

# บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนสุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

70/7-8 Suphakitjanya Rd. Muang District , Udon Thani, Thailand.

## WATTANA KARNPAET PUBLIC COMPANY LIMITED

### The Minutes of 2019 Shareholders' Ordinary Meeting Wattana Karnpaet Public Company Limited

The meeting held on the 25<sup>th</sup> of April, 2019 at 10.00 a.m. at the conference room on the 11th floor, North Eastern Wattana General Hospital, 70/7-8 Supakitjanya Road, Tumbon Markkeng, Aumphur Muang, Udonthani Province. There were 31 shareholders out of the total of 446 shareholders presented in persons and by proxies, representing 6,732,299 shares out of total of 10,000,000 shares, that was 67.32 per cent of the total amount, a quorum was conducted. There are 14 shareholders attend the meeting by themselves, with the number of shares of 5,526,049 shares. And there are 17 proxies, with the number of share of 1,206,250 shares.

Dr.Phiphat Tangsubkul, Chairman of the Board of Directors, acted as the Chairman of the meeting said that before commencing the meeting the staff was asked to explain the method of voting at this meeting. At the same time, Mr. Visut Kraisivattana, used to be Udonthani monetary officer, had been introduced as an independent witness to the counting of votes for each agendas of the meeting.

Directors and management who attended the meeting were as follows:

- |                                      |                                                          |
|--------------------------------------|----------------------------------------------------------|
| 1. Ass. Prof. Dr. Phiphat Tangsubkul | Chairman                                                 |
| 2. Dr. Suphawan Tangsubkul           | Director and Managing director                           |
| 3. Dr. Sittichai Ungklomklearw       | Director and Medical director                            |
| 4. Miss Bangon Tangsubkul            | Director and Chairman of Remuneration Sub-Committee      |
| 5. Miss Jariya Chatsakunpen          | Director / Remuneration Sub-Committee                    |
| 6. Ass. Prof. Dr. Poonsak Vaisamruat | Independent director and Chairman of the Audit Committee |
| 7. Miss Suda Santisavikun            | Independent director and the Audit Committee             |

Directors who did not attend the meeting were as follows:

Dr. Alisa Neramittagapong Independent director / the Audit Committee / Remuneration Sub- Committee.

Company Secretary

Miss Pattharaporn Promtong Company Secretary

Chief Financial Officer

Dr. Natthira Tangsubkul Head of Financial Department

In addition, Miss Chamaiporn Keawrungruengvattana and Miss Rangsim Peungpong, representatives of the auditor from the Pitisevi & Company also attended the meeting. And Mr. Visut Kraisivattana, used to be Udonthani monetary officer, acted as an independent witness to the counting of votes for each agendas of the meeting.

The Chairman assigned Dr. Natthira Tangsubkul, the Head of Financial Department to introduce directors, managements and representative of the auditor and explain details of the meeting and the voting procedure for the agendas, as follows:

Voting of each agenda will be done using voting cards, where only one of the boxes, agree, disagree or abstain, shall be marked. One share will be counted as one vote. Shareholders shall not be able to separate their voting.

Shareholders and proxies who received voting cards shall mark in one of the boxes of agree, disagree or abstain. In order to count the votes quickly, once voted please raise hands for our staffs to collect the voting cards.

In case that the shareholders have specified their votes in proxy form B, the Company shall count the vote as specified.

After shareholders acknowledged and agreed with the voting and vote count procedures as per above, the Chairman declared the meeting opened with the following agendas:

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### **Agenda 1: Certify the minutes of the Annual General Shareholders' Meeting 2018 held on the 25<sup>th</sup> of April, 2018**

The Chairman proposed the meeting to consider and certify the minutes of the 2018 annual general meeting of shareholders convened on the 25<sup>th</sup> April, 2018, which attached to the invitation letter of the shareholders's meeting.

