and 5665 with the total area of 5-3-62.0 rais.

List of comparison	Weight	Data comparison					Evaluated assets
	(%)	1	2	3	4	5	
1) Location	25	7.0	6.0	7.0	7.0	5.0	8.0

List of comparison	Weight	Data comparison					Evaluated assets
	(%)	1	2	3	4	5	
2) Transportation and accessibility	20	8.0	6.0	8.0	8.0	5.0	8.0
3) Land size	10	8.0	6.0	8.0	8.0	7.0	8.0
4) Physical characteristics	10	7.0	8.0	6.0	7.0	7.0	6.0
5) Potential for development	15	7.0	6.0	7.0	7.0	4.0	8.0
6) Neighboring environment	10	6.0	5.0	6.0	6.0	5.0	8.0
7) Public facilities	10	8.0	6.0	7.0	7.0	6.0	8.0
Total score	100	730	610	710	720	535	780
Offer price after adjustment	Baht/sq.wah	22,000	18,000	20,000	22,000	13,750	-
Adjusted rate		1.07	1.28	1.10	1.08	1.46	1.00
Value after adjustment		23,507	23,016	21,972	23,833	20,047	-
Weighting		0.328	0.097	0.235	0.274	0.067	1.00
Value from comparison		7,718	2,223	5,153	6,521	1,343	22,957
Adjusted price per unit (Baht)							23,000
Land size (sq.wah)							2,362.00
Total Value of Land (Baht)							54,326,000

4. Summary of Valuation

According to the survey and valuation of the assets, the independent property appraiser analyzed the information collected based on the basis of theoretically professional valuation in accordance with international standards in which the value of evaluated assets could be summarized as follows;

Total Value of Land	2,362.0 Square Wah	Baht 54,326,000
	Baht 23,000 / Square Wah	
Total value of assets by market approach		Baht 54,326,000
Total Value of Assets (rounded)		Baht 54,326,000
(- Fifty four million three hundred twenty six thousand baht -)		
Forced Sale Value	60%	Baht 32,600,000
(- Thirty two million six hundred thousand baht -)		

5. Summary of information and the Opinion of the IFA

Since land is the asset that is generally traded in the market, there is market information which could be compared with the evaluated asset which have similar characteristics to the asset, including location, type of project, requirements of city plan. Therefore, market approach is only the best approach for valuation. The independent property appraiser has set different benchmarks and weightings for each item by weighting mainly in Location and Transport & Accessibility as key factors for valuation. The location of the project is close to the motorway, so it scores higher in terms of location, transportation and accessibility. For the physical features are polygon and not filled land, so the score is less than the compared land. The project location is located near the commercial area while the others compared land are in the alley and in the village which may be problematic if large buildings are built nearby. Moreover, the project location has completed public facilities. According to the reason above, the IFA has an opinion that valuation evaluated by an appraiser is appropriate and worth Baht 54,326,000.

Furthermore, the land is located in a residential area on the outskirts of Chonburi province which is distant from Sriracha about 10 kilometers with complete basic infrastructure, several bus lines, and having good growth outlook. In addition, transportation is convenient and easily accessible by both patients from Chonburi and patients from nearby provinces. Its location is away from the Motorway 7 less than 2 kilometers and located on Si Racha-Nong Kho Road which is 6-lane concrete road, as well as, the size of the land is also suitable for the requirements of the project which is about 5-6 rais. As a result, the land is perfectly suitable for the operation of cancer specialized hospital of the Company.

Industry overview

Objectives and origin of the project

Business Alignment Public Company Limited (the Company) is an expert in the operation of distribution and installation of medical equipment for cancer treatment through radiotherapy for more than 17 years. It was found that cancer is the leading cause of death ranking No. 1 in Thailand and is likely to increase every year in which both government and private sectors are alert to expand treatment services covering both domestic and foreign population who want to receive medical services in Thailand but it is not sufficient to meet the demand for treatment. Recently, population still face difficulties in access to the treatment and has to wait for a long time or there is also overcrowding of patients in government hospitals located in Bangkok.

The Company, therefore, sees the significance and opportunity to expand treatment with the highly advanced technology and international quality standard of treatment to introduce to areas where there are insufficient number of hospitals specializing in cancer, while the incidence of cancer is increasing every year, in order to increase the accessibility of services of the population. The Company has also cooperated with cancer specialist doctors in initiating project of establishment of a cancer-specialized hospital to accommodate the demand of services that is likely to grow up in the future.

Details of the project

To be a cancer-specialized hospital providing services of consultation and treatment for cancer patients with a referral.

- Radiotherapy
- Chemotherapy

By focusing on controlling the quality of treatment to be in line with standard both efficacy and safety according to international standards. Major customers will be government officers, patients under universal coverage program, social security card holders, and patients who have a financial position in the medium level and higher.