The meeting has voted to approved, with the votes more than half of the shares from those attended the meeting, the minutes of the annual general shareholders' meeting held on April 25, 2018.

The votes are as follows:

Approved	6,732,299	shares or	100.00 %
Disapproved	0	shares or	0.00 %
Abstained	0	shares or	0.00 %
Voided ballot	0	votes or	0.00 %

### **Agenda 2: Certify the company's business operation in 2018**

The chairman assigned the hospital's management staff to present the operation results to the meeting as follows.

In 2018, the company has improved both the physical aspect and increase opportunity for accessibility to quality healthcare services for patients in the province and around. The hospital has joined with specialists team for example Heart specialist team, leading to the opening of the Heart Center in 2018 to provide safe and fast treatment to heart patients. The hospital opens a new ward on the 9<sup>th</sup> floor, also opening new medical services to meet the needs of the growing new generations.

For staff, we prioritized on human resource development, health and ethical behavior.

For society and community, we delivered health promotion and environmental management model to societies continuously.

From the financial performance, the company's income in 2018 was Baht 365.664 million, increased from Baht 326.100 million in 2017, or increased by 12.13 per cent. The increase was from the increasing number of In-patients.

The costs and expenses in 2018 comprises of the cost of service of Baht 262.159 million, increased from Bath 225.750 million of last year, which was a increase of 16.13 per cent. The increase was due to the increases in specialties and the expansion of coverage of the medical services to cover 24 hours. The expenses in 2018 was Baht 78.529 million, increased from Baht 73.789 million of last year, or 6.42 per cent increase. The company had a profit before tax of Baht 21.480 million, decreased from Baht 23.195 million, or decrease of 14.51 per cent in 2017. The company had a company's tax of Baht 4.597 million, decreased from Baht 4.908 million in last year. This results in 2018, the company had a net profit of Baht 16.883 million, decreased by 7.67 per cent, or a net profit of 1.69 Baht per share.

And in future, the company has a plan to expand and renovate the Mother and Child Department for Out-patients and In-patients, expanding parking area, opening of the Cardiac Care Unit (CCU), together with the development of technology to become SMART Hospital.

The business risks involve the governmental policy on placing control on medicines and supplies prices, the higher competition between private hospitals, the scarcity of medical personnel, and the increasing wages.

This agenda is to report the business operation to the meeting, therefore there is no voting.

### **Agenda 3: Approve the company's statement of financial position, profit and loss statements as at 31 December 2018**

The Chairman assigned the company's financial officer to present to the meeting to approve the statement of financial position and the profit and loss statements as at 31 December 2018 which was prepared by the company and was passed by the audit committee and audited and signed by the auditors of the Office of Pitisevi Co., Ltd., and details as shown in the annual report which already been sent to all the shareholders. This can be summarized as follows.

The company has the total asset in 2018 of Baht 488.201 million, increased from Baht 472.619 million in last year, or increase of 3.30 per cent. This consists of the total current assets of Baht 61.186 million in 2018, decreased from Baht 63.889 million in 2017, or a decrease of 4.23 per cent. The decrease was due to the shifting of the cash deposit into the long term deposit in the non-current assets. The total non-current assets in 2018 was Baht 427.016 million, increased from Baht 408.730 million of last year or 4.47 per cent.

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The total liabilities in 2018 was Baht 138.968 million, increased from Baht 134.854 million in 2017, or an increase of 3.05 per cent. This consists of the current liabilities of Baht 74.631 million in 2018, increased from Baht 63.742 million in 2017, or an increase of 17.08 per cent. Non-current liabilities was Baht 64.337 million, decreased from Baht 71.112 million or a decrease of 9.53 per cent.

The shareholders' equity in 2018 was Baht 349.233 million, increased from Baht 337.765 million in last year, or an increase of 3.40 per cent.

The profit loss statement of the year reports that the company's total income in 2018 was Baht 365.664 million, increased from Baht 326.100 million in 2017, or an increase of 12.13 per cent. The increase was from the In-patients. The costs and expenses in 2018 consist of service costs of Baht 262.159 million, increased from Baht 225.751 million in last year, or a 16.13 per cent increase. The management and administrative expenses in 2018 was Baht 78.529 million, increased from Baht 73.789 million in last year, or an increase of 6.42 per cent. Once included the interest payment of Baht 3.496 million in 2018, increased from Baht 3.365 million in last year, or a increased of 3.88 per cent, the company has the profit before tax in this year of Baht 21.480 million, decreased from Baht 23.195 million in last year, or a decrease of 7.39 per cent. In 2018, the company has company's tax of Baht 4.597 million, decreased from Baht 4.908 million in last year, resulting in the 2018 company's net profit of Baht 16.883 million, decreased by 7.67 per cent. Or net profit of 1.69 Baht per share. And the comprehensive profit of Baht 18.467 million.

The statement of cash flows in 2018, there were the net cash provided by operating activities of Baht 47.914 million, net cash used in investing activities of Baht 51.329 million and net cash used in financing activities of Baht 13.653 million. The hospital had cash and cash equivalents at end of the year Baht 15.680 million.

The Chairman invited shareholders to comment or ask any questions, then acknowledged all comments from the shareholders.

Once there was no question from the shareholders, the Chairman asked the shareholders to approve the statement of financial position and profit and loss statement as at 31 December 2018.

The meeting has voted to approved, with the votes more than half of the shares from those attended the meeting, the Company's statement of financial position and profit and loss statement as at 31 December 2018.

The votes are as follows:

Approved	6,732,299	shares or	100.00 %
Disapproved	0	shares or	0.00 %
Abstained	0	shares or	0.00 %
Voided ballot	0	votes or	0.00 %

### Agenda 4: Appoint new directors to replace those completing their terms.

The chairman informed the meeting that the company has 8 directors, and according to the Public Company Limited Act and the company's rule number 16; in every annual general meeting, one third of the committees shall be completed their terms. In case the number of committees cannot be divided into three parts then the nearest to one third proportion shall be used.

The committees that completed their terms are:

1. Ms. Bangon Tangsubkul Director and Chairman of Remuneration Sub-Committee  
Years as director 1985 – current and in 2018 attended the directors' meetings 4 times (out of 4 times)
2. Ass.Prof.Dr.Poonsakdi Vaisamruat Chairman of Audit Committee and Director  
Years as director 2004 – current and in 2018 attended the directors' meetings 4 times (out of 4 times)
3. Ms. Suda Santiseveekul Director and Audit Committee Director  
Years as director 2004 – current and in 2018 attended the directors' meetings 4 times (out of 4 times)

The Remuneration Sub-Committee propose that all of the three directors ended their term should be reappointed back. This is because all of them are knowledgeable and have been serving as directors for a period of time making them familiar with the context of the company well.

Ms. Bangon Tangsubkul has a long experience and knowledgeable in the finance and accounting of the company. Hence a suitable committee for another term.

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Ass.Prof.Dr.Poonsakdi Vaisamruat, Chairman of Audit Committee , has an excellent knowledge and understanding of laws. Hence a suitable committee for another term.

Ms. Suda Santiseveekul, Audit Committee Director, is knowledgeable in the accounting and finance. Hence a suitable committee for another term.

The chairman offers an opportunity for the shareholders to nominate a director for the meeting to vote. No one nominated.

The meeting has considered and voted for each director, with the votes more than half of the shares of those who attended the meeting as follows.