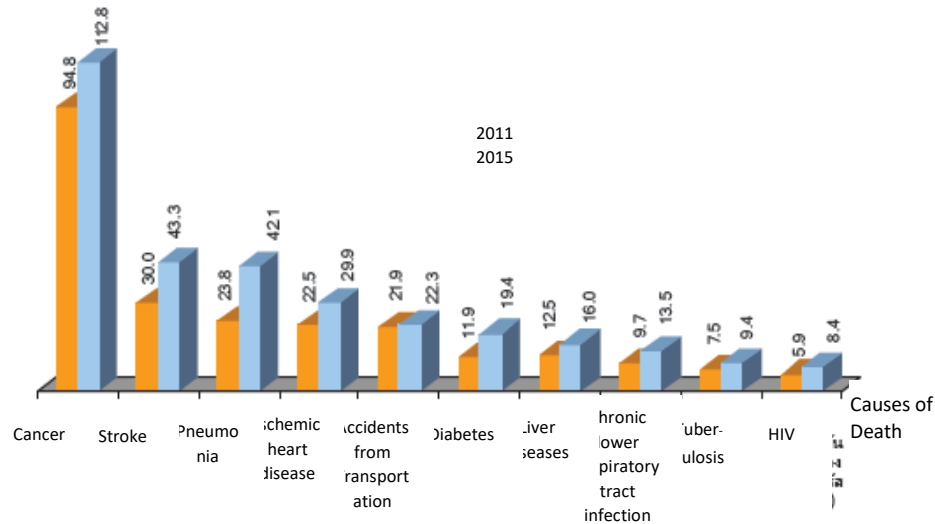
Information of the industry

A. National level information

According to the information from the Ministry of Public Health regarding the top 10 mortality rate of the population in Thailand during 2011 – 2015, it showed that Thai population has a highest cause of death from cancer

and the trend has been increasing from 94.8 people to 112.8 people, compared with 100,000 population in which the number is much higher than the No.2 cause of death, stroke, which has mortality rates between 30.3 - 43.3 per 100,000 population, as well as No. 3, pneumonia, which has mortality rates between 23.8 - 42.1 per 100,000 population.

Diagram showing the top 10 mortality rate classified by cause of death per 100,000 population in Thailand in 2011 and 2015.



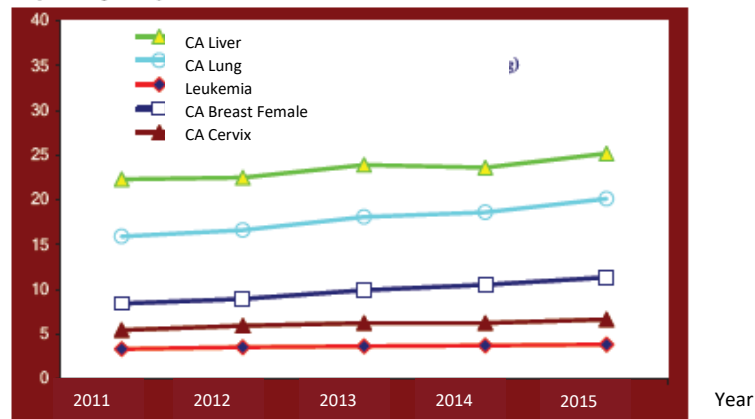
Source: Bureau of Policy and Strategy, the Ministry of Public Health.

While Thailand has a population of approximately 64.1 million people in 2011 and 65.7 million people in 2015 (source: Official Statistics Registration Systems, the Ministry of Interior), there is the population who died from cancer of approximately 60,000 people in 2011 and approximately 74,000 people in 2015, or representing an average growth of 5.1 percent per year during that period.

Top 5 of the types of cancer that cause death of Thai population includes liver cancer, throat cancer, bronchus cancer and lung cancer, leukemia cancer, female breast cancer, and cervical cancer. The statistics are in the diagram shown below;

Diagram showing the mortality rate classified by top 5 of groups of cancer per 100,000 population during 2011 - 2015.

Mortality Rates



Source: Bureau of Policy and Strategy, the Ministry of Public Health.

The National Health Security Office (NHSO) has updated the approach of treatment of cancer patients under universal coverage program in 2018 which increased from 8 groups of diseases and 11 protocols to 11 groups of diseases and 21 protocols in order to ensure that patients can access to the treatment effectively, covering the essential medicines list. Currently, there are several groups of medicines that are relatively expensive, so there must be the definition of protocol or formula of chemotherapy to set the standard of treatment and safety of patients. Normally, NHSO has reviewed protocols every three years and has adopted new guidelines on October 1, 2017, covering 11 groups of diseases, including 1. Breast cancer 2. Lung cancer 3. Colon cancer 4. Esophageal cancer, Gastric cancer 5. Cholangiocarcinoma 6. Nasopharyngeal carcinoma 7. Gynecologic cancer, cervical, ovarian, and uterine 8. Urinary bladder cancer, Prostate cancer 9. Bone cancer 10. Blood cancer in adults and 11. Pediatric cancer. According to the database system of NHSO, it appears that during the last three years between 2014 and 2016 a number of services increased across the country both outpatient and inpatient departments in which the average annual compensation of treatment was approximately Baht 6,882 million, accounting for about 6 percent of the total budget of NHSO and in 2017 it is expected to cost about Baht 7,015 million.