- (1) Ms. Bangon Tangsubkul
- |               |           |           |          |
|---------------|-----------|-----------|----------|
| Approved      | 6,732,299 | shares or | 100.00 % |
| Disapproved   | 0         | shares or | 0.00 %   |
| Abstained     | 0         | shares or | 0.00 %   |
| Voided ballot | 0         | votes or  | 0.00 %   |
- (2) Ass.Prof.Dr.Poonsakdi Vaisamruat
- |               |           |           |          |
|---------------|-----------|-----------|----------|
| Approved      | 6,732,299 | shares or | 100.00 % |
| Disapproved   | 0         | shares or | 0.00 %   |
| Abstained     | 0         | shares or | 0.00 %   |
| Voided ballot | 0         | votes or  | 0.00 %   |
- (3) Ms. Suda Santiseveekul
- |               |           |           |          |
|---------------|-----------|-----------|----------|
| Approved      | 6,732,299 | shares or | 100.00 % |
| Disapproved   | 0         | shares or | 0.00 %   |
| Abstained     | 0         | shares or | 0.00 %   |
| Voided ballot | 0         | votes or  | 0.00 %   |

### Agenda 5 : Approve the remuneration of company committees in 2019

As for the remuneration of the Board of Directors, the Remuneration Sub-Committee proposed for the approval of the shareholders to have to same amount as last year, that is no increase. This is because the remuneration had been adjusted already in 2015. Therefore, no increase this year.

The chairman stated the remuneration of the Board of Directors in 2019 should be no more than Baht 604,000. This divided into the meeting remuneration of no more than Baht 522,000 and the traveling and other expenses of Baht 82,000. The remuneration can be elaborated by positions as follows.

- |                                              |                                         |
|----------------------------------------------|-----------------------------------------|
| 1) Chairman and Authorized Director          | 1 person remuneration 168,000 Baht/year |
| 2) Director and Authorized Director          | 3 person remuneration 204,000 Baht/year |
| 3) Chairman of the Audit Committee           | 1 person remuneration 60,000 Baht/year  |
| 4) Audit Committee                           | 3 person remuneration 90,000 Baht/year  |
| 5) Remuneration Sub-Committee                | 3 person remuneration -                 |
| 6) Corporate Governance and Ethics Committee | 3 person remuneration -                 |
| 7) Risk Management Committee                 | 3 person remuneration -                 |
| 8) Transportation and other                  | 82,000 Baht/year                        |

Comparison by year

	2019 (Baht)	2018 (Baht)	Increase (Baht)
Directors' remuneration	604,000	604,000	0

The chairman proposed to fix their remuneration of 2019 for no more than Baht 604,000.

Approval of the remuneration of the Board of Directors in 2019 to be no more than Baht 604,000.

The meeting has approved with majority votes the remuneration of the Board of Director for 2019. The votes are as follows :

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Approved	6,732,299	shares or	100.00 %
Disapproved	0	shares or	0.00 %
Abstained	0	shares or	0.00 %
Voided ballot	0	votes or	0.00 %

### Agenda 6: Appoint the auditors, from the Office of Pitisevi Co., Ltd., includes Ms.Chaovana Viwatpanachati, Ms.Wanpen Unruan and Ms.Pornpip Amornchailertpattana , license numbers 4712, 7750 and 9589 respectively and set the auditing fee for 2019 to be not more than Baht 740,000 per year

The chairman informed the meeting that the auditing firm, Office of Pitisevi Co., Ltd., is the auditing firm listed on the Stock Exchange of Thailand and was the accounting auditor for the company in 2006 to 2018. There are three auditors, if one cannot act then the other can replace. The chairman proposed that it is appropriate to appoint the Office of Pitisevi Co., Ltd., with the auditors being, Ms.Chaovana Viwatpanachati, Ms.Wanpen Unruan and Ms.Pornpip Amornchailertpattana , license numbers 4712, 7750 and 9589 respectively to be the auditors. All of the auditors have no relationships neither/ nor conflict of interest with the company/ management/ shareholders. It is proposed the auditing fee for 2019 of no more than Baht 740,000 per year.

Name of auditors	practice license numbers	Years of signed the financial statement	Numbers of years consecutive
Ms. Chawana Viwatpanachat	4712	2010, 2011, 2012, 2013 2016, 2017, 2018	4 3
Ms. Wanpen Unruan	7750	2014, 2015	2
Ms.Pornpip Amornchailertpattana	9589	-	-

The auditing fee for 3 quarters and ending 31<sup>st</sup> of December, 2019 for to total of Baht 740,000 (Seven Hundreds and Forty Thousands Baht only) including the English copy of financial statement, details as follows:

Pitisevi Co., Ltd.	2019 (Baht)	2018 (Baht)	Increase (Baht)	Auditing period for the company
Annual auditing fee	470,000	450,000	20,000	2006 – 2018
Quarterly auditing fee	270,000	270,000	0	
Total	740,000	720,000	20,000	

The Chairman invited shareholders to comment or ask any questions. When there was no any questions and comments the Chairman asked the shareholders to approve the appointment of the auditor and approve the remuneration for 2019.

The meeting has approved by the majority votes to appoint Ms.Chaovana Viwatpanachati, Ms.Wanpen Unruan and Ms.Pornpip Amornchailertpattana , license numbers 4712, 7750 and 9589 respectively, to be the auditors of year 2019, and approved the remuneration of Baht 740,000 per year.

The votes are as follows:

Approved	6,732,299	shares or	100.00 %
Disapproved	0	shares or	0.00 %
Abstained	0	shares or	0.00 %
Voided ballot	0	votes or	0.00 %

### Agenda 7: Approve the dividend payment for year 2018 at the rate of 0.70 Baht per share with the total amount of 7,000,000 Baht, Set the Record Date for shareholders eligible for the 2018 dividend payment on 8<sup>th</sup> of May, 2019 and set the 24<sup>th</sup> of May 2019 as the dividend payment date.

The Chairman stated to the meeting that the company has the policy on dividend payment to be at least 40 per cent of the net profit after tax and legal reserve of the company. This is applicable if there is no other needs and the dividend payment would not affect the normal operations of the company significantly. Prior to making the dividend payment, it needs to incorporate important factors such as operation performance, cashflow, and expansion plan of the business.

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The rate of dividend payment as a percentage of the net profit follows the dividend payment policy. The company needs to reserve the amount of Baht 9.883 Million from net profit to be used as a budget for the business expansion including renovations and medical equipment.

The Board of Directors proposed to the shareholders' meeting to approve the dividend payment for year 2018 at 0.70 Baht per share (Seventy Satang), the total dividend payment of Baht 7,000,000, or 41.46 per cent of the net profit. And appoint the Record Date for the dividend payment to be on the 8<sup>th</sup> of May, 2019. The dividend payment date is set to be on the 24<sup>th</sup> of May, 2019.

### Dividend payment comparison with last year

	Dividend/share (Baht/share)	Net profit/share (Baht/share)	Percentage of the net profit
2014	0.35	1.11	31.54
2015	0.50	1.30	38.45
2016	0.50	1.09	54.08
2017	0.70	1.83	38.28
2018	0.70	1.69	41.46

The Chairman invited shareholders to comment or ask any questions, there was no any comment or questions. The Chairman asked the shareholders to approve the dividend payment from the net profit of 2018.

The meeting has approved by the majority votes the dividend payment of 0.70 Baht per share or totaling of Baht 7,000,000, which is 41.46 per cent of the net profit. And appoint the Record Date for the dividend payment to be on the 8<sup>th</sup> of May, 2019 and the dividend payment date is set to be on the 24<sup>th</sup> of May, 2019.

The votes are as follows:

Approved	6,732,299	shares or	100.00 %
Disapproved	0	shares or	0.00 %
Abstained	0	shares or	0.00 %
Voided ballot	0	votes or	0.00 %

### Agenda 8: Other matters (if any)

None

The Chairman closed the meeting at 11.30 a.m.

The chairman of the meeting

( Ass.Prof.Dr. Phiphat Tangsubkul )  
Chairman

The registered secretary of the meeting

( Miss Pattharaporn Promtong )