Social Security Office (SSO) has also set protocols of 10 types of cancers which require treatments according to guidelines in which there are limits of treatment costs of each type of cancer, including 1. Breast cancer 2. Cervical Cancer 3. Ovarian cancer 4. Nasopharyngeal carcinoma 5. Lung cancer 6. Esophageal cancer 7. Colorectal cancer) 8. Cholangiocarcinoma 9. Urinary bladder cancer and 10. Prostate cancer. For other types of cancer, treatment costs will be paid according to the actual costs based on necessity and limits.

B. National level information

The information shows the number of patients with tumors and cancer in the eastern provinces and neighboring provinces during 2011 - 2014 as follows;

Province	2011	2012	2013	2014
Chonburi	37,703	43,268	33,555	33,890
Rayong	14,060	14,076	12,072	7,544
Chanthaburi	25,031	28,045	16,533	23,544
Trat	4,214	4,272	3,414	6,856
Chachoengsao	11,994	12,174	5,369	8,970
Prachinburi	8,924	8,665	7,946	9,935
Sakaeo	6,859	6,576	5,689	4,912
Total	108,785	117,076	84,578	95,651
Samutprakan	22,540	15,719	15,524	12,307

Source: Office of the Permanent Secretary, Ministry of Public Health (National Statistical Office of Thailand)

According to the above table, the area of 7 provinces in the eastern region and Samutprakan which are located in Region 6 Health Provider, covering a population of approximately 5,800,000 people (statistics of population in 2014), in which the Region 6 Health Provider has a number of hospitals equal to 93 hospitals (31 hospitals in Chonburi) which can be divided into government hospitals of 73 hospitals and private hospitals of 20 hospitals. Cancer is ranked No. 1 cause of death in this area, as well as the trend is likely to increase every year. Due to the high investment in comprehensive cancer treatment that is required a fully-integrated technologies, there are insufficient units of cancer treatment located in the aforementioned provinces. It is found that there are very few hospitals that could provide complete solutions for cancer treatment which are hospitals in the tertiary level that can provide surgery, chemotherapy, and radiation. Among those, there is only one government hospital located in this area which is Chonburi Cancer Hospital, however, it cannot accommodate the large number of patients which causes congestion of patients and a long-waiting period to receive treatment, etc. Therefore, there are referral patients transferred to other hospitals and some patients, especially the patient who can be responsible for medical expenses, may go to Bangkok in order to receive treatment in hospitals or cancer treatment centers.

Year	Number of new patient * (case)	Number of new cancer patient	No. 1 Disease	No. 2 Disease
2013	6,584	2,005	Breast cancer	Cervical Cancer
2014	5,195	2,028	Breast cancer	Cervical Cancer
2015	6,712	2,329	Breast cancer	Cervical Cancer
2016	6,956	2,653	Breast cancer	Cervical Cancer

Source: Cancer Registration and Statistics Department, Chonburi Cancer Hospital.

* The number of patients who received treatment for cancer and other common illnesses due to Chonburi Cancer Hospital is able to provide treatment for both cancer and other illnesses.

According to the statistics, it shows that Chonburi Cancer Hospital is a government hospital that the government planned to be the main hospital in receiving patients with referral from other provinces in the eastern region (Region 6 Health Provider) and nearby provinces. There is a number of cancer patients who want to receive treatment of approximately 2,000 - 2,500 patients per year, which represents only 2% of cancer patients and patients with tumors in the service area (about 100,000 patients / year), but if considering the capability in treatment according to current tools and equipment in the hospital, the hospital can provide treatment services for only approximately 1,500 patients per year which is insufficient for demand and most patients still confront with the lack of access to the treatment services. Some hospitals in the region could provide only chemotherapy, not radiotherapy.

For the other hospitals in this region can only provide chemotherapy treatment.

- Public hospitals such as Chonburi Hospital, Phanat Nikhom Hospital and Somdej Phranangchaosirikit Hospital
- Private hospitals such as Samitivej Sriracha Hospital and Bangkok Hospital Pattaya

Therefore, the hospital in this region which can cancer treatment are not possible to accommodate a large number of patients with inadequate treatment facilities particularly radiotherapy treatment. Therefore, patients need to be forwarded for the treatment in equipped hospitals